



EVEREST INFRA ENERGY LIMITED

(Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. Later the status of our Company was changed from private limited to public limited vide fresh certificate of incorporation dated August 26, 2009 and the name of our Company was changed to Everest Engineering House Limited. The name of our Company was further changed to Everest Infra Energy Limited vide fresh certificate of incorporation dated September 17, 2009. For further details please refer to the section "History and Certain Corporate Matters" beginning on page 99 of this Draft Red Herring Prospectus).

Registered Office: A- Sector, Naharlagun, Arunachal Pradesh - 791 110, India
Corporate Office: 45/1, Rafi Ahmed Kidwai Road, 2nd Floor, Kolkata- 700 016 India Tel: + 91-33- 30285458 Fax: + 91-33- 2229 0335

Contact Person: Mr. Mohan Jha, Compliance Officer
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Draft Red Herring Prospectus

Dated October 30, 2009
 will be updated upon RoC filing

Please read Section 60B of the Companies Act, 1956
100% Book Building Issue

<p align="center">PROMOTERS OF THE COMPANY: MS. LICHI SETH, MR. LICHI LEGI AND MR. DIPANKAR CHOUDHURY</p> <p>PUBLIC ISSUE OF 6,000,000 EQUITY SHARES OF RS. 10/- EACH FOR CASH AT A PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING RS. [●] LACS. THE ISSUE WILL CONSTITUTE 33.69% OF THE FULLY DILUTED POST ISSUE CAPITAL OF THE COMPANY.</p> <p><i>Our Company is considering a Pre-IPO placement of up to [●] Equity Shares aggregating Rs. [●] Lacs with certain investors, ("Pre-IPO Placement"). If the Pre-IPO placement is completed before the filing of the RHP with RoC, the Issue Size offered to the public would be reduced to the extent of such Pre-IPO placement, subject to a minimum of 25% of the post-issue paid up Equity Share Capital being offered to the public.</i></p> <p>PRICE BAND: Rs. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE OF RS. 10</p> <p>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</p> <p>THE FACE VALUE OF EQUITY SHARES IS Rs. 10 EACH. PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONSULTATION WITH THE BRLM AND ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE</p>

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

The Issue is being made through 100% Book Building Process wherein up to 50% of the Issue shall be available for allocation on a proportionate basis to QIBs. However, up to 5% of the QIB Portion shall be available for allocation proportionately to mutual funds. Further not less than 35% of the Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

<p align="center">RISK IN RELATION TO THE FIRST ISSUE</p> <p>This being the first issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the shares is Rs. 10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Price Band (determined by the Company in consultation with the Book Running Lead Manager ("BRLM") on the basis of assessment of market demand for the Equity Shares by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.</p>
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<p align="center">IPO GRADING</p> <p>Our Company has appointed [●] as the IPO Grading Agency. [●] has assigned a grade of [●] to the Issue. For details see the section titled "General Information" on page no 34 of this Draft Red Herring Prospectus.</p>

<p align="center">GENERAL RISKS</p> <p>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 offering. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The equity shares have not been recommended or approved by Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the Statement of Risk Factors beginning on page no 12 of this Draft Red Herring Prospectus.</p>
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<p align="center">ISSUER'S ABSOLUTE RESPONSIBILITY</p> <p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Issuer and the issue, which is material in the context of the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.</p>
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<p align="center">LISTING</p> <p>The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited ("BSE") (Designated Stock Exchange) and the National Stock Exchange of India Limited ("NSE"). We have received in principle approval from the BSE and NSE for the listing of Equity Shares pursuant to letters dated [●] and [●] respectively.</p>

<p align="center">BOOK RUNNING LEAD MANAGER</p>  <p>MICROSEC CAPITAL LIMITED Azimganj House, 2nd Floor 7 Camac Street Kolkata - 700 017 Tel: +91-33-2282 9330 (5 Lines) Fax: +91-33-2282 9335 E-mail: everestinfra@microsec.in Investor Grievance E-mail: investor.relations@microsec.in Website: www.microsec.in Contact Person: Mr. Manav Goenka</p>	<p align="center">REGISTRAR TO THE ISSUE</p>  <p>BIGSHARE SERVICES PRIVATE LIMITED E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka. Andheri (E) Mumbai - 400 072 Tel: +91-22-2847 0652 40430200 2847 0653 Fax No: +91-22-2847 5207 E-mail ID: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Ashok Shetty</p>
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BID / ISSUE PROGRAMME	
BID/ISSUE OPENS ON : [●]	BID/ISSUE CLOSES ON : [●]

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SECTION-I – GENERAL

DEFINITIONS AND ABBREVIATIONS

(A) Conventional / General Terms

Term	Description
Articles or Articles of Association	Articles of Association of the Company as amended from time to time
Auditors	The statutory auditors of our Company are P. Gaggar & Associates, Chartered Accountants having office at Aastha Tower, 2 nd Floor, C. K. Road, Panbazar, Guwahati-781001
Board of Directors or Board	Board of Directors of our Company or a committee constituted thereof.
Everest Infra Energy Limited" "EIEL" or "the Company" or "Our Company" or "the Issuer" or "we" or "us" or "our"	Everest Infra Energy Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at A- Sector, Naharlagun – 791110, Arunachal Pradesh and Corporate Office at 45/1, Rafi Ahmed Kidwai Road, 2 nd Floor, Kolkata- 700 016, West Bengal
Equity Shares	Equity shares of our Company of face value of Rs. 10/- each, unless otherwise specified in the context thereof.
Memorandum / Memorandum of Association	The Memorandum of Association of Everest Infra Energy Limited as amended from time to time
Promoters	<ul style="list-style-type: none"> • Ms. Lichi Seth • Mr. Lichi Legi • Mr. Dipankar Choudhury
Promoter Group	The individuals, Companies and entities as described in the section "Our Promoters and Promoter Group" on page no. 114 of this Draft Red Herring Prospectus

(B) Offering-Related Terms

Term	Description
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.
Allottee	The successful Bidder to whom the Equity Shares are/have been Issued.
ASBA	Application Supported by Blocked Amount.
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the application money of the ASBA Bidder.
ASBA Form	The application form (whether physical or electronic) in terms of which an ASBA Bidder shall make an application containing an authorisation to block the application money in an ASBA Account and which will be considered as an application for Allotment, pursuant to the terms of the Red Herring Prospectus
ASBA Bidder	A prospective investor who applies under the Issue through ASBA in accordance with the terms of the Red Herring Prospectus.
Banker(s) to the Issue	[•]
Basis of Allotment	The basis on which equity shares will be allotted to bidders under the issue and which is described under 'Issue Procedure – Basis of Allotment' beginning on page 200 of this draft Red Herring Prospectus.
Bid	<p>An indication to make an offer during the Bidding Period by a prospective investor to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto.</p> <p>For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder pursuant to</p>

Term	Description
	the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid / Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for the Issue, which shall be notified in an English national newspaper and Hindi national newspaper, both 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 Syndicate and the SCSBs as required under the SEBI Regulations.
Bid cum Application Form	The form in terms of which the Bidder shall make an indication to make offer to subscribe to the Equity Shares and which will be considered as the application for issue and transfer of the Equity Shares pursuant to the terms of this Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Prospectus and the Bid cum Application Form.
Bidding / Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Bid / Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and Hindi national newspaper, both with wide circulation.
Book Building Process	Book building route as provided in Schedule XI of the SEBI (ICDR) Regulations, in terms of which Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Microsec Capital Limited.
BSE	The Bombay Stock Exchange Limited formerly known as The Stock Exchange, Mumbai
CAN / Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Companies Act or the Act	The Companies Act, 1956, and the rules and regulations made thereunder, as amended from time to time.
Cut-off Price	Any price within the Price Band finalized by us in consultation with the BRLM. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band.
Depository	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Issue Account, which in no event shall be earlier than the date on which the Prospectus is filed with the RoC.
Designated Stock Exchanges	Bombay Stock Exchange Limited
Director(s)	Director(s) of Everest Infra Energy Limited, unless otherwise specified.
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus dated [•] issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered. Upon filing with RoC at least three days before the Bid/Issue Opening Date it will become the Red Herring Prospectus. It will become a Prospectus upon filing with RoC after the determination of Issue Price.
Eligible NRI	An NRI from jurisdictions where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to Equity Shares pursuant to the terms of the Red Herring Prospectus.

Term	Description
Escrow Account	Account opened with an Escrow Collection Bank(s) and in whose favour Bidders will issue cheques or drafts in respect of the Bid Amount when submitting a Bid (excluding ASBA Bidders).
Escrow Agreement	Agreement to be entered into among the Company, the Registrar, the Escrow Collection Bank(s), and the BRLM for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders (excluding ASBA Bidders).
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account will be opened in this case being [●].
FEMA	The Foreign Exchange Management Act, 1999, and the rules and regulations made there under, as amended from time to time.
FII	Foreign Institutional Investor (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted.
Indian GAAP	Generally accepted accounting principles in India.
Issue	The public issue of 60,00,000 Equity Shares of Rs. 10 each for cash at a price of Rs. [●] each aggregating to Rs. [●] Lacs.
Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Issue Price	The final price at which Equity Shares will be allotted in terms of this Prospectus, as determined by the Company in consultation with the BRLM, on the Pricing Date.
Issue Proceeds	The gross proceeds of the issue size that are available to the Company
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 10% to 100% of the Bid Amount.
Microsec Capital Limited	Microsec Capital Limited, a public company incorporated under the provisions of the Companies Act with the registered office at Shivam Chambers, 1 st Floor, 53, Syed Amir Ali Avenue, Kolkata-700 019
Mutual Fund Portion	5% of the QIB portion or 1,50,000 equity shares available for allocation to Mutual funds only out of the QIB Portion.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Net Proceeds	The Issue Proceeds less the Issue expenses. For further information about use of the issue Proceeds and Issue expenses see section 'Objects of the Issue' beginning on page 51 of this Draft red Herring Prospectus.
NSE	National Stock Exchange of India Limited.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders and who have bid for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being at least 9,00,000 Equity Shares available for allocation to Non-Institutional Bidders.
Non Resident	A person resident outside India, as defined under FEMA.
NRI/ Non Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Present Issue	The issue of 60,00,000 Equity Shares of Rs.10/- each at the Issue Price by the Company pursuant to this Prospectus.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to the Bidders, as applicable.
Pay-in-Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date, and

Term	Description
	(ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN.
Price Band	The price band with a minimum price (Floor Price) of Rs. [•] and the maximum price (Cap Price) of Rs. [•].
Pricing Date	The date on which the Company in consultation with the BRLM finalizes the Issue Price.
Prospectus	The prospectus, to be filed with the RoC after pricing containing, <i>inter alia</i> , the Issue Price and the number of shares that is determined at the end of the Book Building Process, the Issue and certain other information.
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, venture capital funds registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs.
QIB Portion	The portion of the Issue being up to 30,00,000 Equity Shares available for allocation to QIBs.
Registered Office of the Company	A- Sector, Naharlagun, Arunachal Pradesh, Pin: 791110, India.
Registrar/ Registrar to the Issue	Big Share Services Private Limited, a company incorporated under the Companies Act, having its registered office at E-2 & 3, Ansa Industrial Estate Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai-400 072
Retail Individual Bidders	Bidders who apply or bid for Equity Shares of or for a value of not more than Rs. 100,000.
Retail Portion	The portion of the Issue being at least 21,00,000 Equity Shares available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
RHP or Red Herring Prospectus	The Red Herring Prospectus dated [•] issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become a Prospectus after filing with the RoC after pricing and allocation.
RoC	Registrar of Companies, Shillong Morello Building, Ground Floor, Kachery Road, Shillong - 793001
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Regulations / SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI, as amended, including instructions and clarifications issued by SEBI from time to time.
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf .
Stock Exchanges	BSE & NSE.
Syndicate Agreement	The agreement to be entered into between our Company and the Syndicate, in relation to the collection of Bids (other than Bids by ASBA Bidders).
Syndicate Members	[•]
TRS/ Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate to a Bidder as proof of registration of the Bid.

Term	Description
U.S. GAAP	Generally accepted accounting principles in the United States of America.
Underwriters	The BRLM & Members of the Syndicate.
Underwriting Agreement	The agreement among the BRLM, members of the Syndicate and the Company to be entered into on or after the Pricing Date.
Working Days	All days except Saturday Sunday and any public holiday.

Industry Related Term

Term	Description
APDRP	Accelerated Power Development and Reform Programme
APGCL	Assam Power Generation Corporation Limited
ASSOCHAM	Associated Chambers of Commerce and Industry of India
CCEA	Cabinet Committee on Economic Affairs
CEA	Central Electricity Authority
CFR	Central Road Fund
CTU	Central Transmission Utility as defined in the Electricity Act, 2003
EPC	Engineering Procurement Construction
GW	Gigawatt
IIFCL	India Infrastructure Finance Company Limited
JNNURM	Jawaharlal Nehru National Urban Renewal Mission
KV	Kilovolt
Kwh	kilo Watt hour
MORTH	Ministry of Road Transport & Highways
MW	MegaWatt
NBWL	National Board of Wildlife
NEEPCO	North Eastern Electric Power Corporation
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NLDC	National Load Dispatch Centre
NPCIL	Nuclear Power corporation of India Limited
NSG	Nuclear Supplier group
PGCIL	Power Grid Corporation of India Limited
PMGSY	Prime Minister Gram Sadak Yojana
PPP Projects	Public Private Partnership Projects
RES	Renewal Energy Source
RGGVY	Rajiv Gandhi Gram Vidhyutikaran Yojana
RLDC	Regional Load Dispatch Centre
SARDP-NE	Special Accelerated Road development Programme in the North East
SERC	State Electricity Regulatory Commission
SPV	Special Purpose Vehicle
STU	State Transmission Utility as defined in the Electricity Act, 2003
T&D	Transmission and Distribution
UMPP	Ultra Mega Power Projects
ULBs	Urban Local Bodies

Abbreviations

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
AY	Assessment Year
B/W	Black and white
CAGR	Compound Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CII	Confederation of Indian Industry
CIN	Corporate Identity Number
DIN	Directors Identification Number
DP ID	Depository Participant's Identity.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EC	Education Cess
ECS	Electronic Clearing System.
EGM	Extra-Ordinary General Meeting
EMI	Equated Monthly Installment
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment, as understood under applicable Indian regulation
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the Regulations framed there under
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995), registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FY/Fiscal	Financial year/Fiscal year
GDP	Gross Domestic Product
GNP	Gross Net Profit
GoI	The Government of India
HNI	High Net-worth Individual
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
IPO	Initial Public Offering.
I.T. Act	The Income Tax Act, 1961, as amended
INR	Indian National Rupee
JV	Joint Venture
LTCCG	Long term Capital Gain
Ltd.	Limited
MAT	Minimum Alternative Tax
MOU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Assets Value
Nos.	Numbers
NRE Account	Non-Resident External Account.

NRI	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Bodies, as defined by the relevant FEMA Regulations
PAN	Permanent Account Number
P.A	Per Annum
P/E Ratio	Price/Earnings Ratio.
PLR	Prime Lending Rate.
PFY	Present Financial Year
QIB	Qualified Institutional Buyer
Qty	Quantity
RBI	Reserve Bank of India
R&D	Research and Development
RoNW	Return on Networth
Rs.	Indian National Rupee
SBI	State Bank of India
SC	Surcharge
SCRA	Securities Contracts (Regulation) Act, 1956 as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended
Sq. ft	Square Feet
STT	Securities Transaction Tax

CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "**India**" are to the Republic of India. All references in this Draft Red Herring Prospectus to the "**US**", "**USA**" or "**United States**" are to the United States of America.

Financial Data

Unless indicated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our financial information as of the three months period ended June 30, 2009 and for the financial years ended March 31, 2009, 2008, 2007, 2006 and 2005 prepared in accordance with the Generally Accepted Accounting Principles in India ("**Indian GAAP**") and the Companies Act and restated in accordance with the SEBI Regulations.

Our fiscal year commences on April 1 and ends on March 31, so all references to a particular fiscal year are to the twelve-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 U.S GAAP. Accordingly, the degree to which the financial information prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations, 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, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act and the SEBI Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Industry and Market Data

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

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$" or United States Dollars are to the official currency of the United States of America. Except where specified, in this Draft Red Herring Prospectus, all figures have been expressed in "Lacs".

FORWARD-LOOKING STATEMENTS

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

These forward-looking statements are based on our current plans and expectations and actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to:

- contingent liabilities that may materialize;
- our exposure to significant liabilities on account of unfavorable judgments/decisions in relation to legal proceedings involving our Company, including damages payable to affected parties on account of petitions filed by public interest groups;
- increased costs of developing our projects caused by delays due to unforeseen circumstances;
- non-receipt of necessary environmental and other government clearances;
- unforeseen meteorological, geological or hydrological conditions;
- our ability to successfully implement our strategy, our growth and expansion, technological changes;
- our exposure to market risks;
- general economic and political conditions in India and which have an impact on our business activities or investments;
- the monetary and Fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices;
- the performance of the financial markets in India and globally; and
- changes in competition in our industry.

For a further discussion of factors that could cause our actual results to differ, see “Risk Factors” on page 11. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, nor the members of the Syndicate, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchanges for the equity shares allotted pursuant to the Issue.

SECTION-II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not presently 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. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence has not been disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the merits and risks involved.

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

RISK INTERNAL TO THE ISSUER COMPANY AND RESULTS OF OPERATION

1. Our contracts are awarded following competitive bidding processes and as a result we may be required to lower the prices we charge for our services in response to such competition from major players in our industry, which may materially adversely impact our operating revenue and profitability

Our contracts are awarded following competitive bidding processes and satisfaction of other prescribed pre-qualification criteria. We face intense competition from big players such as IVRCL Infrastructures and projects Limited, Jyoti Structures Limited and Nagarjuna Construction Company Limited who operate at the national level, to numerous smaller localised contractors /companies. Once the prospective bidders clear the technical requirements of the tender, the contract is usually awarded based on price of the contract quoted by the prospective bidder. The nature of this process may cause us and other prospective bidders to lower prices for award of the contract, so as to maintain our respective market share. As a result of this competition we face margin pressure. Consequently, this could have a material negative effect on our financial condition and prospects.

The bidding process involves intricate calculations that form the basis for the cost budget and structures. Price bids for tenders are formulated by the Company only after incorporating the profit into the calculations. This helps the company buffer itself from the pitfalls of competitive bidding.

2. Our business is dependant on the implementation of the central and state budget allocations to the infrastructure sector.

The Company derives the bulk of its revenues from contracts awarded by the Central and State Governments and their nodal agencies. Growth in expenditure on infrastructure development is driven by the policies of the Central, State Government and their nodal agencies and also to a large extent on external aid. It may be possible that in certain cases implementation of budgetary allocation may get delayed and consequently we would receive payments against running account bills in a delayed manner, rather than specified payment conditions. The delay in payment could be on account of a change in the government, changes in any policies impacting the public at large and/or changes in external budgetary allocation or delay due to insufficiency of funds. Any slow down consequent to changes in such policies or external aid may adversely affect the growth of the Company.

3. We may not be selected for any of the projects for which we have submitted bids

There are certain proposed projects for which we have submitted financial bids or we have been qualified to submit a financial bid. To prepare and submit bids we incur significant costs. For more details see the section titled, "Our Business" beginning on page 79 of this Draft Red Herring Prospectus. We cannot assure you that we would bid where we have been qualified to submit a

financial bid or that our financial bids, when submitted or if already submitted, would be accepted. Further, there might be delays in the bid selection process owing to a variety of reasons which may be outside our control and our bids, once selected, may not be finalized within the expected time frame. As a result, our results of operations from period to period may not be comparable.

4. Our business has substantial working capital requirement

Our business demands substantial working capital. Presently, we have been sanctioned the working capital limit for an amount aggregating Rs. 13,200 Lacs. Working Capital requirement is also partially met through internal accruals. Generally, payments from clients are linked to completion of milestones, which are spread out over the execution period of the contract. Consequently, there could be situations where the total funds available may not be sufficient to fulfill our commitments. In which case, additional funding can be raised through commercial borrowings, vendor financing or issue of fresh capital. In this event, the interest obligations would increase and we may be subject to additional covenants. In case we decide to raise additional capital, the shareholding pattern could change. However, we have to manage our working capital carefully. In the event that we do not receive timely payment from our clients, we may have to delay payments to creditors or lenders.

5. We are involved in legal proceedings which, if determined against us, could affect our business and financial conditions.

We are party to various legal proceedings. No assurances can be given as to whether these matters will be settled in our favour or against us. If a claim is determined against us and we are required to pay all or a portion of the disputed amount, it could have an adverse effect on our results of operations and cash flows. A classification of the legal proceedings instituted against us and the monetary amount involved in these cases are mentioned in brief below:

Proceedings instituted against us, our Promoters, Directors and Group Company:

Against:

Category	Company		Promoters		Directors		Group Company	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
Criminal Proceedings	1	11.50	1	11.50	1	11.50	-	-
Civil Proceedings	-	-	-	-	-	-	1	3.43

Rs. in Lacs

Note: The amounts indicated above are approximate amounts, wherever quantifiable.

For further details, please refer to the section titled "Outstanding Litigations and Material Developments" on page 155 of this Draft Red Herring Prospectus.

6. We may be unable to negotiate favourable credit terms from our suppliers.

We have maintained a long term relationship with most of our suppliers and have been able to negotiate favourable credit terms from them due to increased order sizes and timely payments. We cannot assure that this will also be continued and we will be able to maintain and negotiate similar favourable credit terms in future.

7. Any disruption in our manufacturing facilities caused due to labour unrest or natural disasters may affect our results of operations.

Our pole manufacturing factories located at Tezpur in Assam and in Purulia district of West Bengal are subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, continued availability of services of external contractors, industrial accidents, earthquakes, and other natural disasters. We also need to comply with the directives of relevant government authorities. We cannot assure you that our insurance coverage may be adequate should any or all of the aforesaid contingencies actually occur. The occurrence of any or all of these could significantly affect our operating results.

8. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution.

The objects for which the funds are being raised have not been appraised by any bank or financial institution. The estimate of costs is based on quotations received from vendors and management estimates. Though these quotes/ estimates have been taken recently, they are subject to change and may result in cost escalation. The requirement of working capital has been determined based on our estimates in line with the past trends. Any change or cost escalation can significantly increase our requirement of funds.

9. We have not entered into any definitive agreement for purchase of equipments and have not placed orders for any of the equipments proposed to be purchased by us and as specified in the Objects of the Issue

A part of the Issue proceeds shall be utilized for purchase of construction equipments as explained in the section titled 'Objects of the Issue' beginning on page 51 of this draft red herring prospectus. We have not yet placed orders for any of the equipments. Any delay in placing the orders or procurement of equipment may delay the execution of orders in hand. Such delays may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability.

10. We do not own the premises where our registered office and corporate office and site offices are located. We also do not own the premises where our pole factories (i.e at Tezpur, Assam and Purulia, West Bengal) are located and are merely monthly tenants. In the event our rights over the property is not renewed or is revoked or is renewed on terms less favourable to us, our business activities may be disrupted.

At present we do not own the premises that we use as our registered office, corporate office and our site offices. We also do not own the premises where our pole factories (i.e at Tezpur, Assam and Purulia, West Bengal) are located. In the event the owner of the premises revokes the consent granted to us or fails to renew the tenancy, we may suffer disruption in our operations. If the terms of the lease are violated by us or if we are unable to renew the leases prior to the expiry of the term thereof on terms and conditions favourable to us, we may suffer a disruption in our operations.

11. We occupy a few premises which are residential in nature but are used for office purposes.

Our company maybe subjected to penalties and orders for use of such residential premises for commercial/official purpose without taking prior permission from the relevant authorities. Our Company, however, ensures to take permission from the other occupants of the premise for such use.

12. Loss Making Group Companies

One of our group companies has incurred losses in certain of the last three fiscal years. The profit/ (loss) figures are as under:

	Rs. in Lacs		
Name	Fiscal 2009	Fiscal 2008	Fiscal 2007
Ankar-Pali Merchants Private Limited	2.39	(0.08)	(0.16)

For more details, please refer to the section "Our Promoters and Promoter Group" beginning on page 114 of this Draft Red Herring Prospectus.

13. There may be possible conflicts of interest between us and our Promoters or one or more of our Group Companies, or with entities in which our Directors are interested.

Our Promoters are actively involved in the management of both our business and the business operations of our two Group Companies, including in related lines of our business. Attention to the other of our Group Companies, including those in related lines of our business, may distract or dilute management attention from our business, which could adversely affect our business, financial condition and results of operations. There can be no assurance that our Promoters or Group Companies will not provide comparable services, expand their presence or acquire interests in competing ventures in the locations in which we operate. Being in similar business, the same may lead to conflict of interest between our Company and the group companies which have been promoted and/or controlled by promoters /promoters group

For more details regarding our Promoters and Group Companies, please refer to the section entitled "Our Promoters and Promoter Group" on page 114 of this Draft Red Herring Prospectus

14. We have entered into related party transactions with our promoters

We have entered into transactions with our promoters. Whilst we believe that all such transactions have been conducted on an "arm's length basis", there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions individually or in the aggregate, will not have an adverse effect on our business and results of operations. For details on related party transactions refer to "Financial Statements – Related Party Transactions" beginning on page 138 of this Draft Red Herring Prospectus.

15. There are restrictive covenants in the agreements we have entered into with certain banks for working capital credit facilities and other borrowings

We have entered into agreements with certain banks for working capital credit facilities for which our current assets and inventories have been charged. Some of these agreements contain restrictive covenants that require our Company to obtain prior permission from the concerned banks prior to undertaking activities such as new ventures, diversification, modernization, issue of Equity Shares, change in capital structure, change in management, etc. If the consent of the concerned banks is not forthcoming our ability to undertake the above mentioned activities will be restricted.

16. National Recognition of the Company

Our existing business is largely concentrated in the Eastern region of India. If we do not diversify our business to other regions, we will become more of a regional player. This may affect our chances of getting orders from other parts of the Country.

Our Company had strategically opted to focus across Eastern part of India which been infrastructurally under developed and has potential for growth. We have executed a number of projects in Eastern India thereby developing a strong foothold in this part of the country. However, our Company shall now diversify its business activities in other parts of the country to replicate its success in the Eastern region.

17. Penalties for Time Overrun

Our Company executes construction contracts primarily in sectors such as roads, power distribution and transmission, etc. We typically enter into high value contracts for the aforesaid activities, which provide for levy of penalty normally for time-overrun cases. Although, our project management team is experienced and employs its diligence right from choosing the project and monitoring it at every step of implementation time overruns may occur mostly due to site conditions and due to delayed front availability in certain cases from the supplier which causes time overrun. In case we are unable to meet the performance criteria as prescribed by the respective clients and penalties are levied, the financial performance of our Company may be adversely affected.

18. Activities in the power transmission and distribution business can be dangerous and can cause injury to people or property in certain circumstances. This could subject us to significant disruptions in our business, legal and regulatory actions, which could adversely affect our business, financial condition and results of operations.

The nature of our business requires us to work with electricity under potentially dangerous circumstances. If improperly handled or subjected to unsuitable conditions, high voltage electricity can hurt or kill employees or other persons and cause damage to our properties and the properties of others. This could subject us to disruptions in our business, legal and regulatory difficulties and costs and liabilities, which could adversely affect our results of operations. We do not carry any insurance against harm to third parties, other than during the course of construction of our projects. In certain countries, there have been attempts by claimants to argue that the high-voltage transmission of electricity can have an adverse effect on the health of people who spend time near transmission infrastructure. To our knowledge, no such claim has succeeded. If, however, any such claim were to be brought against us and succeed, our business and financial condition could be adversely affected.

19. The operations of the Company are subjected to employee, health and safety laws and regulations.

The Company is subjected to laws and regulations governing (a) relationships with employees in areas of overtime, working conditions, hiring and terminating of employees, contract labour and work permits, (b) health and safety legislations. Non-compliance of any of these statutory requirements may lead to imposition of penalties and legal action which may adversely affect the operations and performance of the Company.

20. The Company's revenues largely depend upon acceptance of the bids submitted for various infrastructure projects. In case the majority of the bids are not accepted, the performance of the Company may be adversely affected.

The Company is predominantly dependent upon contracts awarded by Central and State government agencies and large infrastructure companies either directly or indirectly for its operations. We compete with various small and large players in bidding for infrastructure projects and the Company's revenues and performance depend largely upon acceptance of the bids submitted by it. The Company's ability to win contracts based on competitive bidding process is limited by virtue of its size and contracts won on thin margins may adversely affect its operations.

21. Social and environmental laws and concerns may create increasing difficulties for us as we engage in new transmission projects.

Contracts awarded to us involve certain social and environmental costs. We expect that as time passes there may be more social disapproval of the construction of large and extensive manmade structures such as power lines and towers, due to increasing general concerns for the state of the natural environment or for other reasons. Any such change in regulation or law could make it more difficult for us to build new transmission projects in the future, which could have an adverse effect on our growth plans.

22. Adverse weather conditions can delay the completion of contracts and we may run behind the estimated schedule

Execution of work on construction sites may be affected by heavy monsoon/extreme weather. South-West monsoons which affects parts of India, slows down the overall construction activity. Implementation of the projects undertaken by the Company may get delayed due to adverse weather conditions. Consequently, this may result in a delay in the execution of the Company's contractual obligations thereby affecting its business.

Our Company has been operating successfully in diverse conditions and terrains very successfully over the years and has gained significant experience in handling adverse conditions. Our project execution team possesses significant insight of the local environment and climate during the implementation of the project and accordingly plans its schedule of implementation. The infrastructure industry as a whole is impacted by seasonality of the monsoons. To buffer against such seasonality, our Company plans the project in such a way so as to allow for some work to continue on sites keeping financial feasibility in perspective.

23. We require certain approvals and licenses in the ordinary course of business and the failure to obtain or retain them in a timely manner may adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. Also, we need to obtain certain licenses and approvals for our Factories and/or Projects which has also been listed in the section titled "Government and Other Approvals" on page 157 of this Draft Red Herring Prospectus. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business may be adversely affected and/or the company and/or its directors may be held liable for the offence.

24. Contingent liabilities could adversely affect our financial condition

We have contingent liabilities in the following amounts as of the dates indicated and as disclosed in our restated financial statements:

Description of the Liability	Amt in Lacs			
	As on June 30, 2009	As on Mar 31, 2009	As on Mar 31, 2008	As on Mar 31, 2007
Bank Guarantee	8942.00	8527.00	2774.00	2608.00
Claim against the Company not acknowledged	54.26	--	--	--
Total	8996.26	8527.00	2774.00	2608.00

In the event that any of our contingent liabilities become non-contingent, our financial condition and results of operations may be adversely affected. Our capital commitments not provided for could adversely affect our financial condition if such commitments are not executed according to the terms and conditions of the respective contracts.

25. In the past twelve months we have issued shares at a price which may be lower than the Issue Price

We have allotted 77,90,000 equity shares as bonus to our existing shareholders in the ratio of 2:1 (i.e., two equity shares for every one share held) on October 10, 2009. In addition to it, we have also allotted 1,26,000 equity shares at a price of Rs. 30 per share to our promoters and employees through on October 10, 2009.

26. Deployment of issue proceeds is entirely at the discretion of the management of the company and is not subject to any monitoring by any independent agency.

The use of proceeds of the issue will be in accordance with the chapter titled "Objects of the Issue" beginning on page 51 of the Draft Red Herring Prospectus. No bank or financial institution has appraised the objects for which proceeds are proposed to be raised through the issue and no independent agency has been appointed for monitoring the use of the proceeds.

27. The completion of our projects is subject to unexpected complexities and delays, which may cause the actual costs of implementing a project to differ significantly from our estimates.

There are a number of uncertainties and unexpected complexities and delays inherent in the process of bidding and completion of the project awarded to us including but not limited to:

- Availability of Working Capital;
- Availability and cost of skilled labour and transport facilities;
- Difficulties associated with accurately anticipating geological and climatic conditions;
- Delay or failure to obtain necessary environmental and other governmental clearances, including those relating to financing of our projects;
- Interruptions or delays caused by project-affected persons, special interest groups or labour unions or local communities;
- Disruptions caused by natural disasters such as earthquakes, landslides or floods, accidents, explosions, fires, or the breakdown, failure or substandard performance of equipment due to improper installation or operation; and

However, all the agreements entered into by us with the clients have a clause of price variation. In cases where such approval is not granted, we bear the additional costs and the penalties levied for the default. Further, delay in execution or adjustment in the scope of a project may result in our failure to receive, on a timely basis or at all, the payments due to us for a project. Any delay or default in payment for incomplete projects may result in higher costs, lower return on capital or reduced earnings, and may require us to absorb unrecompensed costs or pay penalties for delay.

28. Our contracts in hand may be delayed which could have a material adverse effect on our cash flow position, revenues and earnings.

Our contracts in hand do not necessarily indicate future earnings. We may also face problems in executing the project as contracted, or executing it on a timely basis. Moreover, factors beyond our control or the control of our clients may delay a project or cause change of scope, including delays or failures to obtain necessary permits, authorizations, permissions and other types of difficulties or obstructions. Due to the possibility of delays or changes in project scope and schedule, as a result of exercise of our clients' discretion, problems we encounter in project execution, or reasons outside our control or the control of our clients, we cannot predict with certainty when, if or to what extent a contract will be performed. Delays in the completion of a project can lead to clients delaying to us some or all of the amounts we expect to be paid in respect of the project. Any delay, reduction in scope, execution, difficulty or payment delay in regard to unexecuted part of our contract or disputes with clients in respect of any of the foregoing could have a material adverse effect on our cash flow position, revenues and earnings.

29. Delays in the completion of current and future projects could have adverse effects on our operating results

We provide performance guarantees to our clients which require us to complete projects within a specified time frame. If we fail to complete a project as scheduled, we may generally be held liable for penalties in the form of agreed liquidated damages, which would ordinarily range between 5% to 10% of the total project cost or, in some cases, the client may be entitled to appoint, at our expense, a third party to complete the work. To the extent that this happens and is not otherwise covered by the limitation of liability clause in the relevant contracts, the total cost of a project would exceed our original estimates and we could experience reduced profit or a loss on that project.

30. All properties, Agreements, Licenses, permission etc., are held by the company in the name of Everest Engineering House Private Limited

Our Company has changed its status from private limited to public Limited w.e.f. August 26, 2009 and further changed its name from Everest Engineering House Limited to Everest Infra Energy Limited w.e.f. September 17, 2009. All the properties, licenses, permissions etc, obtained are held by the company in its old name i.e., Everest Engineering House Private Limited and are not yet transferred in the new name of the Company. However application for updating the name change has been made to respective department/ nodal agencies, wherever applicable.

31. We are dependent on our promoters and any inability on their part to contribute to the business may affect our performance

We are dependent on the experience and the continued efforts of our promoter directors Ms. Lichi Seth and Mr. Dipankar Choudhury who have been associated with the company since inception. The promoters have been involved with the critical functions like strategy formulation, conceptualization, spearheading the execution and overseeing the key functions of the Company.

Our Company has a broad based Board of Directors with seasoned and experienced professionals from varied field of expertise who assist our promoter directors to execute and spearhead the various functions of the company. We also have an experienced team of finance professionals, project managers and other professionals who are involved in the day-to-day operations of our Company and ably assist the Board to execute various functions. This reduces our dependence on the promoters to manage the operations of the Company.

32. The disassociation of key managerial personnel from our Company could adversely affect our business

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for project implementation, management and running of our daily operations, and the planning and execution of our business strategy.

There is intense competition for experienced senior management and other key personnel with technical and industry expertise in the infrastructure sector and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired. We do not own key man insurance and the loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would adversely affect our business and results of operations. Further shortage of skilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business, and results of operations.

33. Any polarisation in labour relations may subject us to industrial unrest, slowdowns, and increased wage costs.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although, we currently have harmonious relations with all our employees, there can be no assurance that we will continue to have such relations or that the employees will not form unions in the future. If our relations with the employees are strained, our business may be adversely affected.

34. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our operations, results and financial condition.

We expect that our growth strategy will place significant demands on our management, financial and other resources. In particular, continued expansion increases the challenges involved in financial and technical management, recruitment, training and retaining sufficient skilled technical and management personnel, and developing and improving our internal administrative infrastructure. We intend to continue expansion in the foreseeable future to pursue existing and potential market opportunities. Our inability to manage our business plan effectively and execute our growth strategy could have an adverse effect on our operations, results, financial condition and cash flows.

In order to manage growth effectively, we must implement and improve operational systems, procedures and internal controls on a timely basis. If we fail to implement these systems, procedures and controls on a timely basis, or if there are weaknesses in our internal controls that would result in inconsistent internal standard operating procedures, we may not be able to meet our customers' needs, hire and retain new employees, pursue new business, complete future strategic agreements or operate our business effectively. There can be no assurance that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations.

35. We may not have sufficient insurance coverage to cover all possible economic losses. The occurrence of an event for which we are not adequately or sufficiently insured could have an adverse effect on our business, results of operations, financial condition and cash flows.

Operations in our business carry inherent risks of personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance coverage, in amounts which we believe are commercially appropriate, including insurance against damage, loss of profit and business interruption. See "Our Business – Insurance" on page 92 of this Draft Red Herring Prospectus. However, such insurance may not be adequate to cover all losses or liabilities that may arise from our operations, including when the loss suffered is not easily quantifiable and in the event of severe damage to our reputation. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms.

In addition, in the future, we may not be able to maintain insurance of the types or at levels which we deem necessary or adequate or at rates which we consider reasonable. The occurrence of an event for which we are not adequately or sufficiently insured or the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows

RISK RELATED TO THE EQUITY SHARES

36. The price of our Equity Shares may be highly volatile

The equity shares offered pursuant to the Issue will be listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. Prior to the Issue there has been no public market for the equity shares of our Company and an active market may not develop after the issue. The issue price of the share may bear no relationship with the market price of shares after the Issue. The prices of our equity shares on the Indian Stock Exchanges may fluctuate significantly after the Issue as a result of several factors including:

- Volatility in Indian and global securities market;
- Our results of operations and performance;
- Performance of our competitors and perception in the Indian market about investment in the infrastructure sector;
- Changes in the estimates of our performance or recommendations by financial analysts;

- Significant development in India's economics liberalization and de-regulation policies; and
- Significant development in India's fiscal and environmental regulations.

There can be no assurance that the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue. Also, sale by the Promoters or major shareholders of their shareholding (subject to lock-in compliances) may affect the trading price of our Equity Shares

Securities market is a volatile market and responds quickly to any change in factors like economic or financial condition of the company, results, competitors' perspective etc., but in addition to it the ever-increasing restriction and compliance measures by regulatory bodies have discouraged the unwanted fluctuations in the share price.

37. We do not have a track record for payment of dividend on equity shares

We do not have the track record of dividend distribution on the Equity Shares. The future payment of dividends, if any, would be based on the then available distributable profits and the recommendations of our Board of Directors. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

We have not declared dividend in the past with the object to conserve the resources and utilize the same for future growth and expansions.

RISK IN RELATION TO THE ISSUE

38. There is no guarantee that the Equity Shares will be listed on BSE and NSE in a timely manner. 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. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the stock exchange(s). Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

39. Post this Issue, our Promoters and Promoter group would control substantial voting power, investors may not be able to affect the outcome of any shareholder vote

Following the Issue, our Promoters and Promoter group entities will own 59.95% of our issued and paid-up Equity Share capital. So long as our Promoters own a majority of our Equity Shares, they would be able to elect our Board of Directors and control most of the matters affecting us, including appointment and removal of our officers, our business strategy and policies, any decision with respect to mergers, amalgamations, acquisitions or disposal of assets, the incurrence of indebtedness, the issuance of any additional shares or other equity securities, our dividend policy and our capital structure and financing. Further, this control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the Company's best interest. In addition, for so long as the Promoter and the Promoter Group continues to exercise significant control over the Company, they may influence the material policies of the Company in a manner that could conflict with the interests of our other shareholders.

Our Company has witnessed a noteworthy growth under their leadership of our promoters. Our promoters come with idea of diversification from time to time, keeping in view the beneficial interest of the shareholders.

40. Any future issuance of Equity Shares by the Company or sales of the Equity Shares by any of its significant shareholders may adversely affect the trading price of the Equity Shares

If we do not have sufficient internal resources to fund our working capital or capital expenditure needs in the future, we may need to raise funds through further equity offerings. Any future issuance of our Equity Shares by the Company could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares. Upon completion of the Issue, 20% of our post-Offer paid-up capital held by certain of our Promoters will be locked up for a period of three years from the date of allotment of Equity Shares in the Issue. For further information relating to such Equity Shares that will be locked up, please refer to the section entitled "Capital Structure" beginning on page 42 of this Draft Red Herring Prospectus. All other remaining Equity Shares that are outstanding prior to the Offer will be locked up for a period of one year from the date of allotment of Equity Shares in the Issue.

We operate in a professional manner and decisions relating to the capital issue are being taken by the experienced managerial group keeping in mind the interest of general shareholders. Our Board comprises of professional independent Directors and important corporate decisions are taken on joint, consultative basis.

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

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility 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 breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

42. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue until the Issue receives the appropriate trading approvals.

Our Equity Shares will be listed on BSE and NSE. 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 BSE and NSE. Thereafter, upon receipt of final approval from BSE and NSE, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. 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 delay in obtaining the approvals would restrict your ability to dispose of your equity shares.

RISK FACTORS BEYOND THE CONTROL OF THE COMPANY

43. The Indian Infrastructure Industry is very competitive. We have close competition with other players who are established in market since years

The Indian Infrastructure Industry is very competitive with a large number of players. We face competition from large players operating at the national level, to numerous smaller localised contractors /companies. Once the prospective bidders clear the technical requirements of the tender, the contract is usually awarded based on price of the contract quoted by the prospective bidder. The nature of this process may cause the Company and other prospective bidders to lower prices for award of the contract, so as to maintain the respective market share of the Company. As a result of this competition, the Company faces margin pressure. Consequently, this could have a material negative effect on the financial condition and prospects.

RISK SPECIFIC TO INDIAN ECONOMY

44. Political, economic and social developments in India could adversely affect our business.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by changes in the Government's policies, including taxation. Social, political, economic or other developments in or affecting India, acts of war and acts of terrorism could also adversely affect our business.

Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued and any significant change in the Government's policies in the future could affect business and economic conditions in India in general and could also affect our business and industry in particular. In addition, any political instability in India or geo political stability affecting India will adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

45. A slowdown in economic growth in India may adversely impact our business.

Our performance and the growth of our business are necessarily dependant on the performance of the overall Indian economy. India's economy could be adversely affected by a general rise in interest rates, currency exchange rates, adverse conditions affecting agriculture, commodity and electricity prices or various other factors. Further, conditions outside India, such as slowdowns in the economic growth of other countries could have an impact on the growth of the Indian economy, and government policy may change in response to such conditions. The Government of India has recently revised its growth projection for fiscal year 2009. A slowdown in the Indian economy could adversely affect our business, including our ability to implement our strategy and increase our participation in the power sector.

46. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in Asia, the United States of America, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other markets may increase volatility in Indian financial markets and, indirectly, in the Indian economy in general.

47. The extent and reliability of Indian infrastructure could adversely effect our results of operations an financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have an adverse effect on our results of operations and financial condition.

48. Acts of violence could adversely affect the financial markets, result in a loss of customer confidence and adversely affect our business, results of operations, financial condition and cash flows.

Certain events that are beyond our control, including terrorist attacks and other acts of violence or war, which may adversely affect worldwide financial markets and potentially lead to economic recession, could adversely affect our business, results of operations, financial condition and cash flows. Additionally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of operations, which could have an adverse effect on the market for our services.

NOTES:

- i. Net worth of our Company as on June 30, 2009 is Rs. 2,691.13 Lacs.
- ii. The present Issue is of 60,00,000 Equity Shares of Rs. 10/- each for cash at a Premium of Rs. [•] per Equity Share aggregating Rs. [•] Lacs
- iii. Book Value of the Equity Shares of our Company as on June 30, 2009 is Rs. 69.09 per Equity Share.
- iv. Investors are advised to refer to the paragraph on "Basis for Issue Price" beginning on page 56 before making an investment in this Issue.
- v. Investors may note that in case of over subscription, the allotment shall be on proportionate basis and for details reference may be made to Para on "Basis of Allotment" given on page 200 of this Draft Red Herring Prospectus.
- vi. The investors are advised to refer the Paragraph on promoter's background on page 114 and past financial performance of the Company on page 121 before making an investment in the proposed issue.
- vii. There are no relationships with statutory auditors of the Company other than auditing and certification of financial statements.
- viii. Investors may note that allotment and trading in the Equity Shares of our Company shall be done only in dematerialized form.
- ix. The average cost of acquisition of Equity Shares of face value of Rs. 10 each by the company's Promoters is as follows:

Sr. No.	Name of Shareholder	Avg. Cost of Acquisition (Rs.)	No of Shares
1.	Ms. Lichi Seth	15.74	3,672,750
2.	Mr. Lichi Legi	17.04	2,028,750
3.	Mr. Dipankar Choudhury	26.44	1,126,250

- x. Except as disclosed in the sections "Our Management" and "Our Promoter and Promoter Group" on pages 102 and 114 of this Draft Red Herring Prospectus, none of our Promoters, our Directors and our key managerial employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates.
- xi.** For details on the transactions with the promoter group during the last year, the nature of the transactions and the cumulative value of transactions see "Related Party Transaction on page 138 of this Draft Red herring Prospectus.
- xii. Our Promoter Group Companies are engaged in the businesses similar to ours. For more details see section "Our Promoters and Promoter Group" beginning to on page 114 of this Draft Red Herring Prospectus.
- xiii. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Public Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers, of which 5% shall be reserved for Mutual Funds. Further, not less than 15% of the Public Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Public 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.
- xiv. Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. Later the status of our Company was changed from private limited to public limited vide fresh certificate of incorporation dated August 26, 2009 and the name of our Company was changed to Everest Engineering House Limited. The name of our Company was further changed to Everest Infra Energy Limited vide fresh certificate of incorporation dated September 17, 2009.
- xv. Investors may contact the Book Running Lead Manager or the Compliance Officer for any complaint/ clarification/information pertaining to the Issue.
- xvi. Trading in Equity Shares for all investors shall be in dematerialized form only, after the Equity Shares are made fully paid-up.
- xvii. Any clarification or information relating to the Offer shall be made available by the BRLM, and the Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLM and the Syndicate Members for any complaints pertaining to the Offer.

SECTION-III - INTRODUCTION

SUMMARY OF INDUSTRY

India's Infrastructure Industry: An Overview

The infrastructure sector covers the services of transportation (railways, roads, ports, and civil aviation), communications (telecommunications and postal services), electricity and other services such as water supply and sanitation, solid waste management, and urban transport. Construction activity is an integral part of a country's infrastructure and industrial development and hence can rightly be termed as the basic input for socio-economic development. Its presence and contribution is immense in terms of providing huge opportunities for direct and indirect employment. Construction sector has grown at about 12.25% p.a. between FY03-FY09. It contributes about 7% of the GDP. (Source: ASSOCHAM)

Investment in Rural Infrastructure

The government has started a special programme, Bharat Nirman, for the improvement of India's rural infrastructure. Out of the total projected investment of US\$ 301.37 billion to be incurred by the centre and the states in the Eleventh Plan, US\$ 85.53 billion would be spent entirely towards improvement of rural infrastructure.

Opportunities in Public-Private Partnership (PPP)

Apart from being an alternate source of finance, PPP is being looked at as a possible value addition in various aspects of the value chain of infrastructure development including innovation, managerial efficiency in project management, and adoption of better technology in key infrastructure areas. The Planning Commission envisages that private sector investment will increase as a percentage of overall investment and over a larger base in coming years.

Power Infrastructure

Growth Potential

According to a report by CII, India's energy sector will require an investment of around US\$ 120 billion-US\$ 150 billion over the next five years.

The government has revised its target of power capacity addition to 90,000 MW in the 11th Five-Year-Plan (2007-12), up by 11,423 MW from the earlier estimate of 78,577 MW to sustain the growth momentum of the economy.

Further, according to the Planning Commission estimates, renewable energy (RE) projects worth US\$ 16.50 billion, for the generation of 15,000 MW power, would come up in the 11th Plan.

Moreover, the government has earmarked a total capital subsidy of US\$ 6.88 billion for providing electricity connections and for the distribution of infrastructure to rural households.

Transmission & Distribution

The eastern region of the country has strengths in coal-fired generation and the north eastern region has strengths in hydel generation. On the other hand there is strong demand for electricity in the northern, western and southern regions. These 'gains from trade' are being harnessed by strengthening interregional trade in electricity.

The Electricity Act has already created the legislative framework through which buyers and sellers of electricity anywhere in the system can be brought together. The national power grid has been strengthened to facilitate transfer the electricity from the surplus regions to the customers elsewhere in the country. From March 2003 onwards, the eastern region and north-eastern region are working in

synchronized mode with the Western Regional Grid. Up to 1,500 MW flows into the Western Regional Grid.

The present total Inter Regional Transmission capacity available across all regions is 20,570 MW. As buyers and sellers of electricity fully exploit the opportunities that have unfolded after the Electricity Act, there will be heightened demand for transactions that span large distances.

Investments

India's electricity generation resources are distributed unevenly, and large capacities are being added in the north-eastern region. The inter-regional transmission capacity currently stands at 20,570 MW, which enables the exchange of power between various regions. However, of the large number of power plants being set up in the eastern and northeastern regions, a major component will be utilised by states suffering from power shortages. Consequently, there is a critical requirement for a reliable evacuation and transmission system within the Indian power sector.

Road Infrastructure

Road transport is vital to the economic development and social integration of the country. Road transport fulfils a major role in the Indian economy involving a wide range of industries and services from vehicle manufacturers and suppliers to infrastructure builders, services, energy providers, public authorities, insurance and many others.

Transport sector accounts for a share of 6.4% in India's Gross Domestic Product (GDP).

Growth Potential

The Indian government has launched the ambitious National Highway Development Programme (NHDP) involving a total investment of US\$ 54.1 billion up to 2012.

In 2008-09 itself, the NHAI has infused US\$ 4 billion in the NHDP.

It has also started the Bharat Nirman Programme that aims to cover every village having a population of over 1,000 or over 500 in hilly and tribal areas, with all-weather roads.

For the roads and bridges sector, the Eleventh Five Year Plan envisages a total investment of approximately US\$ 78.5 billion over the five-year period starting from 2007-08.

As part of a larger plan to improve the country's infrastructure, the government has given the nod to 10 road projects which will be built in public-private partnership at an estimated cost of US\$ 2.48 billion. The projects are aimed at four-laning of national highways in eight states.

Under the Special Accelerated Road Development Programme in the North East (SARDP-NE), the Cabinet Committee on Economic Affairs (CCEA) has agreed to the modifications to Phase A of the SARDP-NE, to facilitate road linkage to Sittwe port of Myanmar, with an investment of US\$ 1.24 billion.

Development of National Highways in North-Eastern Region

The Ministry has been paying special attention to the development of National Highways in the North-Eastern region and 10% of the total allocation for NHs is earmarked for NE region. The total length of National Highways in North-East, including Sikkim, is 8480 km and these are being developed and maintained by three agencies - the state PWDs, BRO and NHAI. Of the total length of 8480 km, about 3336 km is with the BRO and 4444 km is with the respective state PWDs. The remaining length of 700 km is with NHAI.

SUMMARY OF OUR BUSINESS

Introduction

Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. Later the status of our Company was changed from private limited to public limited vide fresh certificate of incorporation dated August 26, 2009 and the name of our Company was changed to Everest Engineering House Limited. The name of our Company was further changed to Everest Infra Energy Limited vide fresh certificate of incorporation dated September 17, 2009.

Our Company is engaged in the erection, installation and commissioning of High Tension & Low Tension voltage equipments along with designing and commissioning of sub-stations for various private & government bodies. The company has executed projects under the "Rajiv Gandhi Grameen Vidyutikaran Yojana" (RGGVY) for rural electrification works in the states of Bihar, West Bengal and Chhattisgarh. Similarly, the Company has been awarded projects under the "Pradhan Mantri Gram Sadak Yojana" (PMGSY) for development of road infrastructure. The Company has executed orders and has operations in 7 states namely Arunachal Pradesh, Assam, West Bengal, Chhattisgarh, Bihar, Orissa and Jharkhand for valued clients like the Government of Arunachal Pradesh, CPWD, National Hydro Electric Power Corporation (NHPC), Power Grid Corporation, IOCL and North Eastern Electric Power Corporation.

We have progressed rapidly from being a small time player to become a key player in the power sector in the Eastern Region specially in Engineering Procurement and Commission (EPC) contracts for erecting of HV transmission lines, 220/132 KV sub-stations and village electrification works. As we were one of the early entrants in the projects for EPC contracts for erecting of transmission lines, we now possess the necessary experience, which is mandatory for qualifying for bidding for such projects under various schemes for broadening the power infrastructure.

Currently, we operate our business through the following two divisions.

- 1. Power**
- 2. Roads**

A. Power

Our Company has progressed rapidly from being a small time player to become a key player in the power sector in the Eastern Region specially in EPC contracts for erection of HV transmission lines, 220/132 KV Sub-Stations and village electrification works. More than 90% of our current revenues are earned from this division.

Our main business areas in this division are:

- **Rural Electrification**
- **Substation & Transmission in EHV**
- **Associated Design & Engineering**

Our current order book for the power division is in excess of Rs.30,000 Lacs.

B. Roads

Our Company executed its first major road construction contract in the year 2008 in the Purbi Champaran District of Bihar. This contract was worth about Rs. 2000 Lacs. This contract was extremely crucial as it led us to invest in state-of-art equipments related to construction of roads of high quality as well as building up of a team of specialists.

Government sponsored projects for creation/enhancement of village electrification infrastructure often include a substantial construction component in the area of road & railway connectivity. The company has executed several prestigious projects in this area, including construction of Two-Lane roads under Prime Minister Gramin Sadak Yojana (PMGSY Scheme) of Government of India.

Main Business Areas

Our main business areas in this division are:

- Internal Roads and Rural Roads
- Operation and Maintenance

Business Strategy

Our strategy is to build upon our competitive strengths and available business opportunities to become a leading power and infrastructure company in India. We intend to pursue suitable opportunities in North East region of India, as well as other regions of the Country. Historically, we have been most active in Arunachal Pradesh, West Bengal, Bihar, Orissa, Assam and Jharkhand. We intend to diversify into the development of mini hydel stations. Towards achieving these objectives, we are working on the following strategies:

Continue to pursue growth in what we believe to be our core competency - the Power and Infrastructure sector

We intend to target specific project segments where we believe there is high potential for growth and where we enjoy competitive advantages. Currently, our strategy is to build upon our competitive strengths in the Power and Infrastructure sector to become a leading market player in India. We intend to continue to be active in the Eastern and North East region of India. It is also our intention to pursue suitable opportunities in other region/parts of India. We believe that government spending on the power and road infrastructure sector will be a key component of India's goal of sustained annual GDP growth. We believe that our expertise and experience in the EPC contracts for rural electrification projects, as well as our established reputation in execution of road projects, will provide us with an advantage in pursuing growth opportunities in this fast-growing sector.

Establish our presence across diverse sectors

We are actively focused on becoming a diversified infrastructure player. We are currently operating in rural electrification and roads (construction and maintenance). Additionally, we are evaluating opportunities in the hydel power stations and railway sectors for which our existing technical team is adequately qualified. Being into EPC contracts in rural electrification business, which involve various kind of civil works (i.e. constructing site offices, boundary walls etc.) and in addition to this the basic equipment required for rural electrification and roads i.e. dumpers, tippers, survey equipment etc. are also common for construction of hydel stations and railway infrastructure. Besides, personnel such as supervisors, civil engineers and other technical support staff can also be moved from one business division to the other with relative ease as per the requirement.

Remain focused on timely execution of projects and maintain the quality standards.

We believe that we have developed a reputation for undertaking challenging construction projects and executing them within the stipulated timeframe. We intend to continue to focus on performance and project execution in order to ensure to maximize client satisfaction.

Execute the projects with the available resources to give the maximum operating margins.

We intend to continue to control our operating and overhead costs, to maximize operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal

systems. This result in better operating margins. We also intend to win larger and more technically complex, turnkey projects through Joint Ventures.

Develop and maintain strong relationships with our clients and strategic partners

Our services are significantly dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to provide us with better opportunities.

SUMMARY FINANCIAL INFORMATION

SUMMARY STATEMENT OF RESTATED ASSETS AND LIABILITIES

	Rs. in Lacs					
As at	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
A. Fixed Assets:						
Gross Block	24.07	46.14	54.73	66.29	86.62	146.61
Less: Depreciation	3.82	10.17	18.68	29.44	40.82	44.57
Net Block	20.25	35.97	36.05	36.85	45.80	102.04
Less: Revaluation Reserve	-	-	-	-	-	-
Net Fixed Assets after adjustment of Revaluation Reserve	20.25	35.97	36.05	36.85	45.80	102.04
TOTAL	20.25	35.97	36.05	36.85	45.80	102.04
B. Deferred Tax Assets	-	-	-	0.09	0.35	-
C. Current Assets, Loans and Advances:						
Inventories	75.61	98.18	165.89	35.73	2,127.11	216.94
Sundry Debtors	170.82	298.47	1,111.72	3,246.65	2,855.34	5,636.24
Cash and Bank Balances	23.28	230.96	923.43	922.87	1,815.41	1,783.09
Other Current Assets	14.10	207.33	107.93	280.47	599.32	1,406.82
TOTAL	283.81	834.94	2,308.97	4,485.72	7,397.18	9,043.09
D. Liabilities and Provisions:						
Secured Loans	-	279.13	535.58	877.41	1,680.89	1,718.65
Unsecured Loans	-	-	-	-	-	-
Current Liabilities and Provisions	101.56	264.08	961.72	2,402.25	3,221.22	4,734.65
Deferred Tax Liabilities	-	-	0.28	-	-	0.70
TOTAL	101.55	543.21	1,497.58	3,279.66	4,902.11	6,454.00
E. Networth: [(A)+(B)+(C)-(D)]	202.50	327.70	847.44	1243.00	2,541.22	2,691.13
<i>Represented by:</i>						
1. Share Capital	202.50	327.70	199.50	249.50	389.50	389.50
2. Reserves and Surplus	-	-	650.24	995.23	2,154.47	2,304.24
Total	202.50	327.70	849.74	1,244.73	2,543.97	2,693.74
Less: Miscellaneous Expenditure	-	-	2.30	1.73	2.75	2.61
Networth	202.50	327.70	847.44	1243.00	2,541.22	2,691.13

SUMMARY STATEMENT OF RESTATED PROFIT AND LOSS

	Rs. in Lacs					
	Year ended					Three Months Period Ended
Particulars	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
INCOME:						
Income from Operations	1,498.80	2,905.17	3,475.85	7,004.76	9,093.74	4,035.57
Other Income	-	-	17.62	43.05	101.84	29.36
Total	1,498.80	2,905.17	3,493.47	7,047.81	9,195.58	4,064.93
EXPENDITURE:						
Construction Expenses	1,343.83	2,607.39	3,145.47	6,427.79	8,273.80	3,650.81
Personnel Expenses	18.17	24.24	30.75	56.42	92.42	41.04
Administrative and Other Expenses	33.12	47.47	119.60	238.37	384.94	195.68
Interest	1.31	8.13	41.95	83.15	147.03	46.11
Depreciation	1.20	5.20	7.53	11.58	12.08	3.89
Total	1,397.63	2,692.43	3,345.30	6,817.31	8,910.27	3,937.53
Net Profit before tax and extraordinary Items	101.17	212.74	148.17	230.50	285.32	127.40
Provision for Taxation	-	-	25.00	85.00	104.00	38.22
Deferred Tax	-	-	0.29	(0.38)	(0.26)	1.05
Fringe Benefit Tax	-	-	0.84	1.70	3.00	-
Income Tax for Earlier Year	-	-	-	-	0.06	(2.87)
Net Profit after Tax	101.17	212.74	122.04	144.18	178.52	91.00
Impact on account of material adjustments and prior period items	(2.62)	(63.54)	(0.99)	0.82	0.70	57.78
Adjusted Net Profit for the Year/ Period	98.55	149.20	121.05	145.00	179.22	149.78

THE ISSUE

Issue of Equity Shares	60,00,000 Equity Shares
OF WHICH	
Qualified Institutional Buyers (QIBs) Portion	Upto 30,00,000 Equity Shares
<i>Of which</i>	
Available to Mutual Funds only	1,50,000 Equity Shares
Balance of QIB Portion (available for QIBs including Mutual Fund)	28,50,000 Equity Shares
Non-Institutional Portion (Allocation on proportionate basis)	9,00,000 Equity Shares
Retail Portion (Allocation on proportionate basis)	21,00,000 Equity Shares
Pre and Post Issue equity Shares	
Equity shares outstanding prior to the Issue	11,811,000 Equity Shares
Equity shares outstanding after the Issue	17,811,000 equity Shares

Use of Issue Proceed:

See "Objects of the issue" beginning on page 51 of this Draft Red Herring Prospectus for information about the use of the Issue Proceeds.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any of the categories would be allowed to be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the BRLM.

GENERAL INFORMATION

Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. Later the status of our Company was changed from private limited to public limited vide fresh certificate of incorporation dated August 26, 2009 and the name of our Company was changed to Everest Engineering House Limited. The name of our Company was further changed to Everest Infra Energy Limited vide fresh certificate of incorporation dated September 17, 2009.

Registered Office:

EVEREST INFRA ENERGY LIMITED

A- Sector, Naharlagun
Arunachal Pradesh - 791110

Corporate Office:

EVEREST INFRA ENERGY LIMITED

45/1, Rafi Ahmed Kidwai Road,
2nd Floor, Kolkata- 700016
Tele: + 91-33- 30285458
Fax: + 91-33- 2229 0335
E-Mail: info@everesteng.com
Website: www.everesteng.com

Corporate Identity Number: U45203AR2006PLC008234

Address of the Registrar of Companies, Shillong

Registrar of Companies, North Eastern Region

Morello Building, Ground Floor
Kachery Road
Shillong - 793001
Tele: +91-0364-2504093
Fax: +91-0364-2211091

BOARD OF DIRECTORS

The following persons constitute the Board of Directors of the company:

Sl. No.	Name of Directors	Designation	DIN	Status
1.	Mr. Dipankar Choudhury	Chairman and Managing Director	00904260	Promoter and Executive Director
2.	Ms. Lichi Seth	Director	02319379	Promoter and Non-Executive Director
3.	Mr. Pulak Deb	Director	00761127	Non Executive and Independent Director
4.	Mr. Saubir Bhattacharyya	Director	01383195	Non Executive and Independent Director

For more information about the Director(s) of our Company please refer to the section entitled "Our Management" beginning on page no 102 of this Draft Red Herring Prospectus.

COMPANY SECRETARY

Mr. Shyam Narayan Singh

Everest Infra Energy Limited
45/1, Rafi Ahmed Kidwai Road,
2nd Floor, Kolkata- 700016

Tele: + 91-33- 30285458
Fax: + 91-33- 2229 0335
E-Mail: info@everesteng.com
Website: www.everesteng.com

COMPLIANCE OFFICER

Mr. Mohan Jha

Everest Infra Energy Limited
45/1, Rafi Ahmed Kidwai Road,
2nd Floor, Kolkata- 700016
Tele: + 91-33- 3028 5458
Fax: + 91-33- 2229 0335
E-Mail: info@everesteng.com
Website: www.everesteng.com

Investors can contact the compliance officer in case of any pre-issue and post-issue related problems such as non-receipt of letter of allotment, credit of allotted shares in the beneficiary account or refunds.

BOOK RUNNING LEAD MANAGER

Microsec Capital Limited

Azimganj House, 2nd Floor,
7, Camac Street,
Kolkata 700 017
Tel: +91-33-2282 9330 (5 Lines)
Fax: +91-33-2282 9335
E-mail: everestinfra@microsec.in
Investor Grievance E-mail: investor.relations@microsec.in
Website: www.microsec.in
Contact Person: Mr. Manav Goenka

REGISTRAR TO THE ISSUE

Bigshare Services Pvt. Ltd.

E-2 & 3, Ansa Industrial Estate,
Saki-Vihar Road, Sakinaka.
Andheri (E), Mumbai - 400 072
Tel: +91-22-2847 0652 | 40430200 | 2847 0653
Fax No: +91-22-2847 5207
E-mail ID: ipo@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ashok Shetty

LEGAL ADVISORS TO THE ISSUE

Khaitan & Co.

Advocates, Notaries, Patent & Trademark Attorneys

Emerald House
1B Old Post Office Street
Kolkata – 700001
Tele: +91-33-22487000
Fax No.: + 91-33-2230 7857
Email ID: trivikram.khaitan@khaitanco.com
Contact Person: Mr. Trivikram Khaitan

BANKERS TO OUR COMPANY

State Bank of India

Naharlagun Branch
PO- Naharlagun-791110
Dist: Papumpare, Arunachal Pradesh
Tele: +91 0360 2244335
Fax: +91 0360 2244341
Email ID: sbi.03232@sbi.co.in
Contact Person: Mr. Gautam Roychoudhury

Axis Bank

Kolkata Main Branch
1 Shakespeare Sarani
Kolkata- 700071
Tele: +91 33 6621 0020-22
Fax: +91 33 6621 0030
Email ID: prashant.chakravorty@axisbank.com
Contact Person: Mr. Prashant Chakravorty

IDBI Limited

Kolkata Main Branch
IDBI House, 44 Shakespeare Sarani
Kolkata - 700071
Tele: +91 033 6633 8888
Fax: +91 033 6633 8812
Email ID: r.barua@idbi.co.in
Contact Person: Ms. Ratna Barua

AUDITORS OF OUR COMPANY

P.Gaggar & Associates, Chartered Accountants

Aastha Tower, 2nd Floor
C.K.Road, Panbazar
Guwahati-781001
Tel: (0361) 2543046
Fax: (0361) 2545558
E-Mail: pgaggar@sify.com
Contact Person: Mr. Purshotam Gaggar

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

To be finalized at the time of filing of the Red Herring Prospectus with ROC.

SELF CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI website.

BROKERS TO ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

SYNDICATE MEMBERS

To be finalized at the time of filing of the Red Herring Prospectus with ROC.

Inter-se allocation of Responsibilities

Sl. No.	Particulars	Responsibility	Coordinator
1.	Capital structuring with the relative components and formalities such as type of instruments etc.	Microsec	Microsec
2.	Due diligence of the Company's operations / Management / business plans/legal etc.	Microsec	Microsec

3.	Drafting & Design of Offer Document and of statutory advertisement including memorandum containing salient features of the Draft Red Herring Prospectus. The designated BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, Registrar of Companies and SEBI.	Microsec	Microsec
4.	Drafting and approval of Issue and statutory publicity material, etc.	Microsec	Microsec
5.	Drafting and approval of all corporate advertisement, brochure and other publicity material.	Microsec	Microsec
6.	Appointment of Registrar, Bankers and Ad agency.	Microsec	Microsec
7.	Appointment of Printer.	Microsec	Microsec
8.	Marketing of the Issue, which will cover, inter alia, <ul style="list-style-type: none"> • Formulating marketing strategies, preparation of publicity budget • Finalize Ad-Media & PR strategy • Finalizing centers for holding conferences for brokers, investors etc. • Finalize bankers to the issue • Finalize collection centers • Finalize Brokers to the Issue • Finalize Underwriters and Underwriting Arrangement. Follow-up on distribution of publicity and Issue material including application form, prospectus and brochure and deciding on the quantum of the Offer material. 	Microsec	Microsec
9.	The post Issue activities of the Issue will involve essential follow up steps with bankers to the Issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Issuer about the closure of the issue, based on correct figures which must include finalization of the basis of allotment or weeding out of multiple applications, listing of instruments and dispatch of certificates and refunds, with the various agencies connected with the work such as Registrar to the Issue, Banker(s) to the Issue, Self Certified Syndicate Banks and the bank handling refund business. BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable him to discharge this responsibility through suitable agreements with the issuer Company.	Microsec	Microsec
10.	Managing the Book, Compliance with these regulations, Co-ordination with Registrar of Companies, Stock Exchanges, finalizing of Pricing and Allocation.	Microsec	Microsec
11.	Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, follow-up with Bankers to the Issue to get quick estimates of collection and advising the Issuer about closure of the Issue, based on correct figures, Refund to Bidders, etc.	Microsec	Microsec
12.	Invoking the Underwriting obligations and ensuring the underwriters pay the amount of devolvement.	Microsec	Microsec

CREDIT RATING

This being the issue of equity shares, credit rating is not required.

IPO GRADING

The Issue has been graded by [●] and has been assigned the "IPO Grade [●]" indicating [●] through its letter dated [●], which is valid for a period of [●] months. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. A copy of the report provided by [●], furnishing the rationale for its grading will be made available for inspection at our Corporate Office from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

The rationale/description of the grading shall be included in the Red Herring Prospectus prior to the filing with ROC.

TRUSTEE

As this being an offer of Equity Shares, appointment of Trustee is not required.

MONITORING AGENCY

There is no requirement for a monitoring agency in terms of regulation 16 of the SEBI (ICDR) Regulations. In accordance to Clause 49 sub clause 5A of the Listing Agreement the Audit Committee appointed by the Board of Directors will monitor the utilization of the issue proceeds.

BOOK BUILDING PROCESS

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

The principal parties involved in the Book Building Process are:

- The Company;
- The Book Running Lead Manager;
- The Syndicate Member, who is an intermediary registered with SEBI or registered as a broker with NSE/ BSE and eligible to act as underwriters. The Syndicate Members are appointed by the BRLM; and
- The Registrar to the Issue.

The securities are being offered to the public through the 100% Book Building Process in accordance with the SEBI Regulations wherein: (i) up to 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, of which 5% shall be available for allocation to mutual funds on proportionate basis and the remaining QIB portion shall be available for allocation to the QIB bidders including mutual funds (ii) not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, and (iii) not less than 15% of the Issue shall be available for allocation on a proportionate basis to the Non-Institutional Bidders subject to valid Bids being received at or above the issue price in accordance with the Red Herring Prospectus.

In accordance with the provisions of the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/ Issue Closing Date. For further details see section titled "Terms of the Issue" on page 173 of this Draft Red Herring Prospectus.

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

The investors are advised to make their own judgment about investment through this process of Book Building prior to making a Bid.

Illustration of Book Building and Price Discovery Process

(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 50 to Rs. 58 per share, issue size of 6,000 equity shares and receipt of nine bids from bidders out of which one bidder has bid for 500 shares at Rs. 58 per share while another has bid for 700 shares at Rs. 57 per share. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Number of Equity Shares bid for	Bid Price (Rs.)	Cumulative shares bid	Subscription
500	58	500	8.33
700	57	1200	20.00
1000	56	2200	36.67
400	55	2600	43.33
500	54	3100	51.67
200	53	3300	55.00
2800	52	6100	101.67
800	51	6900	115.00
2200	50	9100	151.67

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., Rs. 52 in the above example. The issuer, in consultation with the book running lead manager, will finalise the issue price at or below such cut-off price, i.e., at or below Rs. 52. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken for Bidding

1. Check eligibility for making a Bid (see section titled "Issue Procedure - Who Can Bid" beginning on page no. 181 of this Draft Red Herring Prospectus).
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form.
3. Ensure that you have mentioned your PAN (see section titled "Issue Procedure –'Permanent Account Number'" on page 197 of this Draft Red Herring Prospectus).
4. Ensure that the Bid cum Application Form is duly completed as per instructions given in the Draft Red Herring Prospectus and in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue in accordance with SEBI Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, we will give the reason thereof within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges shall also be informed promptly. 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 terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

Bidding Period/Issue Period

BID/ISSUE OPENS ON [•]

BID/ISSUE CLOSES ON [•]

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time). On the Bid/Issue Closing Date, the bids would be uploaded till (i) 4.00 p.m. in case of bids received from Non Institutional Bidders and QIB Bidders and (ii) 5.00 p.m. in case of bids received from Retail Bidders, which may be extended up to such time by the stock exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the stock exchanges within half an hour of the closure. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded may not be considered for allocation. Bids not uploaded in the book, would be rejected.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Guidelines. The Cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can be revised up or down up to a maximum of 20% of the Floor Price disclosed in the Red Herring Prospectus.

In case of revision of the Price Band, the bidding/ Issue Period will be extended for three additional 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 Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the websites of the BRLM and on the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares 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. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfill its underwriting obligations. Under the Underwriting agreement, the obligations of the underwriter(s) are several and are subject to certain conditions to closing as specified therein.

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

Name, address, telephone, fax, email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (Rs in Lacs)
Microsec Capital Limited Shivam Chambers, 1st Floor 53 Syed Amir Ali Avenue Kolkata - 700 019 Tel: +91-33-3051 2100 Fax: +91-33-3051 2020 E-mail: everestinfra@microsec.in Website: www.microsec.in Contact Person: Mr. Pankaj Harlalka	[•]	[•]
	[•]	[•]

The above-mentioned amount is indicative and this would be finalized after determination of Issue Price and actual allocation of the Equity Shares. The above Underwriting Agreement is dated [●]

In the opinion of the Book Running Lead Manager and our Board of Directors (based on certificates dated [●] given to them by the BRLM and the Syndicate Member), the resources of the Underwriter(s) are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriter(s) are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors and our Company has issued letters of acceptance to the Underwriter(s).

Allocation among Underwriter(s) may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriter(s) 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, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement, will also be required to procure/ subscribe to the extent of the defaulted amount. Allocation to QIBs is on a proportionate basis as per the SEBI (ICDR) Regulations, 2009 and the terms of this Draft Red Herring Prospectus.

CAPITAL STRUCTURE

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

(Rs. in Lacs, except share data)

No. Of Shares	Description	Aggregate Nominal Value	Aggregate Value at Issue Price
AUTHORISED SHARE CAPITAL			
25,000,000	Equity Shares of Rs. 10/- Each	2500.00	
ISSUED SUBSCRIBED & PAID UP EQUITY CAPITAL			
11,811,000	Equity Shares of Rs. 10/- Each	1181.10	
PRESENT ISSUE #			
6,000,000	Equity Shares of Rs. 10/- each*	600.00	[●]
OF WHICH			
	QIB Portion of up to 30,00,000 Equity Shares**	300.00	[●]
	Non-Institutional Portion of not less than 9,00,000 Equity Shares**	90.00	[●]
	Retail Portion of not less than 21,00,000 Equity Shares**	210.00	[●]
PAID UP EQUITY SHARE CAPITAL AFTER ISSUE			
17,811,000	Equity Shares of Rs. 10/- each	1781.10	[●]
SHARE PREMIUM ACCOUNT			
	Existing Share Premium Account	1021.70	
	Share Premium account after the Public Issue		[●]

**Our Company is considering a Pre-IPO placement of up to [●] Equity Shares aggregating Rs. [●] Lacs with certain investors, ("Pre-IPO Placement"). If the Pre-IPO placement is completed before the filing of the RHP with RoC, the Issue Size offered to the public would be reduced to the extent of such Pre-IPO placement, subject to a minimum of 25% of the post-issue paid up Equity Share Capital being offered to the public.*

*** Subject to valid Bids being received at or above the Issue Price, Under-subscription, if any, in any of the categories would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.*

*# The present Issue has been authorized by the Board of Directors in their meeting dated **September 2, 2009** and by the shareholders of our Company at the AGM dated **September 7, 2009**.*

The Authorized Capital of our company was increased as follows:

Date of Resolution	Particulars of Increase
November 2, 2006	Initial Authorised capital of Rs.100 Lacs on incorporation
January 20, 2007	Increase in the authorized share capital of our Company from Rs.100 Lacs to Rs.300 Lacs.
October 27, 2008	Increase in the authorized share capital of our Company from Rs. 300 Lacs to Rs.700 Lacs.
September 7, 2009	Increase in the authorized share capital of our Company from Rs. 700 Lacs to Rs.2500 Lacs.

Notes to the Capital Structure

1. Build up of Equity Share Capital

Our present Equity Capital has been built up as follows:

Date of Allotment	No. of equity Shares Allotted	Face Value (Rs)	Issue Price (Rs)	Cumulative no. of equity shares	Cumulative paid-up share capital (in Rs.)	Nature of Payment	Remarks	Cumulative share premium (in Rs.)
On Incorporation	10,000	10	10	10000	100,000	Cash	Subscription to the Memorandum	0
27-Jan-07	985,000	10	40	995,000	9,950,000	Other than Cash	Shares allotted to Ms. Lichi Seth as a consideration for takeover of her proprietary firm by our Company	29550000
31-Jan-07	1,000,000	10	40	1,995,000	19,950,000	Cash	Preferential Allotment	59550000
10-Jan-08	500,000	10	50	2,495,000	24,950,000	Cash	Preferential Allotment	79550000
29-Sep-08	500,000	10	80	2,995,000	29,950,000	Cash	Preferential Allotment	114550000
6-Mar-09	900,000	10	80	3,895,000	38,950,000	Cash	Preferential Allotment	177550000
10-Oct-09	7,790,000	10	--	11,685,000	116,850,000	Other than Cash	Bonus Issue in the ratio of 2:1	99650000
10-Oct-09	126,000	10	30	11,811,000	118,110,000	Cash	Preferential Allotment	102170000

The following is the history of issue of Equity shares for consideration other than cash

Date of allotment	No. of Equity Shares	Face value	Consideration
27-Jan-07	985,000	10	Shares allotted to Ms. Lichi Seth as a consideration for takeover of her proprietary firm by our Company
10-Oct-09	7,790,000	10	Bonus Issue in the ratio of 2:1

2. Build-up of Promoters' Shareholding

Date of Allotment / Transfer	Nature of Consideration	No. of Equity Shares	Face Value (Rs)	Issue/ Acquisition Price (Rs)	Nature of Transaction	Cumulative no. of equity shares
Ms. Lichi Seth						
On Incorporation	Cash	4000	10	10	Subscriber to Memorandum	4000
27-Jan-07	Other than Cash	985,000	10	40	Shares allotted to Ms. Lichi Seth as a consideration for takeover of her proprietary firm by our Company	989,000

Date of Allotment / Transfer	Nature of Consideration	No. of Equity Shares	Face Value (Rs)	Issue/ Acquisition Price (Rs)	Nature of Transaction	Cumulative no. of equity shares
10-Jan-08	Cash	15000	10	50	Allotment	1,004,000
29-Sep-08	Cash	70250	10	80	Allotment	1,074,250
6-Mar-09	Cash	150000	10	80	Allotment	1,224,250
10-Oct-09	Other than Cash	2448500	10	--	Bonus Issue in the ratio of 2:1	3,672,750
Mr. Lichi Legi						
On Incorporation	Cash	3000	10	10	Subscriber to Memorandum	3000
10-Jan-08	Cash	12000	10	50	Allotment	15,000
29-Sep-08	Cash	70250	10	80	Allotment	85,250
6-Mar-09	Cash	320000	10	80	Allotment	405,250
26-Aug-09	Cash	104000	10	10	Transfer from Lichi Yapu	509,250
26-Aug-09	Cash	167000	10	10	Transfer from Serine Nemachow	676,250
10-Oct-09	Other than Cash	1352500	10	--	Bonus Issue in the ratio of 2:1	2,028,750
Mr. Dipankar Choudhury						
On Incorporation	Cash	3000	10	10	Subscriber to Memorandum	3000
10-Jan-08	Cash	12000	10	50	Allotment	15,000
29-Sep-08	Cash	8750	10	80	Allotment	23,750
6-Mar-09	Cash	320000	10	80	Allotment	343,750
10-Oct-09	Other than Cash	687500	10	--	Bonus Issue in the ratio of 2:1	1,031,250
10-Oct-09	Cash	95000	10	30	Allotment	1,126,250

3. Promoters' Contribution and Lock-in

a. Promoters' Contribution

Pursuant to regulation 36 of the SEBI (ICDR) Regulations, 2009, an aggregate of 20% of the post-Issue equity share capital of the Company shall be locked in by the Promoters as minimum Promoters' contribution. Such lock-in shall commence from the date of Allotment in the Issue and shall continue for a period of three years from the date of Allotment in the Issue. The Equity Shares, which are being locked-in, are not ineligible for computation of Promoter's contribution under regulation 33 of the SEBI (ICDR) Regulations, 2009. Equity shares offered by Promoters for minimum promoter contribution are not subject to pledge.

b. Details of the Equity Shares forming part of Promoters' contribution, which shall be locked-in for three years, are as follows:

Date of Allotment / Transfer	Nature of Consideration	No. of equity shares	Issue / Acquisition Price	% age of Post-issue capital
Ms. Lichi Seth				
10-Oct-09	Bonus	948,500	-	5.33%
6-Mar-09	Cash	150,000	80	0.84%
29-Sep-08	Cash	70,250	80	0.39%
10-Jan-08	Cash	15,000	50	0.08%
27-Jan-07	Shares allotted as consideration for takeover of her proprietary firm by our Company	235,000	40	1.32%
Sub-Total		1,418,750		7.96%
Mr. Lichi Legi				
10-Oct-09	Bonus	724,950	-	4.07%
6-Mar-09	Cash	320,000	80	1.80%
29-Sep-08	Cash	70,250	80	0.39%
Sub-Total		1,115,200		6.26%
Mr. Dipankar Choudhury				
10-Oct-09	Bonus	687,500	-	3.86%
6-Mar-09	Cash	320,000	80	1.80%
29-Sep-08	Cash	8,750	80	0.05%
10-Jan-08	Cash	12,000	50	0.07%
Sub-Total		1,028,250		5.78%
Total		3,562,200		20.00%

- The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI Regulations.
- The securities which are subject to lock-in shall carry inscription 'non-transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate.
- The bonus shares considered for computation of minimum Promoters' contribution have been issued out of free reserves.
- Our Company has obtained specific written consent from the Promoter for inclusion of the Equity Shares held by them in the minimum Promoters' contribution subject to lock-in.
- Equity Shares held by our Promoters and offered as minimum Promoters' contribution are free from pledge.

c. Pre-issue equity share capital Locked in for One Year

In terms of regulation 37 of the SEBI (ICDR) Regulations, in addition to the Promoters' contribution locked in for three years as specified above, our entire pre-issue equity share capital will be locked in for a period of one year from the date of allotment in the present Issue.

d. Other Requirements in Respect of Lock-in

The locked in equity shares held by the Promoters may be pledged with scheduled commercial banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the pledge of shares is one of the terms of sanction of loan and the loan has been granted for the purpose of financing one or more of the objects of the Issue as mentioned in the section "Objects of the Issue" on page no. 51.

The Equity Shares held by persons other than the Promoters, prior to the Issue, which are locked in for a period of one year from the date of allotment in this Issue as mentioned above may be transferred to any other person holding the Equity Shares which are similarly locked in for one year, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

Further, in terms of regulation 40 of the SEBI (ICDR) Regulations, Equity Shares held by the Promoters may be transferred to and among the Promoter group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as applicable.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time.

4. Shareholding Pattern of our Company

The table below represents the shareholding pattern of the Company before the proposed Issue and adjusted for this Issue.

Category of Shareholder	Pre Issue		Post Issue	
	No. of Equity Shares	% of Equity share capital	No. of Equity Shares	% of Equity share capital
PROMOTERS				
Lichi Seth	3672750*	31.10%	3672750	20.62%
Lichi Legi	2028750	17.18%	2028750	11.39%
Dipankar Choudhury	1126250	9.54%	1126250	6.32%
Sub-Total (A)	6827750	57.82%	6827750	38.33%
PROMOTER GROUP				
Ankar-Pali Merchants Pvt. Ltd.	2908500	24.63%	2908500	16.33%
Dipali Choudhury	941250	7.97%	941250	5.28%
Sub-Total (B)	3849750	32.60%	3849750	21.61%
Total Shareholding of the Promoters and the Promoter Group (C = A+B)	10677500	90.42%	10677500	59.95%
Other Shareholders				
Satya Ranjan Mandal	256000	2.16%	256000**	1.44%
Pulak Deb	216000	1.83%	216000**	1.21%
Debasish Sarkar	274500	2.32%	274500**	1.54%
Soumitra Ghosh	75000	0.63%	75000**	0.42%
Mohan Jha	156000	1.32%	156000**	0.88%
Pradip Mondal	156000	1.32%	156000**	0.88%
Total of Other Shareholders (D)	1133500	9.58%	1133500	6.36%
Public (E)	--	--	6000000	33.69%
Total (C+D+E)	11811000	100%	17811000	100.00%

* 750,000 equity shares held by Ms. Lichi Seth are pledged.

** Assuming that such shareholders do not Bid under the Issue.

5. None of our Directors and Key Managerial Employees holds any Equity Shares in our Company, except as stated below:

Name	No. of equity Shares	% age of pre-issue capital
Lichi Seth	3672750	31.10%
Dipankar Choudhury	1126250	9.54%
Pulak Deb	216000	1.83%
Debasish Sarkar	274500	2.32%
Satya Ranjan Mandal	256000	2.17%
Mohan Jha	156000	1.32%
Pradip Mondal	156000	1.32%
Soumitra Ghosh	75000	0.63%

6. As on of filing of Draft Red Herring Prospectus the total number of shareholders of Equity Shares in our Company is 11 (eleven).

7. Particulars of Top 10 Shareholders

- a. Details of top ten shareholders on date of filing Draft Red Herring Prospectus

Sr. No.	Number of Shareholders	No. of Equity Shares
1.	Lichi Seth	3672750
2.	Ankar-Pali Merchants Pvt. Ltd.	2908500
3.	Lichi Legi	2028750
4.	Dipankar Choudhury	1126250
5.	Dipali Choudhury	941250
6.	Debasish Sarkar	274500
7.	Satya Ranjan Mandal	256000
8.	Pulak Deb	216000
9.	Mohan Jha	156000
10.	Pradip Mondal	156000
	Total	11736000

- b. Details of top ten shareholders ten days before the date of filing Draft Red Herring Prospectus

Sr. No.	Number of Shareholders	No. of Equity Shares
1.	Lichi Seth	3672750
2.	Ankar-Pali Merchants Pvt. Ltd.	2908500
3.	Lichi Legi	2028750
4.	Dipankar Choudhury	1126250
5.	Dipali Choudhury	941250
6.	Debasish Sarkar	274500
7.	Satya Ranjan Mandal	256000
8.	Pulak Deb	216000
9.	Mohan Jha	156000
10.	Pradip Mondal	156000
	Total	11736000

c. **Details of top ten shareholders two years prior to date of filing Draft Red Herring Prospectus**

Sr. No.	Number of Shareholders	No. of Equity Shares
1.	Lichi Seth	989,000
2.	Lichi Yamin	125,000
3.	Lichi Yeri	125,000
4.	Lichi Soan	125,000
5.	Serine Nemachow	125,000
6.	Tana Lata	100,000
7.	Yikar Tasar	100,000
8.	Techi Peko	100,000
9.	Lichi Yapu	90,000
10.	Serine Young	60,000
	Total	1,939,000

8. None of our Promoters, Promoter Group, our Directors or the directors of our Promoter Group companies have acquired, purchased or sold any Equity Shares, during the period of six months preceding the date on which this Draft Red Herring Prospectus was filed with SEBI except as mentioned below:

Dated Allotment/ Transfer	No. of shares	Face value	Transferor/ Transferee	Issue/ Transfer Price	Consideration (Cash, bonus, kind, etc)	% of Post Issue Capital
Ms. Lichi Seth						
10-Oct-09	2448500	10	--	--	Bonus Issue in the ratio of 2:1	13.75%
Mr. Lichi Legi						
10-Oct-09	1352500	10	--	--	Bonus Issue in the ratio of 2:1	7.59%
26-Aug-09	167000	10	Transferred from Serine Nemachow	10	Cash	0.94%
26-Aug-09	104000	10	Transferred from Lichi Yapu	10	Cash	0.58%
Mr. Dipankar Choudhury						
10-Oct-09	95000	10	Allotment	30	Cash	0.53%
10-Oct-09	687500	10	--	--	Bonus Issue in the ratio of 2:1	3.86%
Ankar Pali Merchants Private Limited						
10-Oct-09	1939000	10	--	--	Bonus Issue in the ratio of 2:1	10.89%
26-Aug-09	157000	10	Transferred from Lichi Yamin	10	Cash	0.88%
26-Aug-09	194500	10	Transferred from Lichi Yeri	10	Cash	1.09%
26-Aug-09	157000	10	Transferred from Lichi Soan	10	Cash	0.88%
26-Aug-09	227000	10	Transferred from Tana Lata	10	Cash	1.27%
26-Aug-09	117000	10	Transferred from Yikar tasar	10	Cash	0.66%
26-Aug-09	117000	10	Transferred from Tech Peko	10	Cash	0.66%

Dated Allotment/ Transfer	No. of shares	Face value	Transferor/ Transferee	Issue/ Transfer Price	Consideration (Cash, bonus, kind, etc)	% of Post Issue Capital
Mrs. Dipali Choudhury						
10-Oct-09	18000	10	Allotment	30	Cash	0.10%
10-Oct-09	615500	10	--	--	Bonus Issue in the ratio of 2:1	3.46%
26-Aug-09	41000	10	Transferred from Yupu Lingi	10	Cash	0.23%
Mr. Pulak Deb						
10-Oct-09	144000	10	--	--	Bonus Issue in the ratio of 2:1	0.80%
26-Aug-09	72000	10	Transferred from Nabam Lepur	10	Cash	0.40%

9. The following shares have been issued/acquired by the promoters or promoters group which is below the issue price during the preceding one year:

Date of Transaction	No. of shares Allotted /Transferred	Issue/Transfer Price	Transferor/ Transferee
Mr. Lichi Legi			
26-Aug-09	167000	10	Transferred from Serine Nemachow
26-Aug-09	104000	10	Transferred from Lichi Yapu
Mr. Dipankar Choudhury			
10-Oct-09	95000	30	Preferential Allotment
Ankar Pali Merchants Private Limited			
26-Aug-09	157000	10	Transferred from Lichi Yamin
26-Aug-09	194500	10	Transferred from Lichi Yeri
26-Aug-09	157000	10	Transferred from Lichi Soan
26-Aug-09	227000	10	Transferred from Tana Lata
26-Aug-09	117000	10	Transferred from Yikar tasar
26-Aug-09	117000	10	Transferred from Tech Peko
Mrs. Dipali Choudhury			
10-Oct-09	18000	30	Preferential Allotment
26-Aug-09	41000	10	Transferred from Yupu Lingi
11-Apr-09	64000	10	Transferred from Lichi Kojun
11-Apr-09	117000	10	Transferred from Serine Young
11-Apr-09	47000	10	Transferred from Tok Tugli

10. Other than 750,000 equity shares held by Ms. Lichi Seth pledged with State Bank of India, no other shares held by promoters are subjected to any pledge.
11. Except as disclosed above, the Directors of our Company have not purchased/ sold any equity shares of our Company during the last six months.
12. The Company, the Directors, the Promoters, the Promoter Group, their respective directors, and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares from any person.
13. The Offer is being made through a 100% Book-Building Process wherein up to 50% of the Issue will be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis. Out of the portion available for allocation to the QIBs, 5% will be available for allocation on a proportionate basis to Mutual Funds. Mutual Fund applicants shall also be eligible for proportionate allocation

under the balance available for the QIBs. Further, at least 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Offer Price.

14. Under-subscription, if any, in any of the categories will be met with spill, over from other categories or combination of categories at our discretion in consultation with the BRLM and the Designated Stock Exchange.
15. An over-subscription to the extent of 10% of this Offer size can be retained for the purpose of rounding off while finalizing the basis of allotment.
16. An investor cannot make a Bid for more than the number of Equity Shares offered through the Offer, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
17. Except to the extent of Pre-IPO, 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 to be issued pursuant to the Offer have been listed.
18. We presently do not intend or propose to alter our capital structure for a period of six months from the date of opening of the Offer, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise except that if we enter into acquisitions or joint ventures, we may, subject to necessary approvals and in line with the relevant statutes/ regulations, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures with the consent of the shareholders, if applicable.
19. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
20. We have not raised any bridge loans against the proceeds of the Offer.
21. We have not revalued any of our Fixed Assets. We have not issued any Equity Shares out of revaluation reserves.
22. Save and except the issuance of bonus shares and the shares issued to Ms. Lichi Seth as consideration for takeover of her proprietorship firm by our Company, we have not issued any equity shares for consideration other than cash.
23. As of the date of this Draft Red Herring Prospectus, there are no outstanding financial instruments or warrants or any other right that would entitle the existing Promoters or Shareholders, or any other person any option to receive Equity Shares after the offering.
24. Our Promoters and members of the Promoter Group will not participate in this Issue.
25. There are certain restrictive covenants in the agreements that we have entered into with the Bank and financial institutions for short-term loans and long term borrowing. For further details of the terms of these agreements, please refer to the section entitled "Financial Indebtedness" beginning on page 150.
26. We have not granted any options or issued any shares under any employee stock option or employees stock purchase scheme.
27. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of allotment.

OBJECTS OF THE ISSUE

The proceeds from this Issue are intended to be deployed for the following:

1. Funding Long Term Working Capital Requirement
2. Purchase of Capital Equipments
3. General Corporate Purposes
4. Public Issue Expenses

Additionally, the objects of the Issue are to achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our Company's brand name and provide liquidity to our Company's existing shareholders. Listing will also provide a public market for the Equity Shares of our Company in India.

The Main Objects clause and Objects Incidental or Ancillary to the Main Objects clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through this Issue. We further confirm that the activities of our Company carried out until now are in accordance with the Objects clause of the Memorandum of Association of our Company.

The fund requirement below is based on our current business plan. In view of the dynamic nature of our industry, we may have to revise our business plan from time to time and consequently our fund requirements may also change.

Requirement of Funds

		Rs. in Lacs
Sl. No.	Description	Amount
1.	Funding Long Term Working Capital Requirement	2400.00
2.	Purchase of Capital Equipments	308.49
3.	General Corporate Purposes	[•]
4.	Public Issue Expenses	[•]
Total Cost		[•]

Means of Finance

We propose to fund the aforesaid requirement through the following means of finance:

		Rs. in Lacs
Sl. No.	Description	Amount
1.	Initial Public Offer	[•]
2.	Internal Accruals	[•]
Total		[•]

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

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

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

In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be met with by surplus funds, if any, available in any

other project and/or our Company's internal accrual, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions. No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or companies promoted by our promoters.

DESCRIPTION OF REQUIREMENT OF FUNDS

1. Funding Long Term Working Capital Requirement

We have existing banking relationships with sanctioned working capital limits as provided in the section "Financial Statements" on page 121 of this Draft Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing requirements. However, our Company will utilize a part of the proceeds of the Issue to fund its additional long-term working capital requirements. As a matter of practice, we submit the data giving the detailed assessment of working capital on an annual basis to these banks. In this manner we will tie up the annual limits for working capital, including the enhancement if needed to meet further working capital needs, if any arising out of the implementation of the activities on a regular basis. Considering the orders in hand and the existing growth rate, the total working capital requirement after excluding bank borrowings in financial year 2011, as assessed based on the internal working of our Company is expected to be Rs. 3647 Lacs. We propose to utilize Rs. 2400 Lacs out of the Issue Proceeds towards working capital requirements for the financial year 2011. Our working capital gap has been determined as under:

	Rs. in Lacs		
Description	March 31, 2009	March 31, 2010	March 31, 2011
Cash and Bank Balances	116.62	18.00	24.00
Investments (other than long term and including fixed deposits made as margin money for bank guarantees sanctioned by the bankers)	1761.19	2310.00	3050.00
Sundry Debtors	2855.34	5190.00	6875.00
Inventory	2127.11	4210.00	5776.00
Other Current Assets (Advance to supplier, Pre-Paid expenses etc	599.31	767.00	1169.00
Total of Current Assets	7459.57	12495.00	16894.00
CURRENT LIABILITIES			
Sundry Creditors	1323.38	1713.00	2225.00
Other Current Liabilities & Provisions	1897.84	4138.00	4378.00
Total of Current Liabilities	3221.22	5851.00	6603.00
Total Working Capital Gap	4238.35	6644.00	10291.00
Less: Bank Borrowings	1676.45	3600.00	3600.00
Net Working Capital	2561.90	3044.00	6691.00
Requirement of additional margin			3647.00

Assumption in Calculation of Working Capital - Holding Periods in days

	March 31, 2009	March 31, 2010	March 31, 2011
Inventory	85	84	84
Sundry Creditors	63	46	46
Sundry Debtors	115	103	100

2. Purchase of Capital Equipment

We propose to utilize a part of the Issue Proceeds for purchasing capital equipments for our construction activities. We have estimated the requirement of equipments aggregating Rs. 308.49 Lacs. We have estimated these requirements based on performa invoice / quotations received from various vendors / manufacturers/ suppliers of construction equipment. The details of the same are as follows:

Sl. No.	Description/ Model	Suppliers Name	Qt.	Unit Rate	Amount (Rs.)
1	PAVER FINISHER Modal – SPF 45, Complete in all respect	SPEEDCRAFTS LIMITED Layak Bhavan, Boring Canal Road, Patna – 800 001	4	1,675,000	6,700,000
2	DRUM MIX PLANT Modal DM – 60 of 45 to 60 TPH Capacities with type Pollution Control System, Complete in all respect	SPEEDCRAFTS LIMITED Layak Bhavan, Boring Canal Road, Patna – 800 001	1	3,750,000	3,750,000
3	Vibratory Asphalt Compactor Modal DD 80	UD HYDRAULICS PVT. LTD 6C, Rameshwar Shaw Road, Kolkata – 700 014	2	2,125,293	4,250,586
4	770 EXCAVATOR LOADER BACKHOE Machine Power by KOEL Make 4R-1040 Diesel Engine Generating 76 HP @ 2200 RPM fitting with 1.0 Cu. M. Loader Bucket, 0.24 Cu. M. Excavator Bucket, Standard Type	MATHEWS & COMPANY Park Street Kolkata- 700 016	3	1,730,000	5,190,000
5	Static Road Roller 8/10 Ton Capacity with all original fitting & Standard M.S. Wheels	SUPPLY & SERVICES ENTERPRISES Chatterjee International Centre, 18 th Floor, flat no. A-8, 33A, J.L. Nehru Road, Kolkata – 700 071	6	580,000	3,480,000
6	1000 liters Capacity Bitumen Boiler Cum Sprayer, Mechanical Type, Powered by 6 HP Air cool Diesel Engine & Provided with Blower, Burner, Gear Pump, Compressor, Temperature Meter, Flexible Hose of 3 Meter long. Spraying Nozzle and Other necessary accessories complete in all respect	SUPPLY & SERVICES ENTERPRISES Chatterjee International Centre, 18 th Floor, flat no. A-8, 33A, J.L. Nehru Road, Kolkata – 700 071	5	200,000	1,000,000
7	TAR BOILER of 1000 litre capacity with Engine Burner, Blower and 4 Nos. Pneumatic Wheel	SUPPLY & SERVICES ENTERPRISES Chatterjee International Centre, 18 th Floor, flat no. A-8, 33A, J.L. Nehru Road, Kolkata – 700 071	5	110,000	550,000
8	Diesel Chasis, Model LPK 2518 TC (6x4) Eng: 6BTAA5.9(178HP) CUM	TATA MOTORS LIMITED 5 th Floor Apeejay House Block A, 15 Park Street, Kolkata – 700 016	3	1,976,304	5,928,912
Total					30,849,498

Note: We have not placed any orders for any of the aforesaid equipments. Further, we do not propose to purchase any second hand machinery from the Issue proceeds.

3. General Corporate Purposes

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

4. Issue Related Expenses

The Issue related expenses include, among others, Lead Management Fees, underwriting and selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees. The estimated Issue expenses are as follows:

Activity	Expense (Rs. Lacs)	% of net proceeds of the Issue
Lead Management Fees, underwriting and selling commissions	[•]	[•]
Advertising and marketing expenses	[•]	[•]
Printing, Stationary and distribution expenses	[•]	[•]
IPO Grading Fees	[•]	[•]
Others (listing fees, SEBI filing fees, bidding charges, Registrar fees, legal advisor fees, depository fees, Auditor's fees etc.)	[•]	[•]
Total estimated Issue expenses	[•]	[•]

[•] To be incorporated at the time of filing the Prospectus with RoC.

FUNDS DEPLOYED BY OUR COMPANY

As of October 26, 2009, we have not deployed any funds for the proposed "Objects of the Issue" described above.

SCHEDULE OF IMPLEMENTATION

Particulars	Amount to financed from the Issue Proceeds	Rs. in Lacs	
		Estimated Schedule of Deployment of Funds for fiscal	
		FY 2010	FY 2011
Funding Long Term Working Capital Requirement	2400.00	Nil	2400.00
Purchase of Capital Equipments	308.49	Nil	308.49
General Corporate Purposes	[•]	Nil	[•]
Public Issue Expenses	[•]	Nil	[•]
Total	[•]	Nil	[•]

INTERIM USE OF PROCEEDS

Our management, in accordance with the policies set up by our Board, will have flexibility in deploying the net proceeds received by us from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds, deposit with banks for necessary duration. We also intend to apply part of the proceeds of the Issue, pending utilization for the purposes described above, to temporarily reduce our working capital borrowings from banks and Financial Institutions. Such investments would be in accordance with investment policies approved by our Board from time to time.

MONITORING UTILIZATION OF FUNDS

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

We shall, on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our balance sheet till such time the proceeds of the Issue have been utilised, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Issue have been utilised, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

BASIS FOR ISSUE PRICE

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

Investors should read the following summary with the Risk Factors beginning on page number 12 and the details about the Company and its financial statements included in this Draft Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and you may lose all or part of your investments.

QUALITATIVE FACTORS

- **Growth of our Company is directly linked to the “India Growth Story”** - Our business is directly premised on the continued growth of the Indian Economy. Majority of the future growth is expected to arise from the rural sector, given inclusive development policies.
- **Specialized technology/knowledge intensive niche** – The sector in which our Company operates requires high degree of technology and knowledge competence which act as an entry barrier. Knowledge superiority, technical edge and a thorough understanding of the economics of the business are the key success factors in our business segment. Our company possesses the necessary qualities essential for sustaining its growth streak in the rural infrastructure business.
- **Key Player in the power infrastructure sector in the Eastern Region** - Our Company has now become a key player in the power infrastructure sector in the Eastern Region specializing in EPC contracts for erection of HV transmission lines, Small/Micro Hydro Electrical Projects, 220/132 KV sub-stations and Rural Electrification. Being an early entrant, our Company possesses the necessary experience and enjoys the benefit in meeting the mandatory qualification requirements under various schemes for broadening the power infrastructure.
- **Strong Order Book** – We have an order book in excess of Rs.30,000 Lacs which are being executed in various states including:
 - West Bengal
 - Bihar
 - Assam
 - Orissa
 - Chhattisgarh
 - Jharkhand
 - Arunachal Pradesh
- **Seasoned Professionals & Technocrats** - Our promoters, Mr. Lichi Legi and Mr. Dipankar Choudhury, are accomplished technocrats with deep domain knowledge and experience of the Indian infrastructure sector. Apart from this, we have an experienced management team which is ably supported by a team of professionals having relevant expertise in infrastructure sector.
- **The Company has received ISO 9001 certification.**

QUANTITATIVE FACTORS

The information presented in this section is derived from our restated financial statements prepared in accordance with Indian GAAP.

1. Adjusted Earnings per share (EPS) of face value of Rs.10/-

Period	EPS (Rs)	Weight used
Year ended March 31, 2007	6.07	1
Year ended March 31, 2008	6.88	2
Year ended March 31, 2009	6.38	3
Weighted Average	6.50	
For the three months period ended June 30, 2009 (Not annualized)	3.85	

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

Sr. No.	Particulars	P/E Ratio
1.	P/E Ratio based on EPS for the year ended March 31, 2009 at the floor price:	[●]
2.	P/E Ratio based on EPS for the year ended March 31, 2009 at the cap price:	[●]
3.	P/E Ratio based on weighted average EPS for the year ended March 31, 2009 at the cap price:	[●]
4.	Industry P/E *	
	Highest:	124.2
	Lowest:	Nil
	Industry Composite:	32.5

* Based on trailing twelve months earnings

(Source: Capital Market, Volume XXIV/17, Oct 19 – Nov 01, 2009) (Industry- Construction)

3. Average Return on Net Worth

Period	RONW*(%)	Weight used
Year ended March 31, 2007	14.28	1
Year ended March 31, 2008	11.66	2
Year ended March 31, 2009	7.05	3
Weighted Average	9.79	
For the three months period ended June 30, 2009 (Not annualized)	5.57	

* RONW = PAT/ Net Worth at the end of the year

4. Minimum Return on Total Net Worth after Issue needed to maintain pre issue EPS for the fiscal 2009:

Sr. No.	Particulars	P/E Ratio
1.	At the floor price:	[●]
2.	At the cap price:	[●]

5. Net Asset Value per share

Net Asset Value per share for the year ended March 31, 2009 is Rs. 65.24

The NAV per Equity Share after the Issue is [●]

Issue price per Equity share is Rs. [●]

6. Comparison with Industry Peers

	RONW (%)	EPS (Rs)	NAV as on March 31, 2009 (Rs)	P/E
Our Company (Fiscal 2009)	7.02	6.35	65.33	-

The comparable ratios of the companies which are to some extent similar in business are as given below:

Name of the Company	RONW (%)	EPS (Rs)	NAV (Rs)	P/E*
IVRCL Infrastructures & Projects Ltd	13.30	16.80	135.40	22.60
Jyoti Structures Ltd	21.00	9.60	51.00	15.20
Tantia Constructions Ltd	16.70	10.80	71.20	9.50
Supreme Infrastructure India Ltd	25.80	19.20	83.20	6.30

* Based on trailing twelve months earnings

EPS, RONW and Book Value are based on last year audited financial results for the year ended March 31, 2009.

(Source: Capital Market, Volume XXIV/17, Oct 19 – Nov 01, 2009)

The BRLM believes that the Issue Price of Rs. [●] is justified in view of the above qualitative and quantitative parameters, see sections titled "Risk Factors", "Our Business" and "Financial Statements" beginning on pages 12, 79 & 121 respectively, to have a more informed view.

The face value of the Equity Shares is Rs. 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.

STATEMENT OF TAX BENEFITS

The Board of Directors,
Everest Infra Energy Limited
A-Sector, Naharlagun,
Arunachal Pradesh – 791 110

Dear Sirs,

We hereby report that the enclosed annexure states the possible tax benefits that may be available to **Everest Infra Energy Limited** (*formerly known as Everest Engineering House Limited*) (the "Company") and to the Shareholders of the Company under the provisions of the Income Tax Act, 1961 and other allied direct and indirect tax laws presently prevailing and in force in India.

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 the interpretation of the current tax laws in force in India. Several of these benefits are subject to the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws and their interpretations. Hence, the ability of the Company or its Shareholders to derive tax benefits is subject to fulfillment of such conditions.

The benefits discussed in the annexure are not exhaustive. The information being furnished by us is in general in nature and it is neither designed nor intended to be a substitute for professional tax advice. Investors are advised to consult their own tax consultants with respect to the specific tax implication 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 / would be met with.

This report is intended solely for information and for the inclusion in the Offer Documents in connection with the proposed initial public offering of the Company and is not to be used, referred to or distributed for any other purpose

For P. Gaggar & Associates
Chartered Accountants

(P. Gaggar)
Partner
Membership No. 40259

Place: Guwahati
Dated: October 12, 2009

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

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon the fulfilling such conditions.

I. SPECIAL TAX BENEFITS FOR ISSUER COMPANY AND ITS SHAREHOLDERS

A. UNDER INCOME TAX ACT, 1961 ('THE ACT')

(i) SPECIAL BENEFITS AVAILABLE TO THE COMPANY:

In accordance with and subject to the conditions specified under Section 80-IE(2) of the Act, the Company is eligible for hundred percent deduction of the profits and gains derived from industrial undertaking located in any of the North Eastern States. The Company has set up a new industrial unit to manufacture Pre-stressed Concrete (PSC) Poles. The benefits will be limited to profit & gains of PSC Poles unit for the ten consecutive years commencing from financial year 2009-10.

(ii) SPECIAL BENEFITS AVAILABLE TO THE SHAREHOLDERS

There are no special tax benefits available to the shareholders of the company

II. GENERAL TAX BENEFITS

As per the existing provisions of the I T Act and other laws, as applicable for the time being in force, the following general tax benefits and deductions are and will, inter alia, be available to the Company and its prospective shareholders:

A. BENEFITS AVAILABLE UNDER THE INCOME TAX ACT, 1961

(i) TO THE COMPANY:

1. Dividends exempt under Section 10(34)

Dividend income (whether interim or final), in the hands of the company as distributed or paid by any other Company, on or after April 1, 2003 is completely exempt from tax in the hands of the Company, under section 10(34) of the IT Act.

2. Depreciation under Section 32

As per provisions of section 32 (1) (ii a) of the Income Tax Act, 1961 the company would be entitled to additional depreciation @ 20% of the actual cost of new Plant & Machinery during previous year ending on or after 31.03.2005 subject to the fulfillment of other conditions specified under the said section.

3. Income from units of Mutual Funds exempt under Section 10(35)

The Company will be eligible for exemption of income received from units of mutual funds specified under Section 10(23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of Section 10(35) of the Act.

4. Premium Paid on Health Insurance under Section 36(1)(ib)

In terms of section 36(1)(ib) of the Act, with effect from April 1, 2007, the amount of any premium paid by cheque by the assessee as an employer to effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by:

- a) the General Insurance Corporation of India formed under section 9 of the General Insurance Business (Nationalisation) Act, 1972 and approved by the Central Government; or
- b) any other insurer and approved by the Insurance Regulatory and Development Authority established under sub-section (1) of section 3 of the Insurance Regulatory and Development Authority Act, 1999

is deductible expenditure and will accordingly apply in relation to the assessment year 2007-08 and subsequent years.

5. Exemption of Long-Term Capital Gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity-oriented fund where the transaction of sale is chargeable to Securities Transaction Tax (STT) shall be exempt from tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

6. Preliminary Expenses under Section 35D

In accordance with and subject to the provisions of section 35D of the Income tax Act, the company will be entitled to amortise, in five equal yearly instalments, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.

7. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted 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 bonds are transferred or converted into money.

8. Lower Tax Rate under Section 111A on Short-Term Capital Gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to Securities Transaction tax ("STT") shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

9. Lower Tax Rate under Section 112 on Long-Term Capital Gains

As per the provisions of Section 112 of the Act, long-term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

10. Benefits under Section 115JAA

Under Section 115JAA(1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 10 years succeeding the year in which the MAT becomes allowable.

11. Minimum Alternate Tax (MAT) under Section 115JB

Under Section 115JB of the Act, in case of a company, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the April 1, 2007 i.e., in relation to the Assessment Year 2007-08 and subsequent years, if the tax payable on the total income as computed under the Income-tax Act in respect of any previous year relevant to the assessment year commencing on or after the April 1, 2007 is less than ten per cent of its book profit, such book profit shall be deemed to be the total income of the assessee and the tax payable for the relevant previous year shall be ten per cent of such book profit.

(ii) BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

1. Exemption under Section 10(34)

Dividend (whether interim or final) declared, distributed or paid by the Company is completely exempt from tax in the hands of the shareholders of the Company as per the provisions of section 10(34) of the IT Act.

2. Exemption of Long-Term Capital Gain under Section 10(38)

Under Section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company or unit of an equity oriented mutual fund (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.

3. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted 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 bonds are transferred or converted into money.

4. Exemption of Long term Capital Gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset ((not covered by sections 10(36) and 10(38)) and not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a 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.

5. Lower Tax Rate under Section 111A on Short-Term Capital Gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to Securities Transaction Tax shall be subject to tax at a rate of 15 per cent (plus applicable surcharge and education cess).

6. Lower Tax Rate under Section 112 on Long-Term Capital Gains

As per the provisions of Section 112 of the Act, long term gains that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).

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

1. Exemption under Section 10(34)

Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders.

2. Exemption under Section 10(38)

Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax. However, the aforesaid income shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. Exemption of Long Term Capital Gain under Section 54EC

According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted 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 bonds are transferred or converted into money.

4. Exemption of Long Term Capital Gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset ((not covered by sections 10(36) and 10(38)) and not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a 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.

5. Lower Tax Rate under Section 111A on Short-Term Capital Gains

Under section 111A of the Act and other relevant provisions of the Act, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the

Company would be taxable at a rate of 15 percent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax. Short-term capital gains arising from transfer of shares in a Company, other than those covered by section 111A of the Act, would be subject to tax as calculated under the normal provisions of the Act.

6. Lower Tax Rate under Section 112 on Long-Term Capital Gains

Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares in the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge and education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.

Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits:

- 7.** Under section 115E, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident India, long-term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 percent (plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.
- 8.** Under provisions of 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 (in cases not covered under section 115E of the Act) shall be exempt from Income tax, if the net consideration is reinvested in specified assets or in any savings certificates referred to in section 10(4B), 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.
- 9.** Under provisions of section 115G of the Act, it shall not be necessary for a Non- Resident Indian to furnish his return of income under section 139(1) if his income chargeable under the Act consists of only investment income or long term capital gains or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.
- 10.** As per Section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the Non-Resident/ Non- Resident India would prevail over the provisions of the Act to the extent they are more beneficial to the Non- Resident/ Non-Resident India.

(iv) BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1. Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income tax in the hands of the shareholders
2. Under Section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to Securities Transaction Tax. However, the aforesaid income

shall be taken into account in computing the Book profit and income tax payable under section 115JB.

3. According to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds, subject to a ceiling of Rs. 50 lakhs, within six months from the date of transfer. However, if the said bonds are transferred or converted 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 bonds are transferred or converted into money.
4. The income by way of short term capital gains or long term capital gains [in cases not covered under section 10(38) of the Act] realized by FIIs on sale of shares of the company would be taxed at the following rates as per section 115 AD of the Act
 - Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge & education cess).
 - Short term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge and education cess)
 - Long Term capital gains @ 10% (plus applicable surcharge and education cess) (without cost indexation)

It may be noted here that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

5. Section 88E provides that where the total income of a person includes income chargeable under the head "Profits and gains of business or profession" arising from taxable securities transactions, he shall get rebate of STT paid by him in the course of his business. Such rebate is to be allowed from the amount of income tax in respect of such transactions calculated by applying average rate of income tax.
6. As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII.

(v) BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

(vi) VENTURE CAPITAL COMPANIES / FUNDS

In terms of section 10(23FB) of the Act, all Venture capital companies/funds registered with Securities and Exchange of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including profit on sale of shares of the Company.

B. BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

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 no Wealth Tax will be payable on the market value of shares of the Company held by the shareholder of the Company.

C. UNDER THE GIFT TAX ACT, 1958

Gift of shares of the Company made on or after October 1, 1998 are not liable to Gift Tax.

D. BENEFITS AVAILABLE UNDER CENTRAL EXCISE TARIFF

In respect of the Capital goods and allied machinery being purchased for ongoing projects, the benefit of Cenvat credit is available under Rule 4 of the Cenvat Credit Rules, 2004 subject to fulfilment of the conditions specified.

Notes:

1. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
2. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws as amended by the Finance Act, (No.2) 2009 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;
3. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
5. The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.
6. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the issue.

**For P. Gaggar & Associates
Chartered Accountants**

**(P. Gaggar)
Partner
Membership No. 40259**

**Place: Guwahati
Dated: October 12, 2009**

SECTION-IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise indicated, the information in this section is derived from a combination of various official and unofficial publicly available materials and sources of information. It has not been independently verified by the Company, the BRLM or their respective legal or financial advisors, and no representations is made as to the accuracy of this information, which may be inconsistent with information available or compiled from other sources. 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, underlying assumptions and reliability cannot be assured. Accordingly, investment decisions should not be based on such information.

India's Infrastructure Industry: An Overview

The infrastructure sector covers the services of transportation (railways, roads, ports, and civil aviation), communications (telecommunications and postal services), electricity and other services such as water supply and sanitation, solid waste management, and urban transport. Construction activity is an integral part of a country's infrastructure and industrial development and hence can rightly be termed as the basic input for socio-economic development. Its presence and contribution is immense in terms of providing huge opportunities for direct and indirect employment. Construction sector has grown at about 12.25% p.a. between FY03-FY09. It contributes about 7% of the GDP. (Source: ASSOCHAM)

Rate of growth at factor cost at 1999-2000 prices (per cent)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Agriculture, forestry & fishing	10.0	0.0	5.8	4.0	4.9	1.6
Mining & quarrying	3.1	8.2	4.9	8.8	3.3	3.6
Manufacturing	6.6	8.7	9.1	11.8	8.2	2.4
Electricity, gas & water supply	4.8	7.9	5.1	5.3	5.3	3.4
Construction	12.0	16.1	16.2	11.8	10.1	7.2
Trade, hotels & restaurants	10.1	7.7	10.3	10.4	10.1	*
Transport, storage & communication	15.3	15.6	14.9	16.3	15.5	*
Financing, insurance, real estate & business services	5.6	8.7	11.4	13.8	11.7	7.8
Community, social & personal services	5.4	6.8	7.1	5.7	6.8	13.1
Total GDP at factor cost	8.5	7.5	9.5	9.7	9.0	6.7

Source : Central Statistical Organisation.

* Trade, hotels & restaurants, transport & communication (together) grew at 9 per cent, 2008-09.

The lack of adequate infrastructure has been constraining the growth performance of the economy. However, there has been a significant evolution of the nature of State intervention in this sector. Post liberalization of the Indian economy, Government has accorded highest priority for infrastructure development. The financing of infrastructure development has rightly shifted to the private sector as public sector resources are unlikely to finance such huge capital expenditures due to budgetary pressure. In line with this evolving policy direction, Budget 2009-10 undertook to provide a major thrust to infrastructure, principally to roads, railways, and power, through innovative funding mechanisms. The initiatives cover:

- Allocation to NHAI for the NHDP increased by 23%.
- Allocation for Railways increased from Rs. 10,800 crore to Rs. 15,800 crores.
- Allocation in JNNURM scheme stepped up to Rs.12,887 crores
- Allocation to Accelerated Power Development and Reform Programme (APDRP) has increased to Rs. 2,080 crore (160%).

- Allocation to Bharat Nirman increased by 45% and Pradhan Mantri Gram Sadak Yojana (PMGSY) by 59%.
- India Infrastructure Finance Company Limited (IIFCL) will be set up as a SPV for providing long term financial assistance to infrastructure projects.
- IIFCL will refinance 60% of commercial bank loans for PPP projects in critical sectors which involves Rs. 1,00,000 crores.

Investments in Different Infrastructure Sectors in the 10th and 11th Plans

Sector	Rs. in crore at 2006-07 prices	
	10 th Plan (2002 – 2007)	11 th Plan (2007- 2012) (Projected Investment)
Electricity/Power	2,91,850	6,16,526
Public	2,00,016	454,015
Private	91,834	162,512
Roads and Bridges	1,44,892	3,11,816
Public	1,37,888	199,289
Private	7,004	112,527
Telecommunication	1,23,411	2,67,001
Public	59,045	89,315
Private	33,039	177,686
Railways (incl. MRTS)	1,19,658	2,58,001
Public	1,19,351	207,540
Private	307	50,460
Irrigation (incl. Watershed)	1,11,503	2,23,131
Water Supply & Sanitation	64,803	1,99,127
Public	63,781	193,706
Private	1,022	5,421
Ports	4,096	73,941
Public	2,185	19,462
Private	1,911	54,479
Airports	6,771	34,748
Public	3,835	13,590
Private	2,936	21,157
Storage	4,819	22,378
Public	1,441	11,189
Private	3,378	11,189
Gas	8,713	20,500
Public	8,713	13,972
Private	N.A.	6,528
Total	8,80,515	20,27,169
Public	7,17,773	14,25,210
Private	1,62,742	6,01,959

(Source: Projections of Investment in Infrastructure during the 11th Plan, October 2007, http://www.infrastructure.gov.in/pdf/Inv_Projection2.pdf)

Investment in Rural Infrastructure

The government has started a special programme, Bharat Nirman, for the improvement of India's rural infrastructure. Out of the total projected investment of US\$ 301.37 billion to be incurred by the centre and the states in the Eleventh Plan, US\$ 85.53 billion would be spent entirely towards improvement of rural infrastructure.

Opportunities in Public-Private Partnership (PPP)

Apart from being an alternate source of finance, PPP is being looked at as a possible value addition in various aspects of the value chain of infrastructure development including innovation, managerial

efficiency in project management, and adoption of better technology in key infrastructure areas. The Planning Commission envisages that private sector investment will increase as a percentage of overall investment and over a larger base in coming years.

Power Infrastructure

Sector structure

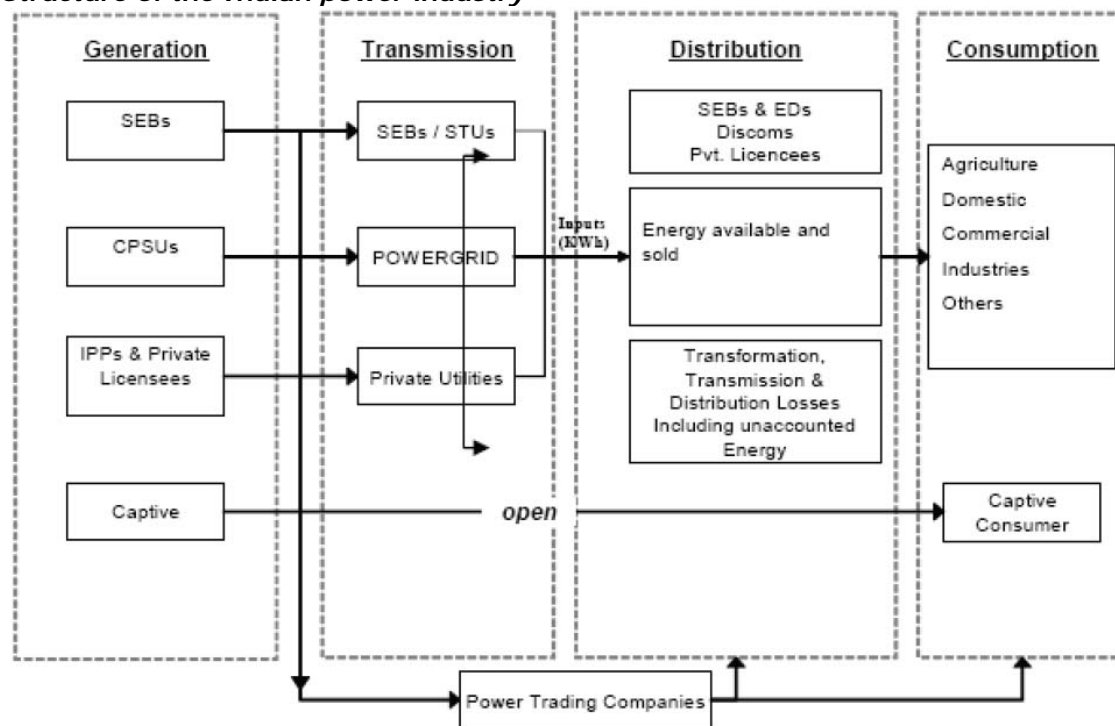
As the Indian economy continues to surge ahead, its power sector has been expanding concurrently to support the growth rate. The demand for power is growing exponentially and the scope of growth of this sector is immense.

The following table sets forth a summary of India's energy generation capacity as of April, 2009 in terms of fuel source and ownership:

Fuel Source	Ownership				
	Central (MW)	State (MW)	Private (MW)	Total (MW)	Percent (%)
Thermal (coal and natural gas)	36,259	46,812	10,954	94,025	63
Hydroelectric	8,592	27,056	1,230	36,878	25
Renewable Energy Sources (RES)	0	2,248	10,995	13,243	9
Nuclear	4,120	0	0	4,120	3
Total	48,971	76,116	23,179	148,265	100

(Source: CEA, "Power Scenario at a Glance", May 2009)

Structure of the Indian power industry



Key to the diagram:

CPSUs: Central Public Sector Undertakings
 Discoms: Distribution Companies
 ED: Electricity Department

IPP: Independent Power Producer
 SEB: State Electricity Board
 STU: State Transmission Units

Growth Potential

According to a report by CII, India's energy sector will require an investment of around US\$ 120 billion-US\$ 150 billion over the next five years.

The government has revised its target of power capacity addition to 90,000 MW in the 11th Five-Year-Plan (2007-12), up by 11,423 MW from the earlier estimate of 78,577 MW to sustain the growth momentum of the economy.

Further, according to the Planning Commission estimates, renewable energy (RE) projects worth US\$ 16.50 billion, for the generation of 15,000 MW power, would come up in the 11th Plan.

Moreover, the government has earmarked a total capital subsidy of US\$ 6.88 billion for providing electricity connections and for the distribution of infrastructure to rural households.

Power Industry Demand-Supply Overview

The Indian power sector has historically been characterized by energy shortages which have been increasing over the years. In the period from April 2009 to May 2009, peak energy deficit was estimated to be at 12.3% and normative energy deficit was estimated to be 8.9%. The following table sets forth the peak and normative shortages of power in India from 2003 to 2009:

Fiscal Year	Peak				Normative			
	Requirement	Availability	Shortage		Requirement	Availability	Shortage	
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
2003	81,492	71,547	9,945	12.2	545,983	497,890	48,093	8.8
2004	84,574	75,066	9,508	11.2	559,264	519,398	39,866	7.1
2005	87,906	77,652	10,254	11.7	591,373	548,115	43,258	7.3
2006	93,255	81,792	11,463	12.3	631,757	578,819	52,938	8.4
2007	100,715	86,818	13,897	13.8	690,587	624,495	66,092	9.6
2008	108,866	90,793	18,073	16.6	739,345	666,007	73,338	9.9
2009	109,809	96,685	13,124	12.0	774,324	689,021	85,803	11.0

(Source: CEA, "Power Scenario at a Glance", May 2009)

Regional Demand-Supply Scenario of Power

The following table displays the peak and normative power shortages in India for the period from April 2009 – May 2009 across different regions in India:

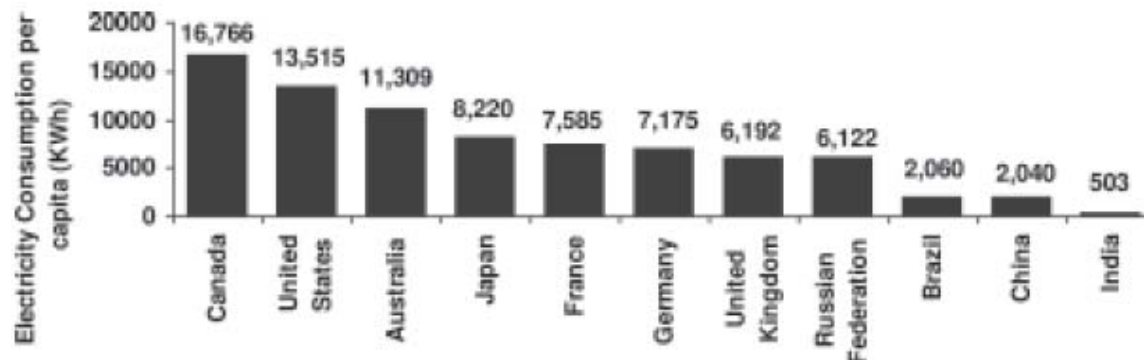
Fiscal Year	Peak				Normative			
	Requirement	Availability	Shortage		Requirement	Availability	Shortage	
	(MW)	(MW)	(MW)	(%)	(MU)	(MU)	(MU)	(%)
North	32,223	28,075	4,148	12.9%	38,704	35,535	3,169	8.2%
West	35,992	30,273	5,719	15.9%	44,696	39,254	5,442	12.2%
South	29,216	26,396	2,847	9.7%	36,146	33,626	2,520	7.0%
East	12,913	11,610	1,303	10.1%	14,816	14,036	780	5.3%
N-East	1,569	1,342	227	14.5%	1,450	1,248	202	13.9%

(Source: CEA, "Power Scenario at a Glance", May 2009)

Energy deficit varies widely across India, with the western region having the highest peak energy shortages followed by the northern region. According to the 17th Electric Power Survey, India's peak demand will reach approximately 152,746 MW with an energy requirement of approximately 968 billion units by fiscal year 2012. By the fiscal year 2017, peak demand is expected to reach 218,209 MW with an energy requirement of 1,392 billion units.

Large Energy Deficit Results in Low Per Capita Consumption of Electricity

Due to inadequate supply and distribution infrastructure, the per capita consumption of energy in India is extremely low in comparison to most other parts of the world. The following chart shows per capita electricity consumption of energy in 2006 in various developed and developing countries.



(Source: IEA, Key World Energy Statistics 2008)

Transmission & Distribution

The eastern region of the country has strengths in coal-fired generation and the north eastern region has strengths in hydel generation. On the other hand there is strong demand for electricity in the northern, western and southern regions. These 'gains from trade' are being harnessed by strengthening interregional trade in electricity.

The Electricity Act has already created the legislative framework through which buyers and sellers of electricity anywhere in the system can be brought together. The national power grid has been strengthened to facilitate transfer the electricity from the surplus regions to the customers elsewhere in the country. From March 2003 onwards, the eastern region and north-eastern region are working in synchronized mode with the Western Regional Grid. Up to 1,500 MW flows into the Western Regional Grid.

The present total Inter Regional Transmission capacity available across all regions is 20,570 MW. As buyers and sellers of electricity fully exploit the opportunities that have unfolded after the Electricity Act, there will be heightened demand for transactions that span large distances.

In the transmission line business, there are three types of players: the integrated companies that have the capability to design and fabricate the transmission towers and also undertake contracts to put up transmission lines. These are the only firms in India that have the capacity to take up undertake contracts for 400KV and 800KV transmission lines. There are firms that take up EPC contracts for transmission lines but they do not manufacture transmission towers. And finally there are firms that manufacture transmission towers but do not undertake EPC contracts.

Traditionally, the government has focused on investments into power generation to alleviate the acute power shortage in the country. In the process, the T&D (Transmission and Distribution) segment has remained neglected and attracted significantly less investments in comparison to generation. As a result, the investment ratio between generation and T&D in India has historically been 1:0.5 against the ideal investment ratio of 1:1.

In most states, the existing distribution network has been formed by expanding and interconnecting smaller and disjointed networks. In this backdrop, the T&D system is saddled with deficiencies leading to high losses and low reliability. Further, the transmission lines in India are generally loaded to 90% of their capacity in comparison to the global standards of 50-60%. Consequently, even a minor disturbance in a section of the transmission line causes a cascading grid failure and loss of power as also higher technical losses.

T & D Losses remain high



Source: CEA

Investments

India's electricity generation resources are distributed unevenly, and large capacities are being added in the north-eastern region. The inter-regional transmission capacity currently stands at 20,570 MW, which enables the exchange of power between various regions. However, of the large number of power plants being set up in the eastern and northeastern regions, a major component will be utilised by states suffering from power shortages. Consequently, there is a critical requirement for a reliable evacuation and transmission system within the Indian power sector.

According to an ASSOCHAM study during January-June 2008, investment announcements totaling to US\$ 40.84 billion were made in the power sector. Reliance Power Transmission will invest nearly US\$ 348.66 million in setting up a 1,500-km transmission line. Hyderabad-based Greenko Group plans to invest about US\$ 300 million in three years for setting up about 15 clean energy projects in the country.

ONGOING CENTRAL SECTOR PROJECTS FOR POWER DEVELOPMENT IN NORTH-EASTERN REGION, WHICH ARE LIKELY TO YIELD BENEFITS DURING THE XITH PLAN, ARE:-

Sl. No.	Project Name	Capacity (in MW)	Details of the Projects
1	NEEPCO Projects (Hydro)	600	Kameng HEP - Arunachal Pradesh
2	NHPC Projects (Thermal)	510	Teesta-V - Sikkim
3	NHPC Projects (Thermal)	2000	Subansiri Lower - Arunachal Pradesh
4	NTPC Projects (Thermal)	3X250=750	Bongaigaon TPS by NTPC - Assam
5	Tripura Gas Projects	750	JV of IL&FS, ONGC and Govt. of Tripura

(Source: www.neepco.gov.in)

LIST OF PROJECTS PROPOSED TO BE TAKEN UP BY NORTH EASTERN ELECTRIC POWER CORPORATION (NEEPCO) IN XIITH FIVE YEAR PLAN PERIOD:

A. HYDRO PROJECTS

A total of 5 projects with a total capacity of 2,925 MW are lined up for the future in the north eastern region alone. Among the ongoing projects, 870 MW of projects are under various stages of execution in the NE region.

Sl. No.	Project	Capacity (MW)	State
1	Tipaimukh HE (M) Project	1500	Manipur
2	Ranganadi HE Project (Stage-II)	130	Arunachal Pradesh
3	Mawphu HE Project	90	Meghalaya
4	Mawphu Stage-II HE Project	85	Meghalaya
5	Kameng-I HE Project	1120	Arunachal Pradesh

(Source: www.neepco.gov.in)

B. THERMAL PROJECTS

A total capacity of 990 MW of thermal based power generation from the three projects in Assam and Meghalaya has been envisaged. These projects are in their various stages of implementation.

Sr. No.	Project	Capacity (MW)	State
1	Garo Hills Thermal Power Project	500	Meghalaya
2	West Khasi Hills Thermal Power Project	240	Meghalaya
3	Margherita Thermal Power Project	250	Assam

(Source: www.neepco.gov.in)

PGCIL to accelerate its spend by 50% in FY10

PGCIL has spent Rs. 80 bn in capex to expand the T&D network in FY09, which was 21% higher than the Rs. 66 bn spent in FY08. PGCIL is planning to spend Rs. 115 bn in FY10 to augment its transmission network capacity which will help them to meet their targets.

Transmission Network addition planned in FY10

Utilities	Circuit KM
765 KV Central sector	558
HVDC transmission Lines (Central)	1,564
400 KV	
-Central	7,899
-Damodar Valley Corp.	379
-Northern Region (NR)	2,724
-Western Region (WR)	1,096
-Southern Region (SR)	420
Total 400 KV	12,518
200 KV	298
-Damodar Valley Corp.	3,173
-Northern Region (NR)	3,487
-Western Region (WR)	1,907
-Southern Region (SR)	1,025
-Eastern Region (ER)	511
-North Eastern Region (NER)	
Total 200 KV	10,401
Total Transmission Lines	25,041

(Source: CEA)

Progress Report of Village Electrification as on 30-06-2009

Sr. No.	States/UTs	Total inhabited villages as per 2001 census	Achievement as on 30/06/09	%age of villages electrified as on 30/6/09	Un-electrified villages as on 30/6/09
1	Andhra Pradesh	26613	26613	100.0	0
2	Arunachal Pradesh	3863	2195	56.8	1668
3	Assam	25124	19741	78.6	5383
4	Bihar	39015	23914	61.3	15101
5	Delhi	158	158	100.0	0
6	Jharkhand	29354	9119	31.1	20235
7	Goa	347	347	100.0	0
8	Gujarat	18066	18015	99.7	51
9	Haryana	6764	6764	100.0	0
10	Himachal Pradesh	17495	17183	98.2	312
11	J & K	6417	6304	98.2	113
12	Karnataka	27481	27458	99.9	23
13	Kerala	1364	1364	100.0	0
14	Madhya Pradesh	52117	50226	96.4	1891
15	Chattisgarh	19744	18877	95.6	867
16	Maharashtra	41095	36296	88.3	4799
17	Manipur	2315	1984	85.7	331
18	Meghalaya	5782	3428	59.3	2354
19	Mizoram	707	570	80.6	137
20	Nagaland	1278	823	64.4	455
21	Orissa	47529	26535	55.8	20994
22	Punjab	12278	12278	100.0	0
23	Rajasthan	39753	27512	69.2	12241
24	Sikkim	450	425	94.4	25
25	Tamil Nadu	15400	15400	100.0	0
26	Tripura	858	491	57.2	367
27	Uttar Pradesh	97942	86450	88.3	11492
28	Uttaranchal	15761	15213	96.5	548
29	West Bengal	37945	37005	97.5	940
	Total (States)	593015	492688	83.1	100327
1	A & N Island	501	336	67.1	165
2	Chandigarh	23	23	100.0	0
3	D & N Haveli	70	70	100.0	0
4	Daman & Diu	23	23	100.0	0
5	Lakshadweep	8	8	100.0	0
6	Pondicherry	92	92	100.0	0
	Total (UTs)	717	552	77.0	165
	Grand Total	593732	493240	83.1	100432

(Source: CEA)

Government Initiatives

The government has taken several proactive steps to open the sector for the private players and realise the full potential of the country in the power sector.

- Introduction of the Electricity Act 2003 and the notification of the National Electricity and Tariff policies.

- Constitution of Independent State Electricity Regulatory Commissions in the states.
- Allowing the private sector to set up coal, gas or liquid-based thermal projects, hydel projects and wind or solar projects of any size.
- Allowing foreign equity participation up to 100 per cent in the power sector under the automatic route.
- Providing income tax holiday for a block of 10 years in the first 15 years of operation and waiver of capital goods' import duties on mega power projects (above 1,000 MW generation capacities).
- The government has also taken up some ambitious programmes like the Ultra Mega Power Projects (UMPP), Rajiv Gandhi Grameen Vidhyutikaran Yojana (RGGVY), Accelerated Rural Electrification Programme and the goal of Power for All by 2012 among others to rapidly increase the installed capacity.

Looking ahead

A recent study by consultancy major McKinsey estimates India's power demand to increase from the present 120 gigawatt (GW) to 315 GW–335 GW by 2017, if India continues to grow at an average of 8 per cent over the next 10 years. This would require a five to ten-fold rise in power production, entailing investments worth US\$ 600 billion over the next ten years.

To feed its rapidly growing economy, India is planning to get an additional 60,000 MW of electricity from various hydro-power projects by the end of 2025.

The government targets providing electricity for all by 2012. Under the Rajiv Gandhi Grameen Vidhyutikaran Yojana, the Ministry of Power plans to electrify 120,000 villages in the current Five Year Plan (2007–12).

Road Infrastructure

Road transport is vital to the economic development and social integration of the country. Road transport fulfils a major role in the Indian economy involving a wide range of industries and services from vehicle manufacturers and suppliers to infrastructure builders, services, energy providers, public authorities, insurance and many others.

Transport sector accounts for a share of 6.4% in India's Gross Domestic Product (GDP). The composition of various sub-sectors of the transport sector in terms of GDP is given in the table below:

Share of Different Modes of Transport in GDP							
Sector	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
As percentage of GDP (at factor cost and constant prices)							
Transport (Total)	6.0	5.9	6.2	6.3	6.6	6.5	6.4
Railways	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Road Transport	3.9	3.8	4.1	4.3	4.5	4.5	4.5
Water Transport	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Air Transport	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Services *	0.5	0.5	0.5	0.5	0.5	0.5	0.5

*Services incidental to transport.

Source: Central Statistical Organisation.

Sector Structure/Market Size

India has the world's second largest road network, aggregating over 3.32 million kilometers (km).

Distribution of Road Network of India	
National Highways/Expressways	70,548 km
State Highways	1,28,000 km
Major and other District Roads	4,70,000 km
Village Roads	26,50,000 km
TOTAL	33,18,548 km

Source: Annual Report, 2008-09, MORTH

According to the Planning Commission, the road freight industry will be growing at a compound annual growth rate (CAGR) of 9.9 per cent from 2007-08 to 2007-12. A target of 1,231 billion tonne km (BTK) has been put on road freight volumes for 2011-12.

Growth Potential

The Indian government has launched the ambitious National Highway Development Programme (NHDP) involving a total investment of US\$ 54.1 billion up to 2012.

In 2008-09 itself, the NHA has infused US\$ 4 billion in the NHDP.

It has also started the Bharat Nirman Programme that aims to cover every village having a population of over 1,000 or over 500 in hilly and tribal areas, with all-weather roads.

For the roads and bridges sector, the Eleventh Five Year Plan envisages a total investment of approximately US\$ 78.5 billion over the five-year period starting from 2007-08.

As part of a larger plan to improve the country's infrastructure, the government has given the nod to 10 road projects which will be built in public-private partnership at an estimated cost of US\$ 2.48 billion. The projects are aimed at four-laning of national highways in eight states.

Under the Special Accelerated Road Development Programme in the North East (SARDP-NE), the Cabinet Committee on Economic Affairs (CCEA) has agreed to the modifications to Phase A of the SARDP-NE, to facilitate road linkage to Sittwe port of Myanmar, with an investment of US\$ 1.24 billion.

Central Road Fund (CRF)

An allocation of Rs. 14150.00 crore has been made under the CRF for 2008-09 with the following break-up:

		<i>(Rs. in Crores)</i>
Sl. No.	Allocation from the Central Road Fund (CRF)	Amount
1	Grant to State Governments and UTs for State roads	2,171.64
2	Grant to States & UTs for Roads of Inter-State Connectivity	185.74
3	National Highways	6,972.47
4	Rural Roads	4,046.25
5	Railways	773.90
	Total	14,150.00

Source: Annual Report, 2008-09, MORTH

The funds from the CRF earmarked for the States are further allocated to various states based on the 60% fuel consumption and 40% geographical area of the State.

Private Sector Investments

- Reliance Energy has three contracts to four-lane 400 km of highway and is already working on four-laning five national highway projects in Tamil Nadu, covering 400 km and at an estimated cost of over US\$ 762.42 million.
- L&T inter-state Road Corridor Limited is executing the four-laning of the 76-km highway between Palanpur and Swaroopgunj on the East-West Corridor.
- Lanco Infratech has the contract to four-lane two highways in Karnataka at an estimated cost of US\$ 247.41 million.
- Jaiprakash Associates Ltd (JAL) is implementing the Taj Expressway project, which envisages a six-laned 165 km stretch connecting Greater Noida to Agra at a cost of US\$ 554.93 million.
- KNR Constructions Ltd has bagged a US\$ 114.4 million order to execute an eight-lane expressway for Hyderabad Growth Corridor Ltd (HGCL).

Public Private Partnership

Many road projects with public-private partnerships (PPP) are also on the anvil. The Public-Private Partnership Appraisal Committee (PPPAC) gave the nod to infrastructure projects worth US\$ 5.98 billion on November 2008, which included 21 highway projects to be taken up under NHDP Phase III and V. Since its foundation in January 2006, the PPPAC has granted approval to 87 projects, which includes 77 highway projects.

The Cabinet Committee on Economic Affairs (CCEA) has also given its approval for four-laning of National Highways in Kerala and Tamil Nadu. The projects, involving a cumulative cost of US\$ 1.6 billion, will be executed under the PPP mode.

Government Initiatives

- Allowing 100 per cent FDI under the automatic route in all road development projects.
- With incentives like 100 per cent income tax exemption for a period of 10 years, the NHAI provides grants/viability gap funding for marginal projects, and formulation of model concession agreements among others.
- Investors in identified highway projects permitted to recover investment by way of collection of tolls for specified sections and periods.
- The government has also announced an increase in the overseas borrowing amount of infrastructure sectors, to US\$ 500 million from US\$ 100 million.

Development of National Highways in North-Eastern Region

The Ministry has been paying special attention to the development of National Highways in the North-Eastern region and 10% of the total allocation for NHs is earmarked for NE region. The total length of National Highways in North-East, including Sikkim, is 8480 km and these are being developed and maintained by three agencies - the state PWDs, BRO and NHAI. Of the total length of 8480 km, about 3336 km is with the BRO and 4444 km is with the respective state PWDs. The remaining length of 700 km is with NHAI.

The details of National Highways and their development and maintenance works taken up under various schemes during the year 2008-09 in the North-East region are given below:

(i)	Length of NHs under NHDP Phase-III	706 km
(ii)	Length of National Highways & State Roads under SARDP-NE:	
	Phase A	2616 km
	Phase B	4825 km

Source: Annual Report, 2008-09, MORTH

Out of the above, the package for Arunachal Pradesh alone is 2319 kms.

Looking Ahead

According to a consultation paper by the Planning Commission, investment in the roads sector during the Eleventh Plan is projected at US\$ 93.11 billion. The Asian Development Bank (ADB) is extending a US\$ 420 million loan to the Indian state of Bihar for the upgradation and expansion of the state highway network, over a period of 25 years.

Further, the roads of Delhi will be getting a facelift, keeping the 2010 Commonwealth Games in mind. The Municipal Corporation of Delhi (MCD) plans to spend a massive US\$ 1.24 billion for the year 2009-2010 for upgrading the city's roads and infrastructure.

OUR BUSINESS

Introduction

Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. Later the status of our Company was changed from private limited to public limited vide fresh certificate of incorporation dated August 26, 2009 and the name of our Company was changed to Everest Engineering House Limited. The name of our Company was further changed to Everest Infra Energy Limited vide fresh certificate of incorporation dated September 17, 2009.

Our Company is engaged in the erection, installation and commissioning of High Tension & Low Tension voltage equipments along with designing and commissioning of sub-stations for various private & government bodies. The company has executed projects under the "Rajiv Gandhi Grameen Vidyutikaran Yojana" (RGGVY) for rural electrification works in the states of Bihar, West Bengal and Chhattisgarh. Similarly, the Company has been awarded projects under the "Pradhan Mantri Gram Sadak Yojana" (PMGSY) for development of road infrastructure. The Company has executed orders and has operations in 7 states namely Arunachal Pradesh, Assam, West Bengal, Chhattisgarh, Bihar, Orissa and Jharkhand for valued clients like the Government of Arunachal Pradesh, CPWD, National Hydro Electric Power Corporation (NHPC), Power Grid Corporation, IOCL and North Eastern Electric Power Corporation.

The proprietorship firm taken over by the Company had executed its first project in 1984, which was a High Tension (HT) & Low Tension (LT) distribution project in Itanagar for the Department of Power, Arunachal Pradesh. It initially undertook small projects for the Department of Power in Arunachal Pradesh and surrounding states. In 2005, it executed its first Rural Electrification Project for NHPC in Purulia, West Bengal, on turnkey basis.

Successful execution of projects led us to pitch for more contracts and consequently we were awarded a Rural Electrification & Roads project in the Motihari District of Bihar in the year 2007. The contract size was around Rs. 7200 Lacs.

We have progressed rapidly from being a small time player to become a key player in the power sector in the Eastern Region specially in Engineering Procurement and Commission (EPC) contracts for erecting of HV transmission lines, 220/132 KV sub-stations and village electrification works. As we were one of the early entrants in the projects for EPC contracts for erecting of transmission lines, we now possess the necessary experience, which is mandatory for qualifying for bidding for such projects under various schemes for broadening the power infrastructure.

Currently, we operate our business through the following two divisions.

3. Power

4. Roads

The contribution to our turnover from each of our two businesses is as follows:

Divisions	Rs. in Lacs			
	FY 2007	FY 2008	FY 2009	FY10(till June 2009)
Power	3,475.85	6,059.12	8,519.87	4,035.57
Roads	-	945.64	573.87	-
TOTAL	3,475.85	7,004.76	9,093.74	4,035.57

The projects currently under execution have been awarded by the following agencies/authorities as mentioned below:

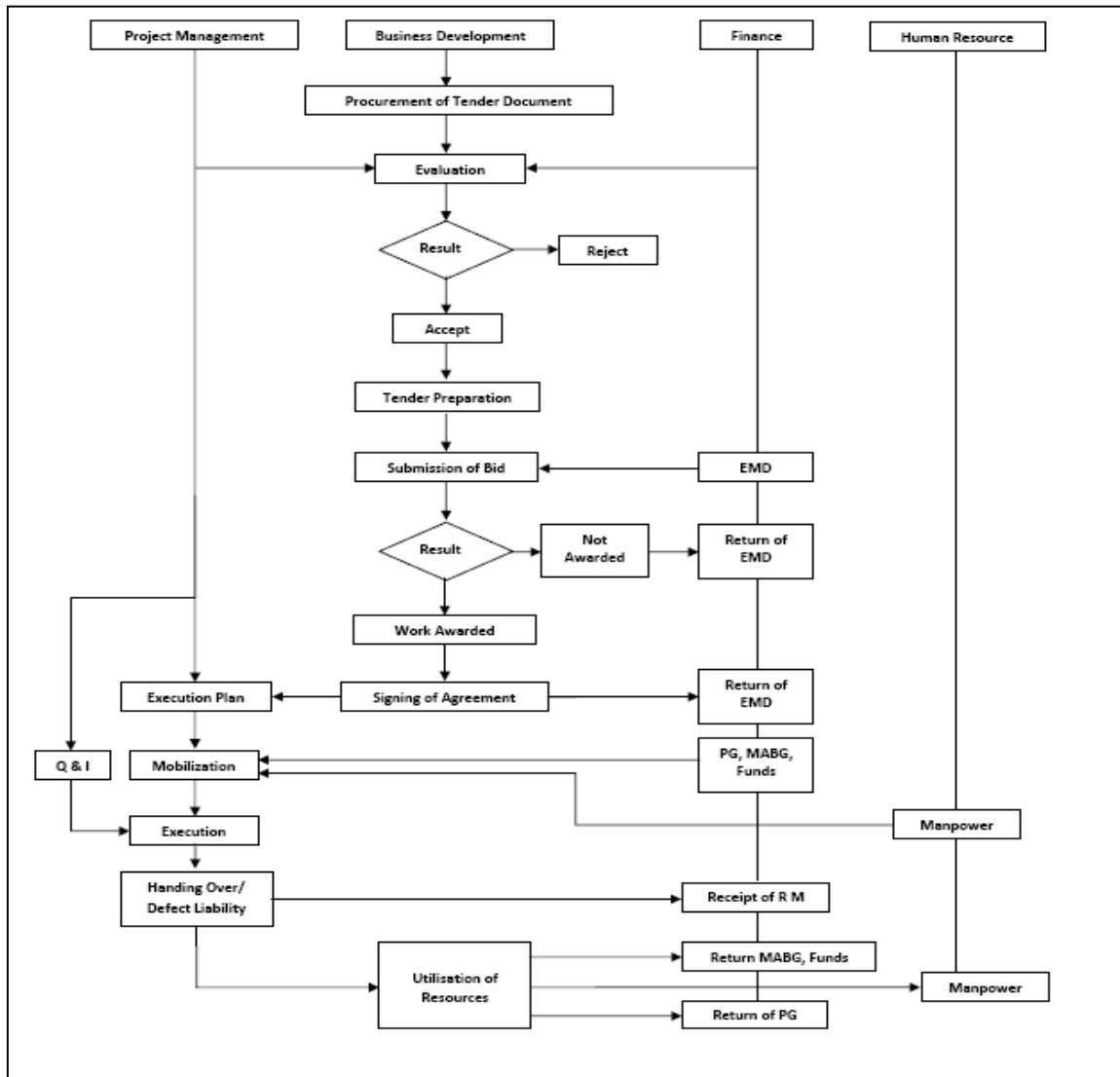
				Rs. in Lacs
Sl. No.	Contract Awarding Authority	Number of Orders	Order Value	% of total
1	WBSEDCL	1	337.59	1.40%
2	Department of Power, Arunachal Pradesh	1	1,663.73	6.90%
3	Damodar Valley Corporation	1	1,141.00	4.73%
4	Indian Oil Corporation Limited	2	1,245.63	5.16%
5	NHPC Limited	4	17,072.74	70.77%
6	Power Grid Corporation of India Ltd.	1	2,664.47	11.04%
	TOTAL	10	24,125.16	100.00%

Project Cycle

A typical project cycle can be accounted for in two distinct phases. The first phase relates to identification of the opportunity, leading to receipt of a contract through a series of activities. Once the contract is received, the second phase of project management and execution commences as depicted below. During both these phases, the finance activity interfaces at various stages with corresponding inputs of guarantees, cash flow and fund management.

PROJECT CYCLE CHART

The various stages involved in the two phases namely: Phase I (business opportunity leading upto the order) and Phase II (project management and execution) are further detailed below.



Phase I:

▪ Awarding the contract

- Expression of interest - called for by the project owner
- Request for Qualification (RFQ) or Pre-qualification
- Invitation to tender /request for proposal/ (RFP)
- Obtain Document- purchase of tender document
- Site Visit and Pre-Bid Queries
- Post-qualification / Technical Documentation and Financial Bid
- Submission of the tender along with Earnest Money Deposit ("EMD").
- Award of the contract to the lowest bidder and issue of Letter of Intent
- Signing of the contract along with submission of performance securities and refund of EMD

Phase II:

▪ Execution of the project

- Prepare the Project Cost and Analysis for execution, detailed execution plan, detailed resource plan and expenditure plan
- Kick-off meetings
- Mobilization of resources – Financial & Human Resources
- Purchase of materials required in the project
- Execution of the project as per execution plan
- Raising monthly (as per tender condition) Running Account Bills
- Continuous quality inspections

▪ Project closure

- Implement all project completion activities to the satisfaction of the client.
- Receipt of final bill
- Taking completion certificate
- Taking handing over certificate
- Implementing Defect Liability/ O&M period, if there is any
- Receive the final retention money after Defect Liability Period

▪ Defect Liability Period

Normally all projects stipulate a defect liability period of 12 months from the date of handing over. Contractor is responsible to make good any defects that may arise as a consequence of inadequate quality of supplies and workmanship during this period. The retention money/bank guarantee of equivalent amount which is held by the client is returned to the contractor on successful completion of the defect liability period.

Business Model

For our business, there are two necessary requirements, which determine our ability to undertake and execute projects. These are pre-qualification parameters and bidding strategy. These are explained as follows:

a) Pre qualification parameters

Typically a project owner/client conceives of a specific project and follows it up with the appointment of a consultant who prepares a detailed project report. This report addresses various aspects of project implementation commencing from obtaining clearances, right of ways, scope of work, technical parameters, etc., to related costs which define the approximate estimated cost of the project.

At the next level the project owner invites pre-qualifications from prospective bidders to assess and identify contractors who are capable of bidding for the project and subsequently implementing the same, if awarded. The detailed project report data is utilized to define the pre-qualification criteria by the project owner. For projects across the various infrastructure sectors, the project owner/client normally specifies the qualifying criteria, which include:

- **Technical Capability:** The Company should have the experience of having implemented projects of similar nature, necessary manpower with a relevant profile to suit the project and the experience to execute it. Depending on the project, relevant machinery as specified by the client should be available with the company. This may be owned or outsourced/hired from a third party.

- **Financial Strength:** This includes the minimum annual turnover, net worth requirement as well as working capital requirements. In the event the project allows for association of more than one company to participate in the contract to enable the partners to pool in their resources, thereby meeting the threshold pre-qualifying criteria, such a method of invitation is known as joint venture

participation. Joint Venture participation allows the individual partners of the proposed project to pool in their own resources for pre-qualification as well as submission of the techno-commercial bid.

b) Bidding strategy:

Our bidding strategy is based on the market opportunities, the competitive environment and new focus areas. Further, for each project we consider the project risks involved, impact of location, local environment, and the availability of existing resources such as manpower, equipments and finance. Our major cost inputs are labour, materials and plant and machinery. Once this is assessed the other costs such as site overheads, corporate overheads, profit margin, interest and taxes are added to arrive at the final cost for bidding. Based on the result of the tenders normally the lowest bidder is awarded the contract.

Details of our businesses

C. Power

Our Company has progressed rapidly from being a small time player to become a key player in the power sector in the Eastern Region specially in EPC contracts for erection of HV transmission lines, 220/132 KV Sub-Stations and village electrification works. More than 90% of our current revenues are earned from this division.

Our main business areas in this division are:

- **Rural Electrification**

- We have designed and implemented several rural electrification projects under the RGGVY.
- We are currently executing rural electrification projects in:

- a) West Bengal
- b) Bihar
- c) Arunachal Pradesh
- d) Assam
- e) Chattisgarh

- **Substation & Transmission in EHV**

- Our Company has undertaken construction of substations up to 220 KV with all equipment and also Transmission Lines in various places in India.
- Our Company has recently executed 19 numbers of 33/11 KV substations in Arunachal Pradesh

- **Associated Design & Engineering**

- Design and detail engineering is one of the core competence areas of our Company and represents a key differentiator vis-à-vis our competitors
- In the design & engineering space, we offer holistic and integrated solutions to the needs of our customers
- Our Company is served by a strong team of highly qualified and experienced engineers and technicians who have joined the rolls of our Company from internationally reputed and well-known engineering companies, both Indian and multinational
- Our Company has an impressive list of clientele in this space.

Our current order book for the power division is in excess of Rs.30,000 Lacs.

Equipments

Our equipment requirement is relatively less capital intensive in nature. The main equipments are stringing machine, relay testing kit, oil filtration machine, insulation tester, earth resistance tester, megger, tong tester and multimeter.

Top 5 Projects in hand

Rs. in Lacs					
Sl. No.	Project	Location	Contract Value	Balance of Work to be Completed	Expected date of Completion
1.	Rural Electrification Work on turnkey basis under RGGVY scheme for rural electricity infrastructure & household electrification. Awarded by NHPC Limited (under three separate projects).	Purlia district of W.Bengal,	15,030.47	9,764.20	31.01.2010
2.	Rural Electrification Works on Turnkey basis under RGGVY scheme of GoI	District of Sonitpur of Assam State	2,664.47	1,743.57	30.06.2010
3.	Rural Electrification Work under RGGVY - scheme for Rural Electricity infrastructure & household Electrification of GoI	Dhamtari district of Chattisgarh	2,042.27	657.22	21.01.2010
4.	Rural Electricity Infrastructure and Households Electrification	Upper Subansiri District of Arunachal Pradesh	1,663.73	1,206.08	16.02.2011
5.	New 33/11 KV Sub-Stations, Sub Transmission and Distribution System. Awarded by West Bengal State Electricity Distribution Company Limited.	Birbhum	1,478.17	994.10	13.02.2010

Pole Factory

We have recently taken a major step towards backward integration. More than 40% of the value of a typical electrification project comprises of poles & iron & steel items like cross-arms, cross-bracings, clamps, nuts & bolts, etc.

Our Company has, in the current financial year, set up pole factories at two locations. The first plant in Tezpur, Assam has already commenced trial run and is expected to commence commercial production in November 2009. The second unit is being set-up in Purulia district of West Bengal and will commence operations in December 2009. Each of the units has an installed capacity of manufacturing 18,000 poles p.a.

Pre-stressed Concrete (PCC) poles are the latest development in Structural Engineering. It replaces steel and other structures with the advantage in durability and economy. Also, it requires minimum maintenance.

We will manufacture and supply solid PCC poles to projects that we execute for various State Electricity Boards and also to other concerned contractors engaged in Rural Electrification. The pole project would also enable us to aggressively bid for larger and more prestigious projects, given an assured supply of the critical items required for erection.

Captive availability of PCC poles would also enable our company to execute orders within the scheduled period of completion and within the budgeted economics. We also expect to cater to the outside market for poles, especially since there is a significant gap between demand and supply.

Installed Capacity & Capacity Utilization

The installed capacity and the expected capacity utilization of the pole factories over the next three years are as follows:

Unit –I (Tezpur-Assam)

Particulars	2009-10	2010-11	2011-12
Installed Capacity	18,000	18,000	18,000
Capacity Utilisation	33%	80%	90%
Production	5,940	14,400	16,200

Unit –II (Purulia – West Bengal)

Particulars	2009-10	2010-11	2011-12
Installed Capacity	18,000	18,000	18,000
Capacity Utilisation	26.67%	80%	90%
Production	4,800	14,400	16,200

D. Roads

Our Company executed its first major road construction contract in the year 2008 in the Purbi Champaran District of Bihar. This contract was worth about Rs. 2000 Lacs. This contract was extremely crucial as it led us to invest in state-of-art equipments related to construction of roads of high quality as well as building up of a team of specialists.

Government sponsored projects for creation/enhancement of village electrification infrastructure often include a substantial construction component in the area of road & railway connectivity. The company has executed several prestigious projects in this area, including construction of Two-Lane roads under Prime Minister Gramin Sadak Yojana (PMGSY Scheme) of Government of India.

Main Business Areas

Our main business areas in this division are:

- Internal Roads and Rural Roads
- Operation and Maintenance

Equipments

Road projects are capital intensive in nature. A majority of the equipments required are purchased either from the domestic market or imported. However the equipments relating to excavation such as excavators and transport equipments such as dumpers are a mix of owned and hired. In addition the key equipments required by us for any road project would be stone crushers, granular sub base screening plant, hot mix plant - batch type and drum type, wet mix plant, electronic sensor paver, mechanical paver, concrete batching and mixing plant, weigh batchers, vibro compactor, tandem vibratory roller, front end wheel loader, bitumen spreaders, sand piling machinery, dozers, and tunnelling boomer.

Details of equipments which are proposed to be purchased from the Issue proceeds are as follows:

Sl. No.	Description/ Model	Suppliers Name	Qt.	Unit Rate	Amount (Rs.)
1	PAVER FINISHER Modal – SPF 45, Complete in all respect	SPEEDCRAFTS LIMITED Layak Bhavan, Boring Canal Road, Patna – 800 001	4	1,675,000	6,700,000
2	DRUM MIX PLANT Modal DM – 60 of 45 to 60 TPH Capacities with type Pollution Control System, Complete in all respect	SPEEDCRAFTS LIMITED Layak Bhavan, Boring Canal Road, Patna – 800 001	1	3,750,000	3,750,000
3	Vibratory Asphalt Compactor Modal DD 80	UD HYDRAULICS PVT. LTD 6C, Rameshwar Shaw Road, Kolkata – 700 014	2	2,125,293	4,250,586
4	770 EXCAVATOR LOADER BACKHOE Machine Power by KOEL Make 4R-1040 Diesel Engine Generating 76 HP @ 2200 RPM fitting with 1.0 Cu. M. Loader Bucket, 0.24 Cu. M. Excavator Bucket, Standard Type	MATHEWS & COMPANY Park Street Kolkata- 700 016	3	1,730,000	5,190,000
5	Static Road Roller 8/10 Ton Capacity with all original fitting & Standard M.S. Wheels	SUPPLY & SERVICES ENTERPRISES Chatterjee International Centre, 18 th Floor, flat no. A-8, 33A, J.L. Nehru Road, Kolkata – 700 071	6	580,000	3,480,000
6	1000 liters Capacity Bitumen Boiler Cum Sprayer, Mechanical Type, Powered by 6 HP Air cool Diesel Engine & Provided with Blower, Burner, Gear Pump, Compressor, Temperature Meter, Flexible Hose of 3 Meter long. Spraying Nozzle and Other necessary accessories complete in all respect	SUPPLY & SERVICES ENTERPRISES Chatterjee International Centre, 18 th Floor, flat no. A-8, 33A, J.L. Nehru Road, Kolkata – 700 071	5	200,000	1,000,000
7	TAR BOILER of 1000 litre capacity with Engine Burner, Blower and 4 Nos. Pneumatic Wheel	SUPPLY & SERVICES ENTERPRISES Chatterjee International Centre, 18 th Floor, flat no. A-8, 33A, J.L. Nehru Road, Kolkata – 700 071	5	110,000	550,000
8	Diesel Chasis, Model LPK 2518 TC (6x4) Eng: 6BTAA5.9(178HP) CUM	TATA MOTORS LIMITED 5 th Floor Apeejay House Block A, 15 Park Street, Kolkata – 700 016	3	1,976,304	5,928,912
Total					30,849,498

The major Road projects executed by us are as under:

Sl. No.	Project	Location	Contract Value (Rs. in Lacs)
1.	Construction & Maintenance of Balbatiya Shampur Path (Ch. 0-6.0 Km), L=6.0 Km & Madhopur Nizamat Baghi, L=3.55 Km, in Block-Sagauli (Package-1116A) under PMGSY scheme of GoI. Awarded by National Hydroelectric Power Corporation Limited and Bihar Rural Road Project, Patna.	Purbi Champaran district of Bihar.	425.22
2.	Construction & Maintenance of (1) Balbatiya - Shampur (Lo31), L-20.00 Km Karamwa - Baksa Road (Package - 1116 B&C) under PMGSY scheme of GoI. Awarded by National Hydroelectric Power Corporation Limited and Bihar Rural Road Project, Patna.	Purbi Champaran district of Bihar.	714.33
3.	Construction & Maintenance of Gujarwalia - Kesharia Path (T06), (Ch.26.00 to 35.80 Km) L=9.80 Km (Package - 1114D) under PMGSY scheme of GoI. Awarded by National Hydroelectric Power Corporation Limited and Bihar Rural Road Project, Patna.	Purbi Champaran district of Bihar.	489.31

Cost Structure

The cost structure is directly related to the scope of work and cannot be generalized.

Raw Materials/Consumables

For the power division, the major / critical raw materials required are steel and cement. For the Roads Division, the major raw materials are aggregate, cement, steel, diesel and bitumen.

We follow a centralized purchase system for cement, steel, diesel, and bitumen through our purchase department. The supplies however are made on a just-in-time basis. In case of steel, diesel and bitumen our requirements are project specific and we accordingly select our suppliers to ensure both the availability and timely delivery to meet our project schedule needs. However for Pre-stressed Concrete (PCC) poles we have put up capital facility to manufacture the same since this is a critical raw material and quantities being large it provides economies of scale. Other raw materials such as metal, river sand and block masonry are project specific and sourced at a location nearest to the project site. Most of our raw materials/consumables are easily available. Our contract terms mention escalation clauses which take care of price variations for our raw material requirements.

The basis for our raw material requirements are determined by the total orders received for projects. The yearly execution plan of the outstanding orders at the beginning of the financial year determines our annual requirement of raw material. This requirement is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. We issue orders on a rolling plan which can be adjusted for changes in actual requirement on a quarter to quarter basis. For some of our projects, we may require to purchase specific equipments and components, which are key inputs for project implementation.

Key Processes and Technology

There are no key processes, technology and collaboration agreements with any parties for technology. Our clients normally specify proven conventional technologies and methods for their projects, therefore, it does not entail the need for any collaboration agreements for technology to be used. The client specifies the same in the tender conditions. For us to pre qualify we should have in the past

implemented contracts using the similar technology. Our Company is not required to own this technology however we can access the same, as they are available domestically. In case certain specialized projects call for similar technology with higher capacities we may identify international sources and establish necessary tie-ups. However, one can not rule out the possibility of going for collaboration to enable access new technologies in the future.

Marketing/Business Development

Marketing Set-up

Our approach to business development comprises a well defined framework based on technical and managerial planning, complete appreciation of customers' needs and a deep understanding of the economics of each project.

Our marketing team is headed by Mr. D. Sarkar, Vice President. Mr.Sarkar is an electrical engineer with close to 25 years of experience, having served several prestigious engineering companies in India. He is assisted by a team of dedicated and technically qualified engineers.

Go - to - Market Approach

The marketing team remains in constant touch with relevant technical personnel of the implementation agencies, SEBs & other state & central administrative agencies.

Geographical presence

We have set up marketing & customer services coverage across all Eastern & N.E. States. Extensive regional presence of our Company ensures that market referrals & feedback are channelized smoothly and expeditiously from the ground level to the senior decision making authorities within the Company.

We follow a multi pronged strategy for business development and marketing as briefly stated below:

- All pre-qualification applications for tenders are centrally prepared by the Business Development Cell at the Corporate Office.
- To ensure that we do not miss out on any opportunity, newspapers as well as organizations which provide dedicated information on opportunities and tenders from various states in our country are perused by the business development department. In addition to this all the regions, the zones and divisions also flash the pre-qualification tender notices to the Business Development Department indicating their interest for pre-qualifying and subsequent bidding for the tender.
- Depending upon the pre qualifying criteria specified in the Request for Qualification ("RFQ"), decision for forming a JV with a suitable partner is taken.

Utilities

The utilities required by us are site specific infrastructure, which are project specific in nature.

Power

The business divisions of our Company are not power intensive. Power is required at site for running various machineries and equipments and also for lighting. Generally power requirement is met at site through normal distribution channel. However, if need arises, the Company may use D.G set to meet power requirements. Power requirements of our Company vary at each stage of the project and depend upon the size and nature of the project.

Fuel

The fuel required to operate D.G. sets and certain heavy equipments are purchased locally.

Water

Our Company meets its water requirement largely by digging tube wells at project sites.

Business Strategy

Our strategy is to build upon our competitive strengths and available business opportunities to become a leading power and infrastructure company in India. We intend to pursue suitable opportunities in North East region of India, as well as other regions of the Country. Historically, we have been most active in Arunachal Pradesh, West Bengal, Bihar, Orissa, Assam and Jharkhand. We intend to diversify into the development of mini hydel stations. Towards achieving these objectives, we are working on the following strategies:

Continue to pursue growth in what we believe to be our core competency - the Power and Infrastructure sector

We intend to target specific project segments where we believe there is high potential for growth and where we enjoy competitive advantages. Currently, our strategy is to build upon our competitive strengths in the Power and Infrastructure sector to become a leading market player in India. We intend to continue to be active in the Eastern and North East region of India. It is also our intention to pursue suitable opportunities in other region/parts of India. We believe that government spending on the power and road infrastructure sector will be a key component of India's goal of sustained annual GDP growth. We believe that our expertise and experience in the EPC contracts for rural electrification projects, as well as our established reputation in execution of road projects, will provide us with an advantage in pursuing growth opportunities in this fast-growing sector.

Establish our presence across diverse sectors

We are actively focused on becoming a diversified infrastructure player. We are currently operating in rural electrification and roads (construction and maintenance). Additionally, we are evaluating opportunities in the hydel power stations and railway sectors for which our existing technical team is adequately qualified. Being into EPC contracts in rural electrification business, which involve various kind of civil works (i.e. constructing site offices, boundary walls etc.) and in addition to this the basic equipment required for rural electrification and roads i.e. dumpers, tippers, survey equipment etc. are also common for construction of hydel stations and railway infrastructure. Besides, personnel such as supervisors, civil engineers and other technical support staff can also be moved from one business division to the other with relative ease as per the requirement.

Remain focused on timely execution of projects and maintain the quality standards.

We believe that we have developed a reputation for undertaking challenging construction projects and executing them within the stipulated timeframe. We intend to continue to focus on performance and project execution in order to ensure to maximize client satisfaction.

Execute the projects with the available resources to give the maximum operating margins.

We intend to continue to control our operating and overhead costs, to maximize operating margins. To facilitate efficient and cost-effective decision-making, we intend to continue to strengthen our internal systems. This result in better operating margins. We also intend to win larger and more technically complex, turnkey projects through Joint Ventures.

Develop and maintain strong relationships with our clients and strategic partners

Our services are significantly dependent on winning construction projects undertaken by large government agencies and companies, and infrastructure projects undertaken by governmental authorities and others and funded by governments. Our business is also dependent on developing and maintaining strategic alliances with other contractors with whom we may want to enter into project-specific joint ventures or subcontracting relationships for specific purposes. We will continue to develop and maintain these relationships in both the client and vendor space. We intend to establish

relationships and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to provide us with better opportunities.

Corporate/Work locations

The details of our registered, corporate and site offices are as under:

Type	Address	Functions	Owned/ Leased/ Rented	Number of employees*
Registered Office	A-Sector, Naharlagun, Arunachal Pradesh - 791110	<ul style="list-style-type: none"> ▪ Financial Management ▪ Business Planning ▪ Business Development 	Rented	25
Corporate Office	45/1, Rafi Ahmed Kidwai Road, Jaiswal Mansion, 2 nd Floor, Kolkata – 700016	<ul style="list-style-type: none"> ▪ Business Planning ▪ Accounts & Costing 	Rented	25
Site Office	C/o Sontipur Biscuit Factory, P.O.: Dholabari P.S.Mohabhairav, District: Sontipur Texpur: 784011 (Assam)	<ul style="list-style-type: none"> ▪ Project Implementation ▪ Operational Activities ▪ Regional Business Development 	Rented	23
Site Office	Plot No.:1496, Udayabat, PPL Chhak Udayabat P.O.: Paradeep, Jagtsinghpur – 754141 (Orissa)	<ul style="list-style-type: none"> ▪ Project Implementation ▪ Operational Activities ▪ Regional Business Development 	Rented	9
Site Office	C/o. Saheb Stone Tiles, Housing Board Colony, Dhamatri, Chattisgarh – 4933773	<ul style="list-style-type: none"> ▪ Project Implementation ▪ Operational Activities ▪ Regional Business Development 	Rented	25
Site Office	Abmika Nagar, West of Chanchal Baba’s Math Motihari, East Champaran, Bihar -845401	<ul style="list-style-type: none"> ▪ Project Implementation ▪ Operational Activities ▪ Regional Business Development 	Rented	18
Site Office	Bye Pass Road, Chas, Opp. ICICI Bank, Bokaro, Jharkhand	<ul style="list-style-type: none"> ▪ Project Implementation ▪ Operational Activities ▪ Regional Business Development 	Rented	6
Site Office	552/7, North Lake Road, Purulia -723101 West Bengal	<ul style="list-style-type: none"> ▪ Project Implementation ▪ Operational Activities ▪ Regional Business Development 	Rented	70

**includes both permanent and contractual employee*

Quality Certifications

We have an ISO 9001:2000 Quality Certificate awarded to us on April 07, 2007 from Det Norske Veritas valid until April 03, 2010 for 'Execution of turnkey project contract in the field of power transmission and civil infrastructure'.

Export Obligations: None

Registrations

Every project we work for stipulates certain project specific clearances. Further each of the states wherein we are working normally have their own procedure for registration of contractors under various categories. The five broad categories across the states where registrations are required are Public Works Department ("PWD"), Public Health Engineering Department, Water Resource Department ("WRD"), State Electricity Board ("SEB") and Roads and Bridges department (R&B). The concerned department would assess the capability of the contractor based on the complete credentials provided to them which would include the general construction experience, particular construction experience, manpower, equipment and turnover. On assessment the departments would award the registrations along with limits termed as 'class/category' that define the value of projects we can undertake.

Capacity

Our business being project specific and not in the nature of a manufacturing concern with specified installed capacities, we are unable to determine the capacity. However, as stated earlier, ability to undertake a project depends on pre-qualifications obtained and bid capacity available. The bid capacity is determined on the basis of a formula given by project owner which generally takes into consideration various financial and other parameters. Bid capacity is a function of the value of proposed project, duration of project, value of orders on hand with the contractor and the average duration of the projects on hand, average turnover of contractor of previous financial year as well as a factor which is used in conjunction with the above variables to determine the capacity to bid.

Competition

We face competition mainly from big players like IVRCL Infrastructures and Projects Limited, Nagarjuna Construction Company Ltd., Jyoti Structure Ltd., Supreme Infrastructure India Ltd who operate at the national level and also from numerous smaller localised contractors /companies.

SWOT Analysis

Strengths

- Technically well equipped with a rich pool of captive engineering & construction expertise
- Well endowed in terms of domain knowledge & execution capabilities
- Well networked team with constant client level interface
- Strong vendor relationships

Weakness

- Our Company has not yet achieved the scale required to dislodge large competitors
- High working capital intensity of operations

Opportunities

- We operate in a business cycle proof space driven by social commitments of the government.
- Enormous government expenditure lined up in upgrading rural and urban infrastructure
- New areas of activity including small hydel projects

Threats

- Our business space is populated with larger competitors
- Increase in financing costs may impact our business model

Human Resources

We have 190 employees working with us as on October 31, 2009 out of which 51 are permanent employees. The educational background of our employees is as shown:

Education	Permanent	Temporary (Contractual)	Total
Engineers/Professionals	15	28	43
Diploma	18	33	51
Graduates	12	47	59
Under-Graduates	6	31	37
Total	51	139	190

Our employee strength has grown from 140 during 2008-09 to 190 in the current year.

We have a team of Human Resources ("HR") professionals manning the Human Resources function entrusted with responsibility and independence to manage and service the requirements of the operating line function as follows:

- **Recruitment and Selection**
- **Annual Performance Analysis**
- **Potential Appraisal system**
- **Training**

Insurance

We maintain insurance policies for all of our projects, which we believe are sufficient to cover all material risks to our operations and revenue. Our operations are subject to hazards inherent in providing engineering and construction services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other force majeure events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. Our insurance policies include group personal accident insurance, public liability insurance, consequential loss insurance, standard fire and special perils insurance, consequential loss insurance, electronic equipment insurance, special contingency liability insurance burglary insurance and cash insurance.

Working Capital

We enjoy the following working capital facilities from a consortium of bankers:

Rs. in Lacs

Facility	Bank	Limit	Outstanding as on October 26, 2009
Fund Based	State Bank Ltd	700.00	703.00*
	Axis Bank Ltd.	1,000.00	707.00
	IDBI Bank Ltd	600.00	655.00*
	Total	2,300.00	2065.00
Non-Based	State Bank Ltd	4,700.00	4,233.00
	Axis Bank Ltd.	4,000.00	3,137.00
	IDBI Bank Ltd	2,200.00	1,947.00
	Total	10,900.00	9,317.00

* Includes adhoc borrowings

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies, as prescribed by the Central or State Governments in India which are applicable to our Company. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designated nor intended to substitute for professional legal advice.

General

Our Company is engaged in the business of providing integrated design, engineering, procurement, construction and infrastructure sector projects. Contracts by our Company are executed in pursuance of tenders issued by the Government, Government agencies, Government companies, private companies, public companies and multinational companies or by orders placed by them. For the purpose of executing the work undertaken by us, we may be required to obtain licenses and approvals depending upon the prevailing laws and regulations applicable in the relevant State and depending on the project required to be executed. For details of such approvals please refer to "Government and Other Approvals" on page 157 of the Draft Red Herring Prospectus. Set forth below are certain significant regulations that generally govern the power infrastructure and roads sector in India:

The Electricity Act, 2003

The Electricity Act, 2003 ("EA 2003") is a central unified legislation relating to generation, transmission, distribution, trading and use of electricity, that seeks to replace the multiple legislations that governed the Indian power sector. The most significant reform initiative under the EA 2003 was the move towards a multi buyer, multi seller system as opposed to the existing structure which permitted only a single buyer to purchase power from power generators. In addition, EA 2003 provides for a greater flexibility and grants the respective electricity regulatory commission's greater freedom in determining tariffs, without being constrained by rate-of-return regulations. The Act seeks to encourage competition with appropriate regulatory intervention. However, EA 2003 provided that transmission, distribution and trade of electricity are regulated activities which require licenses from the appropriate electricity regulatory commission, unless exempted by the appropriate government in accordance with the provisions of EA 2003. It was amended in 2007 to exempt captive power generation plants from licensing requirements for supply to any licensee or consumer. Government has also announced National Electricity Policy in 2005 to guide the development of the electricity sector in India.

Licensing

The EA 2003 stipulates that no person can transmit or distribute or undertake trading in electricity, unless he is authorised to do so by a licence issued under Section 14, or is exempt under Section 13 of the Act. Act provides for transmission licensee, distribution licensee and licensee for electricity trading. There can be a private distribution licensee as well.

Transmission

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. EA 2003 vests the responsibility of efficient, economical and integrated transmission and supply of electricity with the Government of India and empowers it to make region-wise demarcations of the Country for the same. In addition, Central Government will facilitate voluntary inter-connections and coordination of facilities for the inter-state, regional and inter-regional generation and transmission of electricity.

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. In addition, every Transmission licensee is required to obtain a license from the CERC and the respective SERCs, as the case may be. EA 2003 requires the Central Government to designate one government company as the central transmission utility ("CTU"), which would be deemed as a transmission licensee. Similarly, each state government is required to designate one government

company as state transmission utility ("STU"), which would also be deemed as a transmission licensee. The CTU and STUs are responsible for transmission of electricity, planning and co-ordination of transmission system, providing non-discriminatory open-access to any users and developing a co-ordinated, efficient and integrated inter-state and intra-state transmission system respectively. EA 2003 prohibits CTU and STU from engaging in the business of generation or trading in electricity.

Under the EA 2003, the Government of India was empowered to establish the NLDC and RLDCs for optimum scheduling and despatch of electricity among the RLDCs. The RLDCs are responsible for (a) optimum scheduling and despatch 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 despatch 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 required to comply with the technical standards of operation and maintenance of transmission lines as specified by CEA, 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 EA 2003.

The Act allows IPPs open access to transmission lines. 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

Distribution and Retail Supply

The Electricity Act does not make any distinction between distribution and retail supply of electricity. Distribution is a licensed activity and distribution licensees are allowed to undertake trading without any separate license. Under 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 with prior permission of the Appropriate Commission, may engage itself in any other activities for optimal utilisation of its assets.

Roles of key organizations and players

The roles and functions of certain key organisations and players that operate in the power sector have been set out below:

Central and State Governments

The EA 2003 reserves a significant involvement of the central government in the functioning of the power sector. It has been assigned a number of duties, including planning and policy formulation, rule making, appointing, establishing, designating authority, prescribing duties and other tasks, funding, and issuing directions. The central government designates a CTU and establishes the NLDC, RLDC, the Appellate Tribunal, the Coordination Forum, and the Regulators' Forum. It has the power to vest the property of a CTU in a company or companies and decide on the jurisdiction of benches of the Appellate Tribunal. It also prescribes the duties and functions of the CEA, NLDC and RLDC.

The Central Government is also responsible for the following: a) specifying additional requirements for granting more than one distribution licensee; b) providing no-objection certificates for granting license if the service area includes central government installations such as cantonment, aerodrome, defence area, etc; c) demarcating the country into transmission regions for the purpose of inter-state

transmission; d) issuing guidelines for transparent bidding process; e) approving the salary and benefits of the employees of the CEA, CERC and Appellate Tribunal; f) referring cases to the Appellate Tribunal for removal of members of the CERC on the ground of misbehaviour; and g) prescribing the procedures for inquiry into misbehaviour by members.

The state government exercises appointing, designating powers, provides funds and makes rules notifications, etc. It has the powers to appoint or remove members of the SERC including the chairman, to approve the terms and conditions of appointment of the secretary to the SERC and other staff. It is also responsible for constituting the selection committee for appointing members of SERC. It establishes the state load despatch centre (SLDC), notifies the STU, vests property of STU in companies, draws up reorganisation of the SEB through acquiring its assets and re-vests it through a transfer scheme. It is empowered to constitute special courts, and state coordination forum.

The state government creates the SERC fund and can provide loan or grants for running the SERC. It also decides how the SERC should utilize the fund and how it should maintain accounts. The state government can also provide subsidy to consumers, but EA 2003 requires it to compensate the licensee in advance by the amount of loss expected to be suffered by the licensee in implementing the subsidy. The state government notifies rural areas where exemption of license conditions would apply and issues directions to the SERC on public interest issues.

Central Electricity Authority

The CEA was created under the Supply Act and EA 2003 retains the agency by relegating it mostly to a consultative role. There was some overlap of duties and power between the CERC and the CEA earlier, which EA 2003 has now removed. The technical clearance required for power projects under the provisions of the Supply Act has been eliminated, except in cases of hydro projects above a certain capital investment.

Appellate Tribunal

Under the earlier electricity legislations, the High Court was the appellate authority against orders that are passed by the SERC. Under EA 2003, the Appellate Tribunal has been set up as an appellate body against orders of the relevant electricity regulatory commissions or adjudicating officers in settling disputes. The Appellate Tribunal has the power to summon, enforce attendance, require discovery and production of documents, receive evidence and review decisions. The orders of the Appellate Tribunal are executable as decrees of a civil court. The orders of the Appellate Tribunal can be challenged in the Supreme Court by the aggrieved party.

Enforcement Agencies

The roles and functions of certain key enforcement agencies that operate in the power sector have been set out below:

Investigating Authority

The Electricity Regulatory Commissions have the powers to direct any person to investigate the affairs of and undertake inspection of the generating company if there is any failure by the generating company/licensee to comply with the provisions of the EA 2003 or the license, licensee. The Electricity Regulatory Commissions may direct the generating company/licensee to take such action as may be necessary upon receipt of report from such Investigation Authority.

Electrical Inspector

If the relevant government receives a complaint that there has been an accident in connection with the generation, transmission, distribution or supply of electricity or that in case of use of electrical lines or electrical plant, there is a likelihood of injury to human being or animal, it may require an Electrical Inspector to inquire and report as to the cause of the accident and the manner and extent to which the provisions of EA 2003 have been complied with. The Electrical Inspector is vested with the

powers of a civil court under the Civil Procedure Code, 1908 for enforcing the attendance of witnesses and compelling the production of documents and material objects.

Foreign Investment Regulation

The industrial policy was formulated in 1991 to implement the Government's liberalisation programme and consequently industrial policy reforms relaxed industrial licensing requirements and restrictions on foreign investment. The procedure for investment in the power sector has been simplified for facilitating FDI. FDI is allowed under the automatic route for 100 % in respect of projects relating to electricity generation, transmission and distribution, other than atomic reactor power plants. There is no limit on the project cost and the quantum of FDI.

National Highways Act, 1956

Under this Act, the GOI is vested with the power to declare a highway as a National Highway and also to acquire land for this purpose. The GOI may by notification, declare its intention to acquire any land when it is satisfied that for a public purpose such land is required for the building, maintenance, management or operation of a national highway. The National Highways Act prescribes the procedure for the same. Such procedure relates to declaration of an intention to acquire, entering and inspecting such land, hearing of objections, declaration required to be made for the acquisition and the mode of taking possession.

The central government is responsible for the development and maintenance of National Highways. However, it may direct that such functions may also be exercised by state governments. Further, the GOI has the power to enter into an agreement with any person for the development and maintenance of a part or whole of the highway. Such person would have the right to collect and retain fees at such rates as may be notified by the GOI.

The National Highways (Collection of Fees by any Person for the use of Section of National Highways/ Permanent Bridge/ Temporary Bridge on National Highways) Rules, 1997 provide that the GOI may enter into agreements with persons for development and maintenance of the whole or part of a national highway/permanent bridge/temporary bridge on national highway. Such person may invest his own funds for development or maintenance and is allowed to collect and retain the fees at agreed rates from different categories of vehicles for an agreed period for the use of the facilities created herein. The rates of fees and the period of collection are decided by the GOI and the factors taken into account to decide the same include expenditure involved in building; maintenance, management and operation of the whole or part of such section; interest on the capital invested; reasonable return, the volume of traffic; and the period of such agreement.

Once the period of collection of fees by the person is completed, all rights pertaining to the section of the national highway, Permanent Bridge or the Temporary Bridge on the national highway would be deemed to have been taken over by the Government of India.

National Highways Authority of India

The NHAI Act provides for the constitution of an authority for the development, maintenance and management of national highways. Pursuant to the same NHAI was set up in 1995. Under the NHAI Act, the central government carries out development and maintenance of the national highway system through NHAI, an autonomous body. Pursuant to the same, NHAI has the power to enter into and perform any contract necessary for the discharge of its functions under the NHAI Act.

In an effort to provide for additional financing of its projects, the NHAI has taken measures to attract private sector participation in development of projects. The NHAI Act prescribes a limit in relation to the value of the contracts that may be entered into by NHAI. However, such contracts can exceed the value so specified with the prior approval of the central government. The NHAI provides that the contracts for acquisition, sale or lease of immovable property cannot exceed a term of thirty (30) days.

The Government aims to attract both foreign and domestic private investments in construction and maintenance of National Highways. Projects may be offered on BOT basis to private agencies. The concession period can be upto a maximum of 30 years, after which the road is transferred back to NHAI by the concessionaries.

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

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

Where projects are funded by multilateral funding agencies such as the World Bank or the Asian Development Bank, the selection takes place in consultation and concurrence with the funding organisation. For other types of projects, selection is as per standards work procedures. Wide publicity is given to NHAI tenders so as to attract attention of leading contractors and consultants. Notice inviting tenders is posted on the web site of the NHAI and published in leading newspapers.

Private sector participation in the road sector is sought to be promoted through the following initiatives as well:

- The Government ensures that all preparatory work including land acquisition and utility removal is completed before awarding of the project;
- Right of way is made available to the concessionaires free from all encumbrances;
- NHAI / Government may provide capital grant up to 40% of project cost to enhance viability on a case to case basis;
- 100% tax exemption for 5 years and 30% relief for next 5 years, which may be availed of in 20 years; and
- Duty free import of specified modern high capacity equipment for highway construction.

Environmental Laws

Manufacturing projects must also ensure compliance with environmental legislation such as the Water (Prevention and Control of Pollution) Act 1974 ("**WPA**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**APA**") and the Environment Protection Act, 1986 ("**EPA**").

The WPA aims to prevent and control water pollution. This legislation provides for the constitution of a Central Pollution Control Board and State Pollution Control Boards. The functions of the Central Board include coordination of activities of the State Boards, collecting data relating to water pollution and the measures for the prevention and control of water pollution and prescription of standards for streams or wells. The State Pollution Control Boards are responsible for the planning for programmes for prevention and control of pollution of streams and wells, collecting and disseminating information relating to water pollution and its prevention and control; inspection of sewage or trade effluents, works and plants for their treatment and to review the specifications and data relating to plants set up for treatment and purification of water; laying down or annulling the effluent standards for trade effluents and for the quality of the receiving waters; and laying down standards for treatment of trade effluents to be discharged. This legislation debars any person from establishing any industry, operation or process or any treatment and disposal system, which is likely to discharge trade effluent into a stream, well or sewer without taking prior consent of the State Pollution Control Board.

The Central and State Pollution Control Boards constituted under the WPA are also to perform functions as per the APA for the prevention and control of air pollution. The APA aims for the prevention, control and abatement of air pollution. It is mandated under this Act that no person can, without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling hazardous substances and for matters connected herewith or incidental thereto. Hazardous substance means any substance or preparation which is defined as hazardous substance under the Environment (Protection) Act, 1986, and exceeding such quantity as may be specified by notification by the Central Government.

Labour Laws and Regulations

Depending upon the nature of the projects undertaken by the Company, applicable labour laws and regulations include the following:

- Contract Labor (Regulation and Abolition) Act, 1970;
- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;
- Payment of Wages Act, 1936;
- Payment of Bonus Act, 1965;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Payment of Gratuity Act, 1972;
- Shops and Commercial Establishments Acts, where applicable;
- Minimum Wages Act, 1948;
- Workmen's Compensation Act, 1923
- Maternity Benefit Act, 1951
- Equal Remuneration Act, 1979
- Child Labour (Prohibition and Regulation) Act, 1986
- Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. Later the status of our Company was changed from private limited to public limited vide fresh certificate of incorporation dated August 26, 2009 and the name of our Company was changed to Everest Engineering House Limited. The name of our Company was further changed to Everest Infra Energy Limited vide fresh certificate of incorporation dated September 17, 2009. The name of our Company was changed to clearly reflect the nature of the activities carried on by our Company.

Our Company is engaged in the erection, installation and commissioning of High Tension & Low Tension voltage equipments along with designing and commissioning of sub-stations for various private & government bodies. The company has executed projects under the "Rajiv Gandhi Grameen Viduytikaran Yojana" (RGGVY) for rural electrification works in the states of Bihar, West Bengal and Chhattisgarh. Similarly, the Company has been awarded projects under the "Pradhan Mantri Gram Sadak Yojana" (PMGSY) for development of road infrastructure. The Company has executed orders and has operations in 7 states namely Arunachal Pradesh, Assam, West Bengal, Chhattisgarh, Bihar, Orissa and Jharkhand for valued clients like the Government of Arunachal Pradesh, CPWD, National Hydro Electric Power Corporation (NHPC), Power Grid Corporation, IOCL and North Eastern Electric Power Corporation.

There has been no change in the operational activities being carried on by our Company since its inception.

Major Events and Milestones

Year	Events
2007	Received single order of more than Rs. 7200 Lacs in Motihari district of Bihar for Rural Electrification worth Rs. 5200 Lacs and Rs. 2000 Lacs for roads.
2007	Received ISO 9001:2000 certification for execution of trunk project contract in the field of Power transmission and civil infrastructure
2007	Received project for setting-up 19 (Nineteen) sub-stations in the state of Arunachal Pradesh
2008	Became member of Indian Electrical Equipment Manufacturing Association
2008	Received Rural Electrification project including setting-up of sub-stations for entire Purulia district of West Bengal
2008	Received Rural Electrification project from Power Grid corporation worth Rs. 2800 Lacs in Assam
2009	Received project for setting-up of High voltage cable 220KV for Damodar Valley Corporation

Amendment to the Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Amendment	Amendment
January 20, 2007	Increase in the authorized share capital of our Company from Rs.100 Lacs to Rs.300 Lacs.
October 27, 2008	Increase in the authorized share capital of our Company from Rs. 300 Lacs to Rs.700 Lacs.
August 26, 2009	The name of our Company was changed to Everest Engineering House Limited pursuant to conversion from private limited company to public Limited company.

September 7, 2009	Increase in the authorized share capital of our Company from Rs. 700 Lacs to Rs.2500 Lacs.
September 17, 2009	The name of our Company was changed to Everest Infra Energy Limited

Holding and Subsidiary Companies

Our Company neither has any holding company nor any subsidiary company.

Total Number of Shareholders of the Company

As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of Equity Shares is 11 (Eleven). For more details on the shareholding of the members, please see the section titled "Capital Structure" beginning on page 42 of the Draft Red Herring Prospectus.

Injunctions or Restraining order

There have been no injunctions or restraining order against our Company.

Corporate Profile of the Company

For details of the Company's business, products, marketing, the description of its activities, products, market of segment, the growth of the Company, country-wise analysis, standing of the Company with reference to the prominent competitors with reference to its products, major suppliers and customers, environmental issues and geographical segment, please see "Our Business" beginning on page 79 of this Draft Red Herring Prospectus.

For details of the management of the Company and managerial competence, please see section titled "Our Management" beginning on page 102 of this Draft Red Herring Prospectus.

Our Main Objects

1. To carry on the business of civil, mechanical, electrical engineers, project engineers, turnkey project engineers, transmission engineers, consulting engineers, builders, construction engineers, electronic engineers, planners, construction and civil works contractors, general contractors, construction of roads, approach roads, streets, circles, bridges, metro rails, dams, Hydro Power Projects, water courses and reservoirs, tunnels, earth works, sewers, tanks, drains sewages, light houses, towers, transmission towers pipelines, underground cables, railway tracks, railway sidings, runways, culverts, channels, whether on turnkey basis or on labour contracts or otherwise or to get the work carried on lease or on hire or any other mode from another contractor to manufacture, trade, export, import, repair, lease, develop, resell, design, test, commission any items relating to the above business.
2. To carry on the business of constructing, laying down, establishing, promoting, erecting, building, installing, commissioning, arranging, fabricating, assembling, exporting, importing, reselling, repairing, leasing, developing, designing, collaborating, franchising, executing, testing, jobbing, technical consulting, assessing, surveying, drawing, operating, estimating, inspecting, valuing, managing, representing, supervising and running all kinds of power houses, power sub-stations and other installations, workshops, repair shops, wires, cables, transmission lines, accumulators and also to provide regular services for repairing and maintenance of all distribution and supply lines.
3. To convert the business of M/s Everest Engineering House, proprietorship firm into the Company with all its assets, liabilities, rights, entitlements etc. and to continue the business of the firm in the Company.

SHAREHOLDERS AGREEMENT

Our Company has not entered into agreement with any of its shareholders.

STRATEGIC PARTNERS

Our Company as on date has no strategic partners.

FINANCIAL PARTNERS

Our Company also has no financial partners.

Except the agreements in the normal course of business, we have not entered into any other agreements of any kind.

OUR MANAGEMENT

As per Article 115 of our Articles of Association, our Company must have a minimum of three (3) and a maximum of twelve (12) Directors.

Presently, our Company has four Directors out of which one is an Executive Director, one is a Non-Executive and Non-Independent Director and two are Non-Executive and Independent Directors.

Board of Directors

The following table sets forth the details regarding the Board of Directors:

Sl. No.	Name, Designation, Father's name, Address, DIN No., Occupation and Term of Appointment	Date of Appointment	Other Directorship
1	<p>Mr. Dipankar Choudhury Chairman and Managing Director S/o Digendra Chandra Choudhury P-69, 1st Floor B Block, Lake Town Kolkata – 700 089 West Bengal Age: 51 yrs Qualification: Bachelor of Engineering (Electrical) DIN No. 00904260 Experience: 30 yrs Occupation: Business Term: up to September 6, 2014</p>	Since Incorporation	1. Horizon Hi-Tech Engicon Limited 2. Ankar-Pali Merchants Private Limited
2	<p>Ms. Lichi Seth Non-Executive Director W/o Mr. Lichi Legi House No. E-203 A Sector, P Pump Naharlagun – 791110 Arunachal Pradesh Age: 47 yrs Qualification: B.A (Hons) DIN No. 02319379 Experience: 25yrs Occupation: Business Term: Liable to retire by rotation</p>	Since Incorporation	NIL
3	<p>Mr. Pulak Deb Independent Director S/o Paresh Chandra Deb Flat No. BF-4 Subarnarekha Apartment AD1/1A, Rajarhat Road Baguihati Kolkata – 700 059 West Bengal Age: 51 yrs Qualification: B.E DIN No. 00761127 Experience: 28 yrs Occupation: Professional Term: Liable to retire by Rotation</p>	August 11, 2009	NIL

4	<p>Mr. Saubir Bhattacharyya Independent Director S/o Ranes Chandra Bhattacharyya H1/1, Labony Housing Estate Salt Lake Kolkata – 700064 West Bengal Age: 63 yrs Qualification: M.Sc. DIN No. 00122677 Experience: 38 yrs Occupation: Professional Term: Liable to retire by Rotation</p>	August 11, 2009	1. RDB Textiles Limited
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BRIEF PROFILE OF DIRECTORS

Mr. Dipankar Choudhury, Chairman and Managing Director

Mr. Dipankar Choudhury, aged 51 years, is a graduate in Electrical Engineering from Calcutta University. He started his career as an Engineer in the Department of Power. Mr. Choudhury has a distinguished track record of conceptualizing, planning and implementing several projects in the power sector for over 30 years. He specializes in designing & engineering of power installations and small hydel units.

Ms. Lichi Seth

Ms. Lichi Seth, aged 47 years, is a graduate in arts and had been leading the business of her proprietorship concern for more than two decades. She now shares her experience and provides her strategic inputs in administering the affairs of the Company.

Mr. Pulak Deb

Pulak Deb, aged about 51 years, is an Engineering Graduate and having wide experience of working in Power Sector for around three decades in the field of Hydro-Electric, Transmission and Distribution Projects under the Department of Power, Govt. of Arunachal Pradesh. During his service tenure he was holding various key posts like Advisor (Power), Chief Engineer (Power) and Chief Electrical Inspector in the Department of Power and Managing Director in Hydro Power Development Corporation of Arunachal Pradesh. He was also part- time Director, North East Electric Power Corporation and Chairman, Technical Coordination Committee of North Eastern Regional Electricity Board.

Mr. Saubir Bhattacharyya

Mr. Saubir Bhattacharyya, aged 63 years, has completed his Masters degree in Science with Applied Mathematics. Mr. Bhattacharyya joined State Bank of India as a probationary officer in 1971 and after rendering his services for almost 4 decades retired in September 2006 as a chief general manager. Presently, he is on the panel of Special directors of Board of Industrial & Financial Reconstructions, Department of Economic Affairs, and Government of India. He is also on the panel of arbitrators of the Multi-Commodity Exchange (MCX) for Eastern India

RELATIONSHIPS BETWEEN DIRECTORS

There is no family relationship between our Directors

ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS

None of our Director(s) has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

BORROWING POWERS OF THE BOARD

Pursuant to a resolution of the shareholders of the Company dated September 7, 2009, the Board has been authorised to borrow sums of money for the purpose of the Company upon such terms and conditions and with or without security as the Board may think fit, provided that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) shall not exceed, at any time, a sum of Rs. 500 (Five Hundred) Crores.

DETAILS OF REMUNERATION, APPOINTMENT AND SERVICE CONTRACT MANAGING DIRECTOR:

The terms of appointment and remuneration of Mr. Dipankar Choudhury, Chairman and Managing Director is as follows:

Terms	Chairman cum Managing Director
Period of Agreement	September 7, 2009 to September 6, 2014
Salary	Rs. 1,50,000 per month
House Rent Allowance	40% of the Basic Salary
Functional Allowance	10% of the Basic Salary
Leave Travel Allowance	15% of the Basic Salary
Perquisites	
Children Education Allowance	Rs. 250/- per month
Medical Reimbursement	1.5% of the Basic Salary
Exgratia	Rs. 6,00,000/- per annum
Contribution to Provident Fund:	12% of the Basic Salary
Personal Accident & Hospitalization Expenses	As per Company Policy
Gratuity	As per Company Policy
conveyance facilities	The Company shall provide suitable conveyance facilities or in lieu of conveyance facilities the Company shall reimburse the actual conveyance expenses incurred for official use.
Telephone and other communication facility	The Company shall provide or reimburse the expenses in respect of one cellular phone for his use with STD & ISD facilities for the official use and provision of one telephone line at residence for official use.
Leave Encashment	As per Company Policy
Note: The emoluments and benefits shall be subject to taxes as may be applicable	

Overall Remuneration:

The aggregate of salary and perquisites in any one financial year shall not exceed the limits prescribed or to be prescribed from time to time under sections 198, 269, 309, and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

Minimum Remuneration:

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director the payment of salary, perquisites and other allowances shall be governed by limits prescribed under Schedule XIII of the Companies Act, 1956.

Terms and Conditions

- i. If before the expiration of the agreement the tenure of the office of the Managing Director shall be determined by the reason of a reconstruction / amalgamation, whether by the winding up of the Company or otherwise, the Managing Director shall have no claim against the company for damages.
- ii. The Board may review from time to time the above remuneration subject to the approval of the Members of the Company.

Terms and Conditions of Employment of Non-Executive Directors

The non-executive Director(s) do not have service contracts with the Company. The Non-Executive Director(s) are not entitled to receive any remuneration from the Company except the sitting fees for Board and Committee meetings subject to the discretion of the Board and the overall statutory limit prescribed from time to time.

Benefits to the Directors upon termination of employment

There are no benefits to the Directors upon termination of employment

CORPORATE GOVERNANCE

The provisions of the listing agreement to be entered into with the Stock Exchanges will be applicable to our Company immediately upon the listing of our Equity Shares with the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 (as applicable), especially in relation to appointment of independent Directors to our Board and constitution of the audit committee and the shareholders/investor grievance committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has four Directors, of which the Chairman of the Board is an Executive Director and in compliance with the requirements of Clause 49 of the Listing Agreement, our Company has two Independent Directors on our Board.

Committees of the Board

We have constituted the following committees of our Board of Directors for compliance with corporate governance requirements:

- (a) Audit Committee
- (b) Shareholders'/ Investors' Grievance Committee

(a) Audit Committee

We have an Audit Committee, which has been constituted pursuant to provisions of the Companies Act, 1956. The Audit Committee was approved and constituted and formed by a meeting of the Board of Directors held on October 10, 2009

The Audit Committee comprises of the following Directors:

Sl. No.	Name of the Committee Member	Category	Position
1.	Mr. Saubir Bhattacharyya	Independent Director	Chairman
2.	Mr. Pulak Deb	Independent Director	Member
3.	Ms. Lichi Seth	Non-Executive Director	Member

General Functions and Powers of the Audit Committee

The Audit Committee shall have the following powers:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary

The role of the Audit Committee shall include the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Appointment, removal and terms of remuneration of internal auditors.
- Monitoring the use of the proceeds of the proposed initial public offering of the Company
- Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act 1956;
 - Changes if any, in accounting policies and practices and reasons of the same;
 - Major accounting entries involving estimates based on the exercise of judgement by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to the financial statements;
 - Disclosure of any related party transactions
 - Qualifications in the draft audit report
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, and adequacy of the internal control systems for the purpose of financial reporting.
- Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussions with internal auditors on any significant findings and follow up thereon.
- Reviewing internal audit reports in relation to internal control weaknesses.
- Reviewing management letters/ letters of internal control weaknesses issued by the statutory auditors.
- Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post- audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
- To review the functioning of the whistle blower mechanism, when the same is adopted by the Company and is existing.
- To review Management discussion and analysis of financial condition and results of operation;
- To review statement of significant related party transaction (as may be defined by the Audit Committee) submitted by the Management;
- Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committee(s) of the Directors of the Company.

The Audit Committee shall mandatory review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions, periodically submitted by management;
- Management letters or the letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

(b) Shareholders’/Investors’ Grievance Committee

The Shareholders’/Investors’ Committee was approved and constituted in the meeting of the Board of Directors held on October 10, 2009 and presently comprises the following Directors:

Sl. No.	Name of the Committee Member	Category	Position
1.	Mr. Pulak Deb	Independent Director	Chairman
2.	Ms. Lichi Seth	Non-Executive Director	Member
3.	Mr. Dipankar Choudhury	Executive Director	Member

Duties and Responsibilities

The following are the duties of the Committee:

- To attend to share transfer formalities at least once in a fortnight;
- To report to the Board about decisions taken at the meeting periodically and noted by the Board of Directors;
- To refer the rejection of transfer (on grounds other than non-compliance of technical requirements) to the Board of Directors for decision;
- To attend to the investors complaints, solve and report to the Board as per requirements;
- To attend the assignments delegated by the Board of Directors relating to the Investors/Shareholders matters.

IPO Committee:

In addition to the above, our Board has constituted an IPO committee by a board resolution dated October 10, 2009 for the efficient functioning and smooth operations pertaining to the present Issue. The composition of the committee is as follows:

Sl. No.	Name of the Committee Member	Category
1.	Mr. Dipankar Choudhury	Executive Director
2.	Mr. Pulak Deb	Independent Director

The IPO Committee shall be responsible for handling the following matters:

- a) to decide on the actual size of the public offer, including any offer for sale by promoters/shareholders, exercise of any green-shoe (over-allotment) option and/or reservation on a firm or competitive basis, timing, pricing and all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
- b) to appoint and enter into arrangements with the book running lead managers, co-managers to the issue, underwriters to the issue, syndicate members to the issue, brokers to the issue, escrow collection bankers to the issue, registrars, legal advisors and any other agencies or persons;
- c) to finalize and settle and to execute and deliver or arrange the delivery of the draft offering document (the draft red herring prospectus), red herring prospectus, final prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the issue of shares by the Company;
- d) to open a separate current Account with a scheduled bank to receive applications along with application monies in respect of the issue of the shares of the Company and also to issue the refunds;
- e) to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules;
- f) to make any applications to the FIPB, RBI and such other authorities, as may be required, for the purpose of issue of shares by the Company to non-resident investors such as NRIs and FIIs;
- g) to make applications for listing of the equity shares of the Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
- h) to finalize the basis of allocation and to allot the shares to the successful allottees; and
- i) to settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.

SHAREHOLDING OF DIRECTORS

Sl. No.	Name of Director	No. of Shares held	Pre-issue % age Shareholding
1.	Mr. Dipankar Choudhury	1,126,250	9.54%
2.	Ms. Lichi Seth	3,672,750	31.10%
3.	Mr. Pulak Deb	216,000	1.83%

INTEREST OF DIRECTORS

All the directors of Everest Infra Energy Limited may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof as well as to the extent of other remuneration and/or reimbursement of expenses payable to them as per the applicable laws. The Directors may also be regarded as interested in the shares & dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and or trustees. All Directors may be deemed to be interested in the contracts, agreements /arrangements entered into or to be entered into by Everest Infra Energy Limited with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations. The Chairman and Managing Director of Everest Infra Energy Limited are interested to the extent of remuneration paid to him for services rendered to the Company (For more details, please refer "Related Party Disclosures" as mentioned on page no. 138 of this Draft Red Herring Prospectus). Further, the Directors are interested to the extent of Equity Shares that they are holding and or allotted to them out of the present Issue, if any, in terms of the Draft Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated otherwise in this Draft Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered with them.

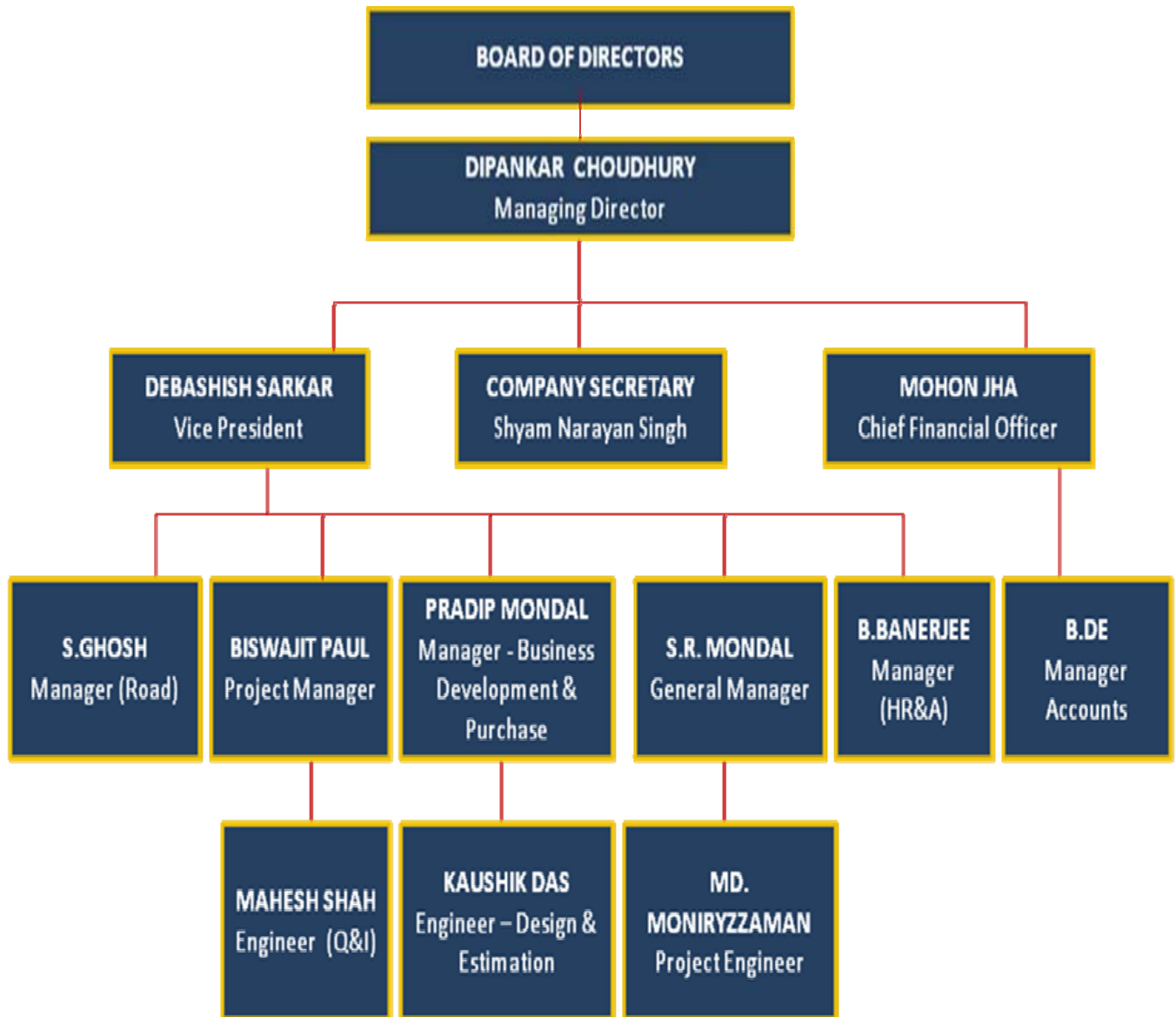
The Directors do not have any interest in any property acquired by our Company within two years of the date of this Draft Red Herring Prospectus.

CHANGES IN BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Sl. No.	Name	Date of Change	Reason
1	Mr. Lichi Legi	August 11, 2009	Resigned as Director
2	Mr. Pulak Deb *	August 11, 2009	Appointed as Additional Director
3	Mr. Saubir Bhattacharyya *	August 11, 2009	Appointed as Additional Director

* With effect from September 07, 2009 being the date of the AGM of our Company, they have been appointed as Independent Directors on our Board of Directors.

MANAGEMENT ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Name	Date of Joining	Qualification	Date of Birth	Experience	Last employment details
Mr. Debasish Sarkar - Vice President	19.09.2005	B. Tech (Mech.) PGDSTMIIM Calcutta	23.03.1959	25 years work experience in project management. He has been associated with various big electrical construction projects in India and abroad	Sr. Executive. Tata Group of companies
Mr. Mohan Jha - Chief Financial Officer	06.12.1995	B.Com (Hons)	05.03.1971	13 years	Accounts Officer, Krishna Laminating Industries Ltd.
Shyam Narayan Singh- Company Secretary	27.10.2009	ACS B. Com (Hons)	24.01.1970	5 years	Consulting Engineering Services India Pvt Limited
Mr. Biswajit Paul - Project Manager	13.11.1999	B.E (Civil)	14.08.1972	11 years	First employment
Mr. Mahesh Shah - Engineer (Q&I)	26.10.2007	B. Tech (Elec)	26.08.1978	2 years	First employment
Mr. S. Ghosh - Manager (Road)	13.11.1999	Diploma in Mech Engg	19.03.1958	22 years	Executive Engineer, Andrew Yule Ltd.
Mr. Pradip Mandal - Manager Marketing & Purchase	07.09.2005	B. Tech (Elec)	15.03.1980	4 years	First employment
Mr. Koushik Das - Engineer Design and Estimation	08.04.2008	I.T. Diploma	15.11.1976	9 years	Mullar & Co.
Mr. S.R. Mandal - General Manager	12.03.1992	Diploma in Elec. Engg	16.05.1958	23 years	First employment
Mr. Md.	11.01.2008	B.Tech (Elec)	20.04.1983	1.5 years	First

Moniruzzaman - Project Engineer					employment
Mr. B. De - Manager Accounts	01.04.2008	M.Com, LLB	01.03.1955	24 years	United Bros. Distillery Pvt. Ltd, Arunachal Pradesh
Mr. B. Banerjee - Manager (HR&A)	01.08.2006	B.Com (Hons)	20.12.1951	23 years	Iran Tea Trading Ltd

Note:

- There is no specific tenure of any of our key managerial personnel.
- None of our director and key managerial personnel are related to each other
- All the key managerial personnel are the permanent employee and are on the pay rolls of the company. Apart from the KMP named above, our company also hires experts for technical & financial advice from time to time.

Changes in the Key Managerial Personnel during the last three years:

Name	Date of Appointment	Designation	Date of Cessation	Reason
Mr. B. Banerjee	01.08.2006	Manager (HR&A)	--	Appointment
Mr. Mahesh Shah	26.10.2007	Engineer (Q&I)	--	Appointment
Mr. Md. Moniruzzaman	11.01.2008	Project Engineer	--	Appointment
Mr. B. De	01.04.2008	Manager Accounts	--	Appointment
Mr. Koushik Das	08.04.2008	Engineer Design and Estimation	--	Appointment
Shyam Narayan Singh	27.10.2009	Company Secretary	--	Appointment

Shareholding of Key Managerial Personnel

The shareholding of our key managerial personnel in our Company is as under:

Sl. No.	Name of Key Managerial Personnel	No. of Shares held	Pre-issue % age Shareholding
1.	Satya Ranjan Mandal	256000	2.16%
2.	Debasish Sarkar	274500	2.32%
3.	Soumitra Ghosh	75000	0.63%
4.	Mohan Jha	156000	1.32%
5.	Pradip Mondal	156000	1.32%

Employee

As on the date of filing of DRHP, there are 51 (fifty-one) employees on the pay rolls of our Company.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

We do not have any profit sharing plan for the Managerial personnel. We make bonus payments to the employees based on their performance, which is as per the terms of their appointment.

Employees Share Purchase Scheme/Employee Stock Option Scheme

We do not have any stock option scheme or stock purchase scheme for the employees of our Company.

Relationships between Key Managerial Personnel

There is no family relationship between our Key Managerial Personnel

Payment of benefit to the officers of company (non-salary related)

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

Arrangement and Understanding with major shareholders

None of our key Managerial Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

Loans taken by Directors or Key Managerial Personnel

Our Directors and Key Managerial Personnel have not taken any loan from our Company.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Ms. Lichi Seth, Mr. Lichi Legi and Mr. Dipankar Choudhury.

1. Ms. Lichi Seth



Residential Address	House No. E-203 A Sector, P Pump Naharlagun – 791110 Arunachal Pradesh
Occupation	Business
Date of Birth	10/08/1962
Qualification	Bachelor of Arts
Passport Details	N.A
Voter ID Number	LSG0373563
Driving License Number	N.A
Name of Bank and Address	State Bank of India Naharlagun P.O- Itanagar Via – Laluk, Assam Branch Code - 3232
Type of Account	Savings
Account Number	30038907738

Ms. Lichi Seth, aged 47 years, is a graduate in arts and had been leading the business of her proprietorship concern for more than two decades. She now shares her experience and provides her strategic inputs in administering the affairs of the Company. For further details relating Ms. Seth including other directorship details please refer the section titles “Our Management” beginning on page 102 of this Draft Red Herring Prospectus.

2. Mr. Lichi Legi



Residential Address	House No. E-203 A Sector, P Pump Naharlagun – 791110 Arunachal Pradesh
Occupation	Business
Date of Birth	10/06/1952
Qualification	Bachelor of Arts
Passport Details	F-2396619
Voter ID Number	LSG0490920
Driving License Number	N.A
Name of Bank and Address	State Bank of India Naharlagun P.O- Itanagar Via – Laluk, Assam Branch Code - 3232
Type of Account	Current
Account Number	10333779742

Mr. Lichi Legi has been associated with our Company as a promoter since incorporation. He has been one of the key drivers for the proactive evolution of our Company and has been instrumental in change management measures to attune the Company to the opportunities and challenges of the Indian infrastructure sector. Mr. Legi is also a politician and was Member of Legislative Assembly, Arunachal Pradesh twice in a row from 1990-1995 for the first time and then from 1995-2000. He has also served as a minister in the PWD.

Except for Everest Infra Energy Limited Mr. Legi is not on the Board of any other company.

3. Mr. Dipankar Choudhury



Residential Address	P-69, 1 st Floor B Block, lake Town Kolkata – 700 089 West Bengal
Occupation	Business
Date of Birth	16/01/1959
Qualification	Bachelor of Engineering (Electrical)
Passport Details	F-9197403
Voter ID Number	N.A
Driving License Number	N.A
Name of Bank and Address	ICICI Bank 22, R. N. Mukherjee Road Kolkata
Type of Account	Savings
Account Number	000601006664

Mr. Dipankar Choudhury, aged 51 years, is a graduate in Electrical Engineering from Calcutta University. He started his career as an Engineer in the Department of Power. Mr. Choudhury has a distinguished track record of conceptualizing, planning and implementing several projects in the power sector for over 30 years. He specializes in designing & engineering of power installations and small hydel units. For further details relating Mr. Choudhury including his terms of appointment as Managing Director and other directorship details please refer the section titles "Our Management" beginning on page 102 of this Draft Red Herring Prospectus.

Undertaking

We confirm that the Permanent Account Number, Bank Account Number, Passport Numbers of all the promoters, wherever available, have been submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus.

Confirmation by the Promoters

Our Promoters including the relative of the promoters have confirmed that they have not been identified as a willful defaulter by the Reserve Bank of India or any other Government authority and there are no violations of securities laws committed by them in the past or any such proceedings are pending against them and none of the promoters have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

OUR PROMOTER GROUP

In addition to our Promoters, the following individuals (being the immediate relatives of our Promoters), companies and entities shall form part of our Promoter group:

Relatives of Ms. Lichi Seth

Name	Relationship with Ms. Lichi Seth
Lichi Legi	Husband
Pill Tapu	Father
Pill Yelli	Mother
Lichi Soan	Son
Lichi Roni	Son
Lichi Jonyi	Son
Lichi Yayu	Daughter
Lichi Yaldan	Daughter
Lichi Yakum	Daughter
Pill Nyokum	Brother
Pill Yakha	Sister
Lichi Koppu	Mother-in-Law
Lichi Takar	Father-in-Law
Lichi Yale	Sister-in-law

Relatives of Mr. Lichi Legi

Name	Relationship with Mr. Lichi Legi
Lichi Seth	Wife
Lichi Takar	Father
Lichi Koppu	Mother
Lichi Soan	Son
Lichi Roni	Son
Lichi Jonyi	Son
Lichi Yayu	Daughter
Lichi Yaldan	Daughter
Lichi Yakum	Daughter
Lichi Yale	Sister
Pill Yelli	Mother-in-law
Pill Tapu	Father-in-Law
Pill Yakha	Sister-in-Law
Pill Nyokum	Bother-in-Law

Relatives of Mr. Dipankar Choudhury

Name	Relationship with Mr. Dipankar Choudhury
Dipali Choudhury	Wife
Dinkor Choudhury	Son
Diya Choudhury	Daughter
Sreya Choudhury	Daughter
Debabrata Choudhury	Brother *

Debaprasad Choudhury	Brother *
Mrinmayee Rakhit	Sister
Chinmoyee Palit	Sister
Ela	Sister
Mahua Das	Sister
Bulu Das	Sister
Anima Dhar	Mother-in-Law
P. B. Dhar	Father-in-Law
Basanti Dhar	Sister-in-Law
Piyali Dhar	Sister-in-Law
Paromita Dhar	Sister-in-Law

* The brothers of Mr. Choudhury namely Mr. Debabrata Choudhury and Mr. Debaprasad Choudhury live separately and are in employment with other companies and have no interest or connection in the businesses handled / promoted by our promoter Mr. Dipankar Choudhury.

Companies which are the part of our promoters Group are as follows:

- a) Horizon Hi-Tech Engicon Limited
- b) Ankar-Pali Merchants Private Limited

a) Horizon Hi-Tech Engicon Limited

Horizon Hi-Tech Engicon Limited was incorporated vide Certificate of Incorporation No. 21-63783 on June 30, 1994 having registered office at 45/1, Rafi Ahmed Kidwai Road, 2nd Floor, Kolkata- 700 016, West Bengal. The company is presently engaged in the business of execution of trunk projects and EPC Contracts in civil and power sector.

Shareholding Pattern

The shareholders of Horizon Hi-Tech Engicon Limited are as follows:

Sr. No.	Share Holder's Name	No of Shares	% of holding
1.	D. K. Bhattacharjee	15095	37.02%
2.	Kamal Krishna Saha	5885	14.43%
3.	Ankar-Pali Merchants Pvt. Ltd.	4730	11.60%
4.	Dipankar Choudhury	2750	6.74%
5.	Partha Pratim Palit	2530	6.20%
6.	KKS Group Trade Pvt. Ltd.	2200	5.39%
7.	Purnima Sharma	1540	3.78%
8.	Sikha Saha	1375	3.37%
9.	M.S. Investment Pvt. Ltd	1320	3.24%
10.	Samarendra Kr.Bhattacharjee	1210	2.97%
11.	Dipali Choudhury	1045	2.56%
12.	Sankar Prasad Sarma	660	1.62%
13.	Madhusudan Saha	440	1.08%
	TOTAL	40780	100.00%

Board of Directors

As on date of filing of this DRHP, the Board of Directors of Horizon Hi-Tech Engicon Limited comprises of:

Sl. No.	Director's Name	Designation
1	Mr. Dipankar Choudhury	Director
2	Mr. Sankar Prasad Sarma	Director
3	Mr. Partha Pratim Palit	Director
4	Mr. Debasish Sarkar	Director

Financial Performance

The financial performance of the company for the last three years is as follows:

Particulars	(Rs. in Lacs)		
	31.03.2007	31.03.2008	31.03.2009
Total Income	928.11	747.85	754.55
Profit after Taxation	10.66	10.90	11.12
Equity Capital	40.78	40.78	40.78
Reserves (Excluding Revaluation Reserve)	168.95	179.84	189.82
Net Worth	209.73	220.62	230.60
NAV per share (Rs)	514.29	541.00	565.48
EPS (Rs.)	26.15	26.72	27.27
No. of Equity Shares	40,780	40,780	40,780

b) Ankar-Pali Merchants Private Limited

Ankar-Pali Merchants Private Limited was incorporated vide Certificate of Incorporation No. 21-70948 on April 06, 1995 having registered office at P-69, B Block, Lake Town, Kolkata – 700 089, West Bengal. The company is presently engaged in the business of execution of sub-contract works in civil and power sector.

The shareholders of Ankar-Pali Merchants Private Limited are as follows:

Sr. No.	Share Holder's Name	No. of Shares	% of holding
1.	Dipankar Choudhury	15000	42.61%
2.	Dipali Choudhury	10100	28.69%
3.	Basanti Dhar	4100	11.65%
4.	Priti Choudhury	2500	7.10%
5.	Uttam Gopal Goswami	2500	7.10%
6.	Shiuli Choudhary	1000	2.84%
	TOTAL	35200	100.00%

Board of Directors

As on date of filing of this DRHP, the Board of Directors of Ankar-Pali Merchants Private Limited comprises of:

Sr. No.	Director's Name	Designation
1	Mr. Dipankar Choudhury	Director
2	Mrs. Dipali Choudhury	Director

Financial Performance

The financial performance of the company for the last three years is as follows:

Particulars	(Rs. in Lacs)		
	31.03.2007	31.03.2008	31.03.2009
Total Income	0.96	1.27	123.42
Profit after Taxation	(0.16)	(0.08)	2.39
Equity Capital	3.52	3.52	3.52
Reserves (Excluding Revaluation Reserve)	(0.48)	(0.56)	1.83
Net Worth	3.04	2.96	5.35
NAV per share (Rs)	8.63	8.40	15.19
EPS (Rs)	(0.47)	(0.23)	6.79
No. of Equity Shares	35,200	35,200	35,200

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus under the section titled "Our Promoters and Promoter Group", the Promoters do not have an interest in any venture that is involved in any activities similar to those conducted by the Company or any member of the Promoter Group.

Defunct Promoter Group Companies

There are no defunct Promoter Group companies.

Companies with which Promoters have disassociated

Mr. Legi has disassociated himself from Platinum Alloys Private Limited owing to dissimilar business interest pursued by the company. He has resigned from the Board of Directors of the company with effect from May 18, 2009 and has also been transferring his shareholding in the company to the continuing promoters. As on date, his shareholding in the company stands at 8.43% of the issued and paid-up capital.

As on date of this Draft Red Herring Prospectus, none of our Promoters, except for Mr. Lichi Legi, or members of the Promoter Group, hold any shares or any managerial position or is part of the Board of Platinum Alloys Private Limited.

Other confirmations

None of our Promoter Group companies have become sick companies under the meaning of the Sick Industrial Companies Act and no winding up proceedings have been initiated against them. Further, no application has been made in respect of any of the Promoter Group companies, to the Registrar of Companies for striking off their names.

Litigations

For details relating legal proceedings involving our Promoters and promoter group companies, please refer to the section titled "Outstanding Litigations and Material Developments" beginning on page no. 155.

Interest in promotion of Company

The Promoters may be deemed to be interested to the extent of shares held by them in the company's equity capital, their friends or relatives, and benefits arriving from their holding Directorship in the company. The Promoters are not interested in any property acquired by the company within two years from the date of this Draft Red Herring Prospectus.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "Financial Statements - Related Party Transactions" beginning on page no. 138, there has been no payment of benefits to our Promoters during the last two years from the date of filing of this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, see section titled "Financial Statements- Related Party Transactions" beginning on page no. 138 of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

Throughout this Draft Red Herring Prospectus unless the context otherwise requires, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India.

DIVIDEND POLICY

The Company has a dividend policy for dividend payment as written in the Articles of association of the Company. The declaration and payment of dividends will be recommended by the Board of Directors and the shareholders, in their discretion, and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition.

The company has not declared any dividend in the past.

SECTION-V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The Board of Directors
Everest Infra Energy Limited
A- Sector, Naharlagun
Arunachal Pradesh – 791 110

Dear Sirs,

1. We have examined the financial information annexed to this report, as approved by The Board of Directors of the company, prepared in terms of:
 - ❖ Paragraph B (1) of Part II part of Schedule II of the Companies Act, 1956
 - ❖ SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "Regulations")
 - ❖ Our engagement letter agreed upon with you with the proposed issue of equity shares of the company
2. This information has been extracted by the Management from the audited financial statements for the year ended March 31, 2005, 2006, 2007, 2008, 2009 and three months period ended June 30, 2009 being the last date to which the accounts of the Company have been made up and audited. Audit for the financial years ended March 31, 2005 was conducted by previous auditors, Paras Dugar & Associates, Chartered Accountants, and for the year ended March 31, 2006 was conducted by Add & Associate, Chartered Accountants, and accordingly reliance has been placed on their audit report for the said years. The restated financial information included for these years, i.e. March 31, 2005 and 2006 are based solely on the reports submitted by the previous auditors.
3. In accordance with the requirements of Paragraph B(1) of Part II of Schedule II of the Act, the Regulations and terms of our engagement agreed with you, we further report that:
 - a) The restated summary statement of assets and liabilities, restated summary statement of profits and losses and restated statement of cash flows of the Company, as at March 31, 2005 and 2006 examined by us, by placing reliance on audit reports issued by Dugar & Associates and Add & Associate, for those years, as at and for the year ended March 31, 2007, 2008, 2009 and three months period ended June 30, 2009 examined by us, as set out in the Annexure I, II and III to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in the notes on adjustments for re-stated financial statements and significant accounting policies for re-stated financial statements as set out in Annexures IV and V.
 - b) Based on above, we are of the opinion that that the restated financial information has been made after incorporating:

adjustments for the material amounts in the respective financial years to which they relate.
 - c) Based on our examination, we are of the opinion that the restated financial statements have been prepared on the basis of accounting policies adopted as at and for the three months period ended June 30, 2009.
 - d) There are no extra ordinary items which need to be disclosed separately in the restated financial information.
4. We have also examined the following other financial information set out in the below mentioned annexures prepared by the management and approved by the Board of Directors relating to the Company for the year ended March 31, 2005, 2006, 2007, 2008, 2009 and three months period ended June 30, 2009. In respect of the years ended March 31, 2005 and 2006, this information

has been included by placing reliance on the audit reports issued by Paras Dugar & Associates and Add & Associate and relied upon by us.

- i. Statement of Secured Loan included in **Annexure VI**
 - ii. Statement of Sundry Debtors included in **Annexure VII**
 - iii. Statement of Current Liabilities and Provisions included in **Annexure VIII**
 - iv. Statement of Other Income included in **Annexure IX**
 - v. Statement of Contingent Liabilities **Annexure X**
 - vi. Statement of Dividend declared / Paid / Proposed included in **Annexure XI**
 - vii. Statement of Accounting Ratios included in **Annexure XII**
 - viii. Statement of Capitalisation as at June 30, 2009 included in **Annexure XIII**
 - ix. Statement of Related Party Transaction included in **Annexure XIV**
 - x. Statement of Tax Shelter included in **Annexure XV**
5. In our opinion the financial information contained in Annexure I to XV of this report read along with the Significant Accounting Policies, and Notes to Accounts prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Paragraph B (1) of Part II of Schedule II of the Act and the Regulations.
6. Our report is intended solely for use of the management and for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report and should not be used, referred to or distributed for any other purpose except with our prior written consent.

For P. Gaggar & Associates
Chartered Accountants

(P. Gaggar)
Partner
Membership No. 40259

Place: Guwahati
Dated: October 12, 2009

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE: I

STATEMENT OF RESTATED ASSETS AND LIABILITIES

Rs. in Lacs

As at	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
A. Fixed Assets:						
Gross Block	24.07	46.14	54.73	66.29	86.62	146.61
Less: Depreciation	3.82	10.17	18.68	29.44	40.82	44.57
Net Block	20.25	35.97	36.05	36.85	45.80	102.04
Less: Revaluation Reserve	-	-	-	-	-	-
Net Fixed Assets after adjustment of Revaluation Reserve	20.25	35.97	36.05	36.85	45.80	102.04
TOTAL	20.25	35.97	36.05	36.85	45.80	102.04
B. Deferred Tax Assets	-	-	-	0.09	0.35	-
C. Current Assets, Loans and Advances:						
Inventories	75.61	98.18	165.89	35.73	2,127.11	216.94
Sundry Debtors	170.82	298.47	1,111.72	3,246.65	2,855.34	5,636.24
Cash and Bank Balances	23.28	230.96	923.43	922.87	1,815.41	1,783.09
Other Current Assets	14.10	207.33	107.93	280.47	599.32	1,406.82
TOTAL	283.81	834.94	2,308.97	4,485.72	7,397.18	9,043.09
D. Liabilities and Provisions:						
Secured Loans	-	279.13	535.58	877.41	1,680.89	1,718.65
Unsecured Loans	-	-	-	-	-	-
Current Liabilities and Provisions	101.56	264.08	961.72	2,402.25	3,221.22	4,734.65
Deferred Tax Liabilities	-	-	0.28	-	-	0.70
TOTAL	101.55	543.21	1,497.58	3,279.66	4,902.11	6,454.00
E. Networth: [(A)+(B)+(C)-(D)]	202.50	327.70	847.44	1243.00	2,541.22	2,691.13
Represented by:						
1. Share Capital	202.50	327.70	199.50	249.50	389.50	389.50
2. Reserves and Surplus	-	-	650.24	995.23	2,154.47	2,304.24
Total	202.50	327.70	849.74	1,244.73	2,543.97	2,693.74
Less: Miscellaneous Expenditure	-	-	2.30	1.73	2.75	2.61
Networth	202.50	327.70	847.44	1243.00	2,541.22	2,691.13

EVEREST INFRA ENERGY LIMITED
(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE: II

STATEMENT OF RESTATED PROFIT AND LOSS

Rs. in Lacs

Particulars	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
INCOME:						
Income from Operations	1,498.80	2,905.17	3,475.85	7,004.76	9,093.74	4,035.57
Other Income	-	-	17.62	43.05	101.84	29.36
Total	1,498.80	2,905.17	3,493.47	7,047.81	9,195.58	4,064.93
EXPENDITURE:						
Construction Expenses	1,343.83	2,607.39	3,145.47	6,427.79	8,273.80	3,650.81
Personnel Expenses	18.17	24.24	30.75	56.42	92.42	41.04
Administrative and Other Expenses	33.12	47.47	119.60	238.37	384.94	195.68
Interest	1.31	8.13	41.95	83.15	147.03	46.11
Depreciation	1.20	5.20	7.53	11.58	12.08	3.89
Total	1,397.63	2,692.43	3,345.30	6,817.31	8,910.27	3,937.53
Net Profit before tax and extraordinary Items	101.17	212.74	148.17	230.50	285.32	127.40
Provision for Taxation	-	-	25.00	85.00	104.00	38.22
Deferred Tax	-	-	0.29	(0.38)	(0.26)	1.05
Fringe Benefit Tax	-	-	0.84	1.70	3.00	-
Income Tax for Earlier Year	-	-	-	-	0.06	(2.87)
Net Profit after Tax	101.17	212.74	122.04	144.18	178.52	91.00
Impact on account of material adjustments and prior period items	(2.62)	(63.54)	(0.99)	0.82	0.70	57.78
Adjusted Net Profit for the Year/ Period	98.55	149.20	121.05	145.00	179.22	149.78

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

**ANNEXURE: III
CASH FLOW STATEMENT**

Rs. in Lacs

Particulars	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
CASH FLOW FROM OPERATING ACTIVITIES						
Net Profit before Tax & Extraordinary Items	101.17	212.74	148.17	230.50	285.32	127.40
Adjustments for:						
Depreciation	1.20	5.20	7.53	11.58	12.08	3.89
Preliminary expenses w/off	-	-	0.58	0.58	0.98	0.14
Interest paid	1.31	8.13	41.95	83.15	147.03	46.11
Provision Irrecoverable Deposits written off		(62.40)				62.40
Operating Profit before Working Capital Changes	103.68	163.67	198.23	325.81	445.41	239.94
Adjustments for:						
(Increase)/Decrease in Debtors	(67.69)	(127.65)	(813.24)	(2,134.94)	391.31	(2,780.90)
(Increase)/Decrease in Inventories	(24.92)	(22.58)	(67.71)	130.17	(2,091.38)	1,910.17
(Increase)/Decrease in Other Current Assets	(4.65)	(193.21)	99.38	(172.56)	(318.84)	(807.51)
(Decrease)/Increase in Current Liabilities	27.01	162.53	671.80	1,379.67	798.67	1,537.72
Cash Generated from Operations	33.43	(17.26)	88.46	(471.85)	(774.83)	99.42
Payment of Direct Taxes	-	-	-	(25.84)	(86.76)	(63.39)
Cash Flow before Extraordinary Items	33.43	(17.26)	88.46	(497.69)	(861.59)	36.03
Extra Ordinary Items	-	-	-	-	-	-
Net cash from Operating Activities - (A)	33.43	(17.26)	88.46	(497.69)	(861.59)	36.03

CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Fixed Assets	(6.45)	(22.06)	(8.60)	(11.56)	(20.33)	(59.99)
Net Cash from Investing Activities - (B)	(6.45)	(22.06)	(8.60)	(11.56)	(20.33)	(59.99)
CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Issue of Share Capital including Share Premium	-	-	401.00	250.00	1,120.00	-
Drawing	(18.00)	(24.00)	-	-	-	-
Secured Loans	-	279.13	256.45	341.84	803.48	37.76
Interest paid	(1.31)	(8.13)	(41.95)	(83.15)	(147.03)	(46.11)
Preliminary Expenses	-	-	(2.89)	-	(2.00)	-
Net Cash used in Financing Activities - (C)	(19.31)	247.00	612.61	508.69	1,774.45	(8.35)
Net Increase / (Decrease) in Cash & Cash Equivalents(A+B+C)	7.67	207.68	692.47	(0.56)	892.53	(32.31)
Cash and Cash Equivalents at beginning of year/period	15.61	23.28	230.96	923.43	922.87	1815.40
Cash and Cash Equivalents at end of year/period	23.28	230.96	923.43	922.87	1815.40	1,783.09

EVEREST INFRA ENERGY LIMITED
(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE: IV
NOTES ON ADJUSTMENTS MADE IN THE RESTATED STATEMENTS

	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Particulars						
Impact of change in depreciation policy	(2.62)	(1.14)	(0.99)	0.82	0.70	0.14
Irrecoverable Deposits written off	-	(62.40)	-	-	-	62.40
Provision for Gratuity	-	-	-	-	-	(3.76)
Total	(2.62)	(63.54)	(0.99)	0.82	0.70	58.64

Note:

- 1) Impact of change in depreciation policy:** Till 1st November, 2006 depreciation was being charged at the rates and in the manner specified in the Income Tax Act, 1961. From 2nd November, 2006, the Company has changed the policy to charging depreciation on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Accordingly, adjustment has been carried out for the earlier periods/years.
- 2) Irrecoverable Deposits written off:** Amount deposited with Arunachal Co-Operative Bank in FY 2005-06 is not recoverable and no recovery is forthcoming. Accordingly the amount has been fully written off from the Books of Account.
- 3) Provision for Gratuity:** The provision for gratuity as on June 30, 2009 has been determined on the basis of actuarial valuation worked out by LIC of India in compliance with Accounting Standard- 15 "Employee Benefits" issued by ICAI. Earlier, gratuity was accounted for on cash basis.

Accordingly, the adjustment has been made to profits for the period ended June 30, 2009.

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE V

SCHEDULES ANNEXED TO AND FORMING PART OF RESTATED ACCOUNTS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009 AND THREE MONTHS ENDED JUNE 30, 2009

BACKGROUND

Everest Infra Energy Limited (Formerly Known As Everest Engineering House Private Limited) was incorporated November 02, 2006 The Company has taken over the business of Everest Engineering House (a proprietary concern of Ms. Lichi Seth) vide agreement dated 6th November, 2006 w.e.f. 01.04.2006

Pursuant to the takeover, the financial statements for the years ended 2005 & 2006 represent the operations of Everest Engineering House (a proprietary concern of Ms. Lichi Seth)

NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES:

1. The financial statements of the Company have been prepared on the basis of going concern concept, under the historical cost convention on accrual basis of accounting and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, generally accepted accounting principles and the provisions of the Companies Act, 1956.
2. Fixed Assets are stated at cost of acquisition less accumulated depreciation/ amortisation. All costs relating to acquisition and installation of fixed assets are capitalised
3. Depreciation on Fixed Assets has been provided on written down value method in the manner prescribed under Schedule – XIV of the Companies Act, 1956,
4. Contribution to Provident fund, superannuation fund, Leave Encashment and Bonus are accounted on accrual basis.
5. Contributions to Group Gratuity Scheme are accounted for on payment basis.
6. Income from Operations excludes VAT/ Service Tax etc.
7. Inventories has been valued as under:

Materials	: -	At cost (on FIFO basis) or net realizable value whichever is lower
Work-in-Progress	: -	At cost or contractual price as applicable.
8. The company follows percentage completion method, stated on the basis of physical measurement of work actually completed at the Balance Sheet date, taking into account the contractual price and revision thereto if any in accordance with Accounting Standard – “7” as prescribed by the Institute of Chartered Accountants of India. Losses on contracts are fully accounted for as and when incurred. Foreseeable losses are accounted for when they are determined except to the extent they are expected to be recovered through claims presented to the customer or in arbitration.

Expenditure incurred in respect of additional costs/delays are accounted in the year in which they are incurred. Claims made in respect thereof are accounted as income in the year of receipt of arbitration award or acceptance by client or evidence of acceptance received from the client.

9. Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.
10. Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax assets / Liabilities are recognized at substantively enacted tax rates, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods

(C) NOTES ON ACCOUNTS:

- (1) **In the restated financial statements following Adjustments were made:**

Particulars	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Impact of change in depreciation policy	(2.62)	(1.14)	(0.99)	0.82	0.70	0.14
Irrecoverable Deposits written off	-	(62.40)	-	-	-	62.40
Provision for Gratuity	-	-	-	-	-	(3.76)
Total	(2.62)	(63.54)	(0.99)	0.82	0.70	58.64

Note:

- (a) **Impact of change in depreciation policy:** Till 1st November, 2006 depreciation was being charged at the rates and in the manner specified in the Income Tax Act, 1961. From 2nd November, 2006, the Company has changed the policy to charging depreciation on Written Down Value method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Accordingly, adjustment has been carried out for the earlier periods/years.
- (b) **Irrecoverable Deposits written off:** Amount deposited with Arunachal Co-Operative Bank in FY 2005-06 is not recoverable and no recovery is forthcoming. Accordingly the amount has been fully written off from the Books of Account.
- (c) **Provision for Gratuity:** The provision for gratuity as on June 30, 2009 has been determined on the basis of actuarial valuation worked out by LIC of India in compliance with Accounting Standard- 15 "Employee Benefits" issued by ICAI. Earlier, gratuity was accounted for on cash basis.

Accordingly, the adjustment has been made to profits for the period ended June 30, 2009.

- (2) Advance against Material & Works received from contractees have been covered under Bank Guarantee issued by the Company's Bankers. These advances have been classified as current liabilities.

- (3) The company has accounted for entry tax on net pay basis as the same is recoverable from the contractees.
- (4) The Small Scale Industrial undertakings to whom amount outstanding for more than 30 days, are Nil. The information has been complied to the extent they could be identified as Small Scale and ancillary undertakings on the basis of information available with the company.
- (5) Closing balances of debtors, creditors, Loans & advances etc. are subject to confirmation reconciliation and final adjustment, if any and in the opinion of Board of Directors the loans, advances, debtors are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business
- (6) Income Tax has been provided as per provision of Income Tax Act, 1961.

EVEREST INFRA ENERGY LIMITED
(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE VI
STATEMENT OF SECURED LOAN

Rs. in Lacs

As at	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Particulars of Loans						
Term Loan						
Axis Bank	-	-	-	21.17	-	-
Sub Total	-	-	-	21.17	-	-
Cash Credit Loan						
Axis Bank	-	-	286.40	563.84	403.76	498.82
State Bank of India	-	-	154.54	287.44	614.38	705.83
United Bank of India	-	279.13	94.64	-	-	-
IDBI Bank	-	-	-	-	658.31	511.61
Sub Total	-	279.13	535.58	851.28	1,676.45	1,716.26
Car Loan						
HDFC Bank	-	-	-	-	1.52	-
ICICI Bank	-	-	-	4.96	2.91	2.40
Sub Total	-	-	-	4.96	4.44	2.40
Total Secured Loan	-	279.13	535.58	877.41	1,680.89	1,718.65

PRINCIPAL TERMS OF LOANS AND ASSETS CREATED AS SECURITY

Nature of Loan	Name of the bank	Amount sanctioned (Rs. in Lacs)	Balance as at 30th June 2009 (Rs. in Lacs)	Rate of interest	Repayment schedule
Cash Credit	Axis Bank	700.00	498.82	2.5% above Basic Prime Lending Rate (BPLR) minimum effective rate will be 13.25% p.a	Repayable on demand, with maximum validity of 12 months
	State Bank of India	700.00	705.83	1.00% above State Bank Advance Rate (SBAR) minimum effective rate will be 13.25% with monthly rests.	Repayable on demand.
	IDBI Bank	600.00	511.61	Basic Prime Lending Rate (BPLR) charged by the consortium banker, whichever is higher. (Present BPLR being 13.50%)	Repayable on demand, with maximum validity of 12 months
Sub Total (A)		2,000.00	1,716.26		
Car Loan	ICICI Bank Limited	5.80	2.40	10.23% p.a. payable with monthly installments.	EMI of Rs.19550 each by PDC starting from September 10, 2007
Sub Total (B)		5.80	2.40		
Grand Total (A)+(B)		2,005.80	1,718.65		

SECURITIES OFFERED AGAINST THE CURRENT FACILITY ARE AS FOLLOWS:

STATE BANK OF INDIA

Cash Credit

Primary Securities:

- a) Hypothecation of stock of raw material, work in progress, book debts, consumable and other current assets of the Company on parri passu basis with IDBI bank and Axis Bank Ltd.
- b) Counter guarantee and lien on cash margin.

Collateral Securities:

- a) Registered Mortgage of land measuring 1332 sq mt. and six storied Commercial Building cum Shopping Complex with total extent 73662 sq ft. belonging to Shri Lechi Legi at C Sector, Itanagar, Arunachal Pradesh (Valuation done by Mr. Abhijit Debroy SBI panel valuer vide their

report dated 08.12.2008). Land allotment vides Govt. Of Arunachal Pradesh order no. LRB 093884/97 dated 21.05.1997.

- b) Registered Mortgage of land and Residential cum Commercial Building belonging to Shri Lichi Legi at G Extension Colony, Naharlagun, Arunachal Pradesh (Valuation done by Mr. Abhijit Debroy SBI panel valuer vide their report dated 08.12.2008). Land measuring 2459.50 sq mt and two storied building thereon measuring 38042 sq ft. Land allotment by Govt. Of Arunachal Pradesh vide order no. CP/L – 4/83-84/A/92 dated 13.11.1992. (Earlier valuation is for one floor only. Additional of another floor has increased the valuation.)
- c) Registered Mortgage of land and Office cum Commercial Building belonging to Shri Lechi Legi at Naharlagun Market, Arunachal Pradesh (Valuation done by Mr. Abhijit Debroy SBI panel valuer vide their report dated 08.12.2008). Land extent: 72 sq. mt. total area of the building: 10652 sq. ft. Land allotment by Govt. Of Arunachal Pradesh vide order no. CP/L – 4/82-83 dated 24.08.1983.
- d) Registered Mortgage of land measuring 53800 sq ft and (1) single storied building measuring 315 sq mt (2) SP type commercial / residential building measuring 1058 sq mt (3) Workshop building measuring 1052 sq mt (4) five storied RCC building measuring 6641.50 sq mt on each floor and (5) Two storied RCC building measuring 359 sq mt situated at A sector, Naharlagun, Arunachal Pradesh in the name of Shri Lichi Legi. Land allotted vides Govt. Of Arunachal Pradesh vide order no. CP/L – 8/79-82 dated 29.07.1982. Total extent of the building 76718 sq ft.

AXIS BANK

Cash Credit

Primary Securities: Hypothecation charge on the entire current assets (both present and future) of the Company on parri-paasu basis with State Bank of India and IDBI Bank.

Collateral Securities: Parri-Passu Charge on following securities with State Bank of India and IDBI Bank.

- a) Registered Mortgage of land measuring 1332 sq mt. and 6 storied RCC Building measuring 73662 sq ft. constructed on the same land at C Sector, Itanagar, Arunachal Pradesh in the name of Mr. Lechi Legi.
- b) Registered Mortgage of land measuring 2459.50 sq mt and two storied building measuring 38042 sq ft constructed on the same land at G Extension Colony, Naharlagun, Arunachal Pradesh in the name of Mr.Lichi Legi.
- c) Registered Mortgage of land measuring 72 sq mt and RCC building measuring 10,652 sq ft at E- Sector, Naharlagun Market, Arunachal Pradesh in the name of Mr. Lichi Legi.
- d) Registered Mortgage of land measuring 53800 sq ft and (1) single storied building measuring 315 sq mt (2) SP type commercial / residential building measuring 1058 sq mt (3) Workshop building measuring 1052 sq mt (4) five storied RCC building measuring 6641.50 sq mt on each floor and (5) Two storied RCC building measuring 359 sq mt situated at A sector, Naharlagun, Arunachal Pradesh in the name of Mr. Lichi Legi.
- e) Hypothecation of all movable fixed assets of the company ranking parri-paasu with other working capital Bankers.
- f) Pledge of Promoters equity shares in the Company (number of shares- 7,50,000) in Bank's favour ranking parri-paasu with other working capital Bankers.

IDBI BANK

Primary Securities: First charge on the entire Current assets of the Company on parri-passu basis with consortium banks.

Collateral Securities:

- a) Equitable Mortgage of Commercial Building cum Shopping Complex (Legi Complex) at bank Tinali, Itanagar, Value Rs. 1466 Lacs.
- b) Equitable Mortgage of commercial building of G – extension, naharlagun. Value Rs. 551 Lakhs.
- c) Equitable Mortgage of Office cum Commercial Building, Naharlagun Market (SBI Naharlagun Branch is situated in the building). Value Rs. 89 Lacs.
- d) Equitable Mortgage of Residential cum Commercial Building, A- Sector, Naharlagun. Value Rs. 1151 Lacs.
- e) NSC/FD/LIC of Rs. 25 Lacs.
- f) Hypothecation of all moveable fixed assets of the Company, both present & future. (BV as on 31.03.2008 being 40.78 Lacs).
- g) Total Value of Collateral Security on pari passu basis with State Bank of India and Axis Bank Ltd. Rs. 3282 Lacs.

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE VII STATEMENT OF SUNDRY DEBTORS

	Rs. in Lacs					
As at	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Particulars						
(Unsecured)						
Debts Outstanding over Six Months						
- Considered Good	170.82	298.47	34.33	348.13	549.70	549.70
- Considered Doubtful	-	-	-	-	-	-
Sub Total	170.82	298.47	34.33	348.13	549.70	549.70
Others						
- Considered Good	-	-	1,077.39	2,898.53	2,305.64	5,086.54
- Considered Doubtful	-	-	-	-	-	-
Sub Total	-	-	1,077.39	2,898.53	2,305.64	5,086.54
Less: Provision for Doubtful Debts	-	-	-	-	-	-
Total	170.82	298.47	1,111.72	3,246.65	2,855.34	5,636.24

Notes:

Receivables from Promoters/Promoters group or those related to promoters included in above are NIL.

EVEREST INFRA ENERGY LIMITED**(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)****ANNEXURE VIII****STATEMENT OF CURRENT LIABILITIES AND PROVISIONS**

Rs. in Lacs

Particulars	As at					
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Current Liabilities						
Sundry Creditors	101.56	189.30	389.35	2,109.08	1,323.38	1,648.94
Advance Against Material & Works	-	74.78	530.66	158.74	1,632.79	2,815.98
Bank Overdraft	-	-	2.45	-	-	-
Retention Money Deducted from Sub Contractors	-	-	6.46	6.46	107.34	121.82
P.F. Payable	-	-	0.40	0.38	0.43	0.43
T.D.S Payable	-	-	5.69	16.10	11.19	13.03
Liability for Expenses	-	-	0.87	20.28	0.76	1.41
Share Application Money	-	-	-	4.50	38.33	38.33
Director Remuneration Payable	-	-	-	-	-	12.00
Provisions						
Provision for Income Tax	-	-	25.00	85.00	104.00	76.83
Provision for Fringe Benefits Tax	-	-	0.84	1.70	3.00	2.13
Provision for Gratuity	-	-	-	-	-	3.76
Total	101.56	264.08	961.72	2,402.25	3,221.22	4,734.65

EVEREST INFRA ENERGY LIMITED**(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)****ANNEXURE IX****STATEMENT OF OTHER INCOME (Recurring)**

Rs. in Lacs

For the year ended	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Interest on Bank F.D.R	-	-	17.62	43.05	101.84	29.36
Total	-	-	17.62	43.05	101.84	29.36

EVEREST INFRA ENERGY LIMITED**(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)****ANNEXURE X
CONTINGENT LIABILITIES****Rs. in Lacs**

Particulars	As at					
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Bank Guarantee	-	-	2,608.00	2,774.00	8,527.00	8,942.00
Claims against the Company not acknowledged as debt	-	-	-	-	-	54.26
Commitment for Capital Expenditure	-	-	-	-	-	-
Total	-	-	2,608.00	2,774.00	8,527.00	8,996.26

**ANNEXURE: XI
DIVIDEND DECLARED/PAID/PROPOSED****(Rs. in Lacs)**

Particulars	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Equity Share of Face Value (Rs.)	10	10	10	10	10	10
Final Dividend per share (Rs.)	-	-	-	-	-	-

EVEREST INFRA ENERGY LIMITED
(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE: XII
STATEMENT OF RESTATED ACCOUNTING RATIOS

Particulars	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
Weighted average number of equity shares of Rs. 10 each						
i) Number of Shares at the beginning of the year	Note: 1	Note: 1	1,995,000	1,995,000	2,495,000	3,895,000
ii) Number of Shares at the end of the year			1,995,000	2,495,000	3,895,000	3,895,000
iii) Weighted average number of outstanding equity shares			1,995,000	2,105,959	2,811,165	3,895,000
iv) Share Capital pending allotment (Rs.)	NIL	NIL	NIL	NIL	NIL	NIL
v) Weighted Average number of Outstanding equity shares (Diluted)	Note: 1	Note: 1	Note: 1			
Net worth of the Company (Rs. in Lacs)	202.50	327.70	847.44	1,243.00	2,541.22	2,691.13
Net Profit after tax available for Equity Shareholders as per Restated Profit & Loss Account (Rs. in Lacs)	98.55	149.20	121.05	145.00	179.22	149.78
Basic Earnings Per Share (EPS) (Rs.)	4.94	7.48	6.07	6.88	6.38	3.85
Diluted Earnings Per Share (EPS) (Rs.)	4.94	7.48	6.07	6.88	6.38	3.85
Return on Net Worth (%)	48.67%	45.53%	14.28%	11.66%	7.05%	5.57%
Net Asset Value Per Share (Rs.)	10.15	16.43	42.48	49.82	65.24	69.09

Note:

1. The status of the Company prior to March 2007 was that of a Proprietorship firm. Hence, EPS and NAV per share have been computed for all the periods/years prior to March 31, 2007 by considering weighted average number of Equity Shares outstanding as at March 31, 2007.
2. The above ratios have been computed on the basis of the adjusted profits/losses for the respective periods/years as per the statement of Profits and Losses, as restated.

The Ratios have been computed as below:-

Earnings per Share (Basic):
$$\frac{\text{Net profit attributable to Equity Shareholders}}{\text{Weighted Average number of Equity Shares Outstanding during the year}}$$

Earnings per Share (Diluted): $\frac{\text{Net Profit attributable to Equity Shareholders}}{\text{Weighted Average number of Diluted Equity Shares Outstanding during the year}}$

Return on Net Worth %: $\frac{\text{Net Profit After Tax}}{\text{Net Worth at the end of the year}}$

Net Asset Value per Share (Rs.): $\frac{\text{Net Worth at the end of the year}}{\text{Equity Share Outstanding at the end of the year}}$

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE: XIII

STATEMENT OF CAPITALISATION AS AT JUNE 30, 2009

PARTICULARS	Pre-issue as at 30th June 2009	Post-issue*
Debts		
Short Term Debt	1,718.65	
Long Term Debt	-	
Total - (A)	1,718.65	
Shareholders' Funds		
Share Capital	389.50	
Reserves & Surplus (Excluding Revaluation Reserve)	2,304.24	Will be determined after finalization of issue price
Less: Miscellaneous Expenditure	2.61	
Total Shareholders' Funds (B)	2,691.13	
Total Capitalisation (A+B)	4,409.78	
Long Term Debt to Total Shareholders' Funds	-	

Note:

1. Short term debts are debts maturing within one year from the end of the year.
2. The above ratio of long term debts to shareholders' funds has been computed on the basis of restated statement of accounts as at 30 June 2009.
3. The Company has allotted 7,790,000 Bonus Shares in the ratio of 2:1 on October 10, 2009. Further, the Company has also allotted 126,000 Equity Shares on a preferential basis on October 10, 2009. Accordingly subsequent to the period ended June 30, 2009, the Equity Share Capital of the Company has increased from Rs. 389.50 Lacs (3,895,000 Equity Shares) to Rs. 1181.10 Lacs (11,811,000 Equity Shares).

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

ANNEXURE: XIV

STATEMENT OF RELATED PARTY TRANSACTION

(Rs. in Lacs)

Particulars	31st March 2008			31st March 2009			30th June 2009		
	Relatives	KMP	Enterprises over which KMP & relatives have substantial interest	Relatives	KMP	Enterprises over which KMP & relatives have substantial interest	Relatives	KMP	Enterprises over which KMP & relatives have substantial interest
Advances given									
Security Deposits to Mrs. Dipali Choudhury	14.58	-	-	14.58	-	-	14.58	-	-
Total	14.58	-	-	14.58	-	-	14.58	-	-
Sundry Creditors									
Horizon Hi-Tech Engicon Limited	-	-	-	-	-	32.00	-	-	4.00
Total	-	-	-	-	-	32.00	-	-	4.00
Sub Contract Expenses									
Horizon Hi-Tech Engicon Limited	-	-	-	-	-	222.99	-	-	-
Total	-	-	-	-	-	222.99	-	-	-
Rent Paid									
Mrs. Dipali Choudhury	7.20	-	-	7.20	-	-	1.80	-	-
Total	7.20	-	-	7.20	-	-	1.80	-	-
Grand - Total	21.78	-	-	21.78	-	254.99	16.38	-	4.00

Note:**Break-up of remuneration paid to KMP for rendering of services****(Rs. in Lacs)**

Name of the KMP	Year ended					
	31st March 2007		31st March 2008		31st March 2009	
Mr. Dipankar Choudhury	12.00		24.00		24.00	
Mr. Lichi Legi	2.00		12.00		12.00	
Mrs. Lichi Seth	2.00		12.00		12.00	

Related parties are classified as:

Particulars	Year ended						Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009	
Key Management Personnel	Mrs. Lichi Seth	Smt. Lichi Seth	Mr. Dipankar Choudhury	Mr. Dipankar Choudhury	Mr. Dipankar Choudhury	Mr. Dipankar Choudhury	Mr. Dipankar Choudhury
			Mr. Lichi Legi	Mr. Lichi Legi	Mr. Lichi Legi	Mr. Lichi Legi	Mr. Lichi Legi
			Mrs. Lichi Seth	Mrs. Lichi Seth	Mrs. Lichi Seth	Mrs. Lichi Seth	Mrs. Lichi Seth
Enterprises over which KMP and their relative have substantial interests			Horizon Hi-Tech Engicon Limited	Horizon Hi-Tech Engicon Limited	Horizon Hi-Tech Engicon Limited	Horizon Hi-Tech Engicon Limited	Horizon Hi-Tech Engicon Limited
Relatives of KMP			Mrs. Dipali Choudhury	Mrs. Dipali Choudhury	Mrs. Dipali Choudhury	Mrs. Dipali Choudhury	Mrs. Dipali Choudhury

Note: The status of the Company prior to March 2007 was that of a Proprietorship firm. Therefore, the related party disclosure as Accounting Standard "AS -18" is not applicable.

EVEREST INFRA ENERGY LIMITED

(FORMERLY KNOWN AS EVEREST ENGINEERING HOUSE PRIVATE LIMITED)

**ANNEXURE: XV
STATEMENT OF TAX SHELTER**

		Rs. in Lacs					
	For the period ended	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
A.	Profit Before Tax as per audited accounts	101.17	212.73	148.17	230.50	285.32	127.40
	Effective Tax Rate			33.66%	33.99%	33.99%	30.00%
	Tax at actual rate on Profit as per audited accounts	-	-	49.87	78.35	96.98	38.22
	Adjustments:						
	Permanent Differences						
	Less:						
	Income exempted upto the date of takeover	-	-	(74.74)	-	-	-
B.	Total Permanent Differences (Net)	-	-	(74.74)	-	-	-
	Timing Differences						
	Less:						
	Difference of depreciation between Income Tax Act, 1961 and Companies Act, 1956	-	-	(0.89)	(1.16)	(0.87)	(0.64)
C.	Total Timing Differences (Net)	-	-	(0.89)	1.16	0.87	0.64
D.	Net Adjustments (B) + (C)	-	-	(75.63)	1.16	0.87	0.64
	Tax savings thereon	-	-	(25.46)	0.39	0.30	0.19
	Profit as per income tax return (A)+/(-)(D)	-	-	24.42	78.74	97.27	38.41
	Taxable Income as per MAT						
	Tax as Per Return	-	-	24.42	78.74	97.27	

Note:

- 1) The figures in the above statement for the period ended June 30, 2009 are provisional and would be finalised at the year end.
- 2) The figures for all other years are as per the returns of income filed.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements included in this DRHP. You should also read the section titled "Risk Factors" beginning on page 12 of this DRHP, which enumerates number of factors and contingencies that could impact our financial condition and results of operations. The following discussion relates to our Company on a standalone basis, and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards issued by Institute of Chartered Accountants of India and other applicable provisions of the Companies Act, 1956, and the SEBI (ICDR) Regulations 2009. Our Financial year ends on March 31 of each year.

Overview of the business of the Company

Our Company is engaged in the erection, installation and commissioning of High Tension & Low Tension voltage equipments along with designing and commissioning of sub-stations for various private & government bodies. The company has executed projects under the "Rajiv Gandhi Grameen Vidyutikaran Yojana" (RGGVY) for rural electrification works in the states of Bihar, West Bengal and Chhattisgarh. Similarly, the Company has been awarded projects under the "Pradhan Mantri Gram Sadak Yojana" (PMGSY) for development of road infrastructure. The Company has executed orders and has operations in 7 states namely Arunachal Pradesh, Assam, West Bengal, Chhattisgarh, Bihar, Orissa and Jharkhand for valued clients like the Government of Arunachal Pradesh, CPWD, National Hydro Electric Power Corporation (NHPC), Power Grid Corporation, IOCL and North Eastern Electric Power Corporation.

The proprietorship firm taken over by the Company had executed its first project in 1984, which was a High Tension (HT) & Low Tension (LT) distribution project in Itanagar for the Department of Power, Arunachal Pradesh. It initially undertook small projects for the Department of Power in Arunachal Pradesh and surrounding states. In 2005, it executed its first Rural Electrification Project for NHPC in Purulia, West Bengal, on turnkey basis.

We have progressed rapidly from being a small time player to become a key player in the power sector in the Eastern Region specially in Engineering Procurement and Commission (EPC) contracts for erecting of HV transmission lines, 220/132 KV sub-stations and village electrification works. As we were one of the early entrants in the projects for EPC contracts for erecting of transmission lines, we now possess the necessary experience, which is mandatory for qualifying for bidding for such projects under various schemes for broadening the power infrastructure.

Currently, we operate our business through the following two divisions.

1. Power
2. Roads

The contribution to our turnover from each of our two businesses is as follows:

Divisions	Rs. in Lacs			
	FY 2007	FY 2008	FY 2009	FY10(till June 2009)
Power	3,475.85	6,059.12	8,519.87	4,035.57
Roads	-	945.64	573.87	-
TOTAL	3,475.85	7,004.76	9,093.74	4,035.57

Significant Developments subsequent to the last financial year

There have been no significant developments subsequent to the last financial year which may have a considerable affect on the operations and results of the company except as otherwise stated in this DRHP.

Factors that may affect Results of the Operations:

Spending by Government on infrastructure

We derive significant portion of our income from government tenders. There has been a rising trend in the spending by government on various infrastructure projects. Any decrease in government spending on infrastructure projects may affect our business.

Our capabilities to participate and execute

The nature of the Government's tendering process is such that the pre qualifications obtained in the past play an important role in allowing companies to bid for the new projects. The ability to strategically partner with other players will also determine the success in award of some key projects the company will be bidding for. The project management (including our management of sub-contractors performance) capability will also determine the profitability.

Our ability to attract retain skilled and technical staff

Skilled and technical staffs are required by us for all our projects. We take up various projects based on availability of right mix of man power. Thus our growth is likely to be affected by our ability to attract and retain skill and technical manpower.

Stringent condition of our contract

Most of our contracts are time bound as well as put a condition of meeting the minimum standard requirement of such construction. Most of our contract stipulates penalty condition for non closure of our project in time. This non completion of project in time could affect our financials. We are subject to blacklisting by the authority for non full filing our commitment.

Market price behavior of key materials

The project costs mainly comprise of construction related materials i.e. steel and cement. These being commodities, changes in prices during the execution of the project may alter profitability on contracts, which are not covered by escalation provisions.

Discussion on Results of the Company

A summary of the past financial results based on the restated accounts are given below:

Particulars	Year ended					Three Months Period Ended
	31st March 2005	31st March 2006	31st March 2007	31st March 2008	31st March 2009	30th June 2009
INCOME:						
Income from Operations	1,498.80	2,905.17	3,475.85	7,004.76	9,093.74	4,035.57
Other Income	-	-	17.62	43.05	101.84	29.36
Total	1,498.80	2,905.17	3,493.47	7,047.81	9,195.58	4,064.93
EXPENDITURE:						
Construction Expenses	1,343.83	2,607.39	3,145.47	6,427.79	8,273.80	3,650.81
Personnel Expenses	18.17	24.24	30.75	56.42	92.42	41.04
Administrative and Other Expenses	33.12	47.47	119.60	238.37	384.94	195.68
Interest	1.31	8.13	41.95	83.15	147.03	46.11
Depreciation	1.20	5.20	7.53	11.58	12.08	3.89
Total	1,397.63	2,692.43	3,345.30	6,817.31	8,910.27	3,937.53
Net Profit before tax and extraordinary Items	101.17	212.74	148.17	230.50	285.32	127.40
Provision for Taxation	-	-	25.00	85.00	104.00	38.22
Deferred Tax	-	-	0.29	(0.38)	(0.26)	1.05
Fringe Benefit Tax	-	-	0.84	1.70	3.00	-
Income Tax for Earlier Year	-	-	-	-	0.06	(2.87)
Net Profit after Tax	101.17	212.74	122.04	144.18	178.52	91.00
Impact on account of material adjustments and prior period items	(2.62)	(63.54)	(0.99)	0.82	0.70	57.78
Adjusted Net Profit for the Year/ Period	98.55	149.20	121.05	145.00	179.22	149.78

Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a Proprietary Concern of Ms. Lichi Seth with effect from April 01, 2006. The financial statements for the years ended March 31, 2005 & 2006 represent the operations of Everest Engineering House (the proprietary concern of Ms. Lichi Seth).

Results of operations of our Company
Rs. in Lacs

PARTICULARS	For the year ended					Three months period ended
	31.03.05	31.03.06	31.03.07	31.03.08	31.03.09	Jun-09
Total Income						
Operating Income	1,498.80	2,905.17	3,475.85	7,004.76	9,093.74	4,035.57
Other Income	-	-	17.62	43.05	101.85	29.36
Total Income	1,498.80	2,905.17	3,493.47	7,047.81	9,195.58	4,064.93
Construction Expenses	1,343.83	2,607.39	3,145.47	6,427.79	8,273.80	3,650.81
Construction Expenses as a % of Total Income	89.66%	89.75%	90.04%	91.20%	89.98%	89.81%
Personnel Costs	18.17	24.24	30.75	56.42	92.42	41.04
Personnel Cost % total Sales	1.21%	0.83%	0.88%	0.80%	1.01%	1.01%
Administration and Other Expenses	33.12	47.47	119.61	238.37	384.94	195.68
Administration and Other Expenses % of Total Income	2.21%	1.63%	3.42%	3.38%	4.19%	4.81%
PBIDT	103.67	226.07	197.65	325.24	444.43	177.41
PBIDT % Total Income	6.92%	7.78%	5.66%	4.61%	4.83%	4.36%
Interest	1.31	8.13	41.95	83.15	147.03	46.11
Interest Expenses % of Total Sales	0.09%	0.28%	1.20%	1.18%	1.60%	1.13%
Depreciation	1.20	5.20	7.53	11.58	12.08	3.89
Depreciation % Of Total Income	0.08%	0.18%	0.22%	0.16%	0.13%	0.10%
PBT	101.16	212.74	148.17	230.51	285.32	127.41
PBT as a % of Total Income	6.75%	7.32%	4.24%	3.27%	3.10%	3.13%
PAT (after impact on account of material adjustments and prior period items)	98.54	149.20	121.05	145.01	179.22	148.79
PAT as a % of Total Income	6.57%	5.14%	3.47%	2.06%	1.95%	3.66%

Comparison of Performance and Analysis of Development for the year ended March 31, 2009 vis-à-vis March 31, 2008

Total Income

The total Income of the Company increased from Rs. 7,047.81 Lacs to Rs. 9,195.58 Lacs. On an annualized basis there has been a growth of 30.47% in the FY 2008-09. The increase in total income was due to the fact that the Company in financial year 2009 secured orders of more than Rs. 30,000 Lacs from various authorities.

Construction Expenses

Cost of construction expenses amounted to Rs. 8,273.80 Lacs in the FY 2008-09 as compared to Rs. 6,427.79 Lacs in the FY 2007-08, showing an increase of 28.72% on an annualised basis. This was mainly due to the increase in the operational turnover of the Company.

Personnel Costs

Personnel costs of the Company have increased by 63.81% on an annualised basis. As a percentage basis of total income, the cost has increased from 0.80% in the FY 2007-08 to 1.01% in the FY 2008-09.

Administrative and Other Expenses

Administrative and other expenses have increased from Rs. 238.37 Lacs in FY 2007-08 to Rs. 384.94 Lacs in the FY 2008-09, representing 61.49% increase in expenses in comparison to the previous year. As a percentage of total income, administrative and other expenses has increased from 3.38% in the FY 2007-08 to 4.19% in the FY 2008-09.

Profit before Interest, Depreciation and Tax (PBIDT)

PBIDT has increased from Rs. 325.24 Lacs in the FY 2007-08 to Rs. 444.43 Lacs in the FY 2008-09, registering a growth of 36.65% on an annualised basis. As a percentage of total income, PBIDT has shown a marginal increase from 4.61% in the FY 2007-08 to 4.83% in the FY 2008-09.

Interest Expense

Interest Expense of the company has increased by 76.83% on Y-O-Y basis i.e. from Rs. 83.15 Lacs in the FY 2007-08 to Rs. 147.03 Lacs in the FY 2008-09. The said increase was due to the fact that the Secured Loans borrowings of the Company increased by 91.57% on Y-O-Y basis i.e. from Rs. 877.41 Lacs to Rs. 1,680.89 Lacs.

Depreciation

Depreciation expenses have increased by 4.32% in the FY 2008-09 as compared to the previous year. As a percentage to total income, Depreciation expenses have marginally decreased from 0.16% in FY 2007-08 to 0.13% in the FY 2008-09. The decrease was due to the increase in the total income of the company in the current year as compared to last year.

Profit Before Tax (PBT)

On a Y-O-Y basis PBT of the company has increased by 23.78%. As a percentage of total income, PBT has decreased from 3.27% in the FY 2007-08 to 3.10% in the FY 2008-09.

Profit After Tax (PAT)

Profit of the Company after making provisions for taxes for the year ended March 31, 2009 amounted to Rs. 179.22 Lacs as compared to the after tax profit of Rs. 145.01 Lacs for the year ended March 31, 2008. The increase of 23.59% on Y-O-Y basis was attributable to the fact that the Company was

able to increase its total income by 30.47%, on an annualised basis. However, the PAT margin has marginally decreased from 2.06% in FY 2008 to 1.95% in FY 2009.

Comparison of Performance and Analysis of Development for the year ended March 31, 2008 vis-à-vis March 31, 2007

Total Income

Total Income of the Company increased from 3,493.47 Lacs in the FY 2006-07 to Rs. 7,047.81 Lacs in the FY 2007-08. On an annualized basis there has been a growth of 101.74%. The growth in total income was attributable to the fact that the company received orders of worth Rs. 11,200 Lacs in the FY 2006-07, of which, majority were completed in the FY 2007-08.

Construction Expenses

Construction Expenses have increased from Rs. 3,145.47 Lacs in the FY 2006-07 to Rs. 6,427.79 Lacs in the FY 2007-08. This shows an increment of 104.35% in expenses on Y-O-Y basis. The increase was due to the increased in operational income of the Company, which increased by 101.53% on an annualized basis.

Personnel Costs

Personnel Costs of the Company increased by 83.48% on an annualized basis. As a percentage of total income personnel costs have decreased from 0.88% in the FY 2006-07 to 0.80% in the FY 2007-08. The marginal decrease in the personnel costs was due to the efficient use of resources.

Administrative and Other Expenses

Administrative and other expenses have increased from Rs. 119.61 Lacs in the FY 2006-07 to Rs. 238.37 Lacs in the FY 2007-08. The increase of 99.30% of the expenses on an annualised basis was due the increase in the operational turnover of the Company.

Profit before Interest, Depreciation and Tax (PBIDT)

On an annualized basis PBIDT has increased by 64.55% in the FY 2007-08. The said increase was due to the fact that total income of the company increased by 101.74% in the current FY.

Interest Expense

Interest expenses have risen from Rs. 41.95 Lacs in the FY 2006-07 to Rs. 83.15 Lacs in the FY 2007-08. The increase in interest expenses was attributable to the increase in the secured borrowings of the Company, which increased by 63.83% on an annualised basis i.e. from Rs. 535.58 Lacs in the FY 2006-07 to Rs. 877.41 Lacs in the FY 2007-08.

Depreciation

Depreciation expenses have risen from Rs. 7.53 Lacs in FY 2006-07 to Rs. 11.58 Lacs in the FY 2007-08. As a percentage of total income, depreciation expenses have decreased from 0.22% in the FY 2006-07 to 0.16% in the FY 2007-08.

Profit Before Tax (PBT)

Profit Before Tax has increased from 148.17 Lacs in the FY 2006-07 to Rs. 230.51 Lacs in the FY 2007-08. On an annualized basis there has been an increase of 55.57%. The increase in PBT was due to the increase in the total income of the Company.

Profit After Tax (PAT)

The Company posted a PAT of Rs. 145.01 Lacs in the current FY 2007-08 as compared to Rs. 121.05 Lacs in the FY 2006-07. As a percentage of total income, the percentage decreased from 3.47% in the FY 2006-07 to 2.06% in the FTY 2007-08.

Comparison of Performance and Analysis of Development for the year ended March 31, 2007 vis-à-vis March 31, 2006

Total Income

The total income of the Company increased from Rs. 2,905.17 Lacs in the FY 2005-06 to Rs. 3,493.47 Lacs in the FY 2006-07. On an annualized basis there has been a growth of 20.25% in the FY 2006-07. The increase in the total income was due the fact that the company received orders of worth Rs. 11,200 Lacs in the current FY 2006-07, out of which certain portion of the contract was executed in the current FY.

Construction Expenses

Construction expenses have increased from Rs. 2,607.39 Lacs in the FY 2005-06 to 3,145.47 Lacs in the FY 2006-07. As a percentage of total income, construction expenses have increased from 89.75% in the FY 2005-06 to 90.04% in the FY 2006-07. The increase in the expenses was due to the increase in the total turnover of the company.

Personnel Costs

Personnel costs of the Company increased from Rs. 24.40 Lacs to Rs. 30.75 Lacs in the current FY 2006-07. As a percentage of total income also the costs have increased marginally from 0.83% in the FY 2005-06 to 0.88% in the FY 2006-07.

Administrative and Other Expenses

Administrative and other expenses incurred by the Company have increased by 151.97% in the current FY 2006-07. As a percentage of total income, the expenses have increased from 1.63% in the FY 2005-06 to 3.42% in the FY 2006-07.

Profit before Interest, Depreciation and Tax (PBIDT)

PBIDT of the Company has decreased from 226.06 Lacs in the FY 2005-06 to Rs. 197.65 Lacs in the FY 2006-07. The said decrease of 12.57% was attributable to the increase in the expenses of the company, mainly due to the increase in the administrative and other expenses.

Interest Expense

Interest expenses of the Company have increased by 415.99% on Y-O-Y basis. The Interest cost increased from Rs. 8.13 Lacs in the FY 2005-06 to Rs. 41.95 Lacs in the FY 2006-07. The increase in the expenses was due to the fact that the Secured borrowings of the Company increased from Rs. 279.13 Lacs in the FY 2005-06 to Rs. 535.58 Lacs in the FY 2006-07.

Depreciation

Depreciation expenses increased from Rs. 5.20 Lacs in the FY 2005-06 to Rs. 7.53 Lacs in the FY 2006-07. As a percentage to total income the expense has increased marginally from 0.18% to 0.22% in the current FY 2006-07.

Profit Before Tax (PBT)

PBT of the Company has decreased from 212.74 Lacs in the FY 2005-06 to Rs. 148.17 Lacs in the FY 2006-07. The said decrease of 30.35% was attributable to the increase in the expenses of the company, mainly due to the increase in the administrative and other expenses.

Profit After Tax (PAT)

Net profit of the Company decreased from Rs. 149.20 Lacs in the FY 2005-06 to Rs. 121.05 Lacs in the FY 2006-07. As a percentage of total income also the PAT has decreased from 5.14% to 3.47% in the current FY 2006-07. The said decrease was due to the fact that the Company was a proprietorship firm in the FY 2005-06 and was not subject to Income Tax as the prevailing laws in Arunachal Pradesh, but its status was changed in the current FY 2006-07 to a Private Limited Company and was subject to Income Tax.

INFORMATION REQUIRED AS PER SCHEDULE VIII Clause (IX) (E) (5) OF SEBI ICDR REGULATIONS, 2009

Unusual or infrequent events or transactions

Other than as described in this DRHP, particularly in the section entitled "Risk Factors" beginning on Page 12 and Management's Discussion and Analysis of Financial Condition and Financial Statements", beginning on Page 141 and 121, in the knowledge of our Company, there are no significant economic / regulatory changes that materially affect or are likely to affect the income from continuing operations.

Significant economic changes that materially affected or are likely to affect income from continuing operation

There has been no major significant change in the law governing the Power Transmission and Infrastructure Industry. The risk relating to the changes in the economic or regulatory environment and its impact on the business of the company is discussed separately in the section entitled "Risk Factors" beginning on page 12 of this DRHP.

Known trends or Uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

There are no known trends or uncertainties that may have had or expected to have any material adverse impact on sales, revenue or income from continuing operations of the company.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Except as otherwise described elsewhere in this DRHP, particularly in "Risk Factors" and Management's Discussion and Analysis of financial condition and result of operations" there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of the Company from continuing operations.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The turnover of our company has increased due to increase in the number of tenders executed by the Company and not due to introduction of any new products by our company.

Total turnover of each major industry segment in which the Company operates

We operate only in one industry segment i.e. Infrastructure. For more information of this refer to section entitled "Financial Statements" beginning on page 121 of this DRHP.

New Products or business segments

Our Company has not announced and we do not expect to announce in the near future any new products or business segments, except in the ordinary course of the business.

Seasonality of business

The business of our Company is not seasonal.

Dependence on single or few suppliers/customers

We are not depended on few or single customers for our revenues. Our company has been in the present business for several years and has relations with all the major suppliers of raw material and is able to procure the raw material as and when required.

Competitive Conditions

The Company faces stiff competition from larger and well-established players. The Company is smaller in size compared to the market leaders, which acts as deterrent for very large projects. However, the Company has bid for large projects in past and bagged a few large projects inspite of big companies in fray like IVRCL Infrastructures and Projects Limited, Nagarjuna Construction Company Limited, Jyoti Structures Limited, etc. Further, smaller proprietary firms also create competition for the Company. But, considering the size and entry norms for the contracts, for which the Company is bidding, the competition from smaller proprietary firms is minimal.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our significant borrowings as of October 26, 2009 together with a brief description of certain significant terms of such financing arrangements.

A) Fund Based Facility

Bank	Facility and Loan Documentation	Amount Outstanding (Rs. In Lacs)	Interest Rate	Repayment Schedule
State Bank of India	Rs.700 Lacs Cash Credit Limit vide sanction letter dated 12.02.2009	703.00	1.00% above State Bank Advance Rate (SBAR) i.e. minimum effective rate will be 13.25% with monthly rests.	Repayable on demand, with maximum validity of 12 months.
Axis Bank	Rs. 1000 Lacs Cash Credit Limit vide sanction letter dated 23.10.2009	707.00	Basic Prime Lending Rate (BPLR) less 2.5% i.e. 12.25% p.a. at monthly interval Margin : Raw Materials-25% Stock – 25% Finished goods-25% Book-Debts(up to 90 days) – 25%	Repayable on demand.
IDBI Bank	Rs. 600 Lacs Cash Credit Limit vide sanction letter dated 27.02.2009	655.00	Basic Prime Lending Rate (BPLR) charged by the consortium banker, whichever is higher. (Present BPLR being 13.50%) Margin : Raw Materials-25% Stock – 25% Finished goods-25% Book-Debts(below 90 days) – 30%	Repayable on demand, with maximum validity of 12 months.
ICICI Bank Limited	Rs.5.80 Lacs of Car Loan	1.69	10.23% p.a. payable with monthly installments.	EMI of Rs.19550 each by PDC starting from September 10, 2007
Total		2066.69		

B) Non-Fund Based Facility

Bank Guarantee				
IDBI Bank	Bank Guarantee in respect of Rs. 2200 Lacs vide sanction letter dated 27.02.2009	1947.00	<p>Commission payable- 2.5% p.a.</p> <p>Margin:</p> <ul style="list-style-type: none"> ● Existing limit of 1100 lakhs -15% ● Enhanced limit of 1100 lakhs- 25% ● Bid-Bond Guarantees- 20% 	Maximum 36 months
Axis Bank	Bank Guarantee in respect of Rs. 4000 lakhs vide sanction letter dated 23.10.2009	3137.00	<p>Commission payable- 2.00% p.a.</p> <p>Margin:</p> <ul style="list-style-type: none"> ● Upto Rs. 2000 lakhs limit -15% ● Above Rs. 2000 lakhs - 20% ● 100% cash margin in case of disputed liabilities. 	Maximum up to 36 months inclusive of claim period.
State Bank of India	Bank Guarantee in respect of Rs. 4700 lakhs vide sanction letter dated 12.02.2009	4233.00	<p>Commission payable- 1.75% P.a.</p> <p>Margin:</p> <ul style="list-style-type: none"> ● Upto Rs. 2000 lakhs limit -15% ● Above Rs. 2000 lakhs & upto 4700 lakhs - 25% ● Bid Bond Guarantees up to 700 lakhs included above 	Maximum up to 36 months
Total		9317.00		

Securities offered against the above facility

STATE BANK OF INDIA

Cash Credit and Bank Guarantee

Primary Securities:

- a) Hypothecation of stock of raw material, work in progress, book debts, consumable and other current assets of the Company on parri passu basis with IDBI bank and Axis Bank Ltd.
- b) Counter guarantee and lien on cash margin.

Collateral Securities:

- a) Registered Mortgage of land measuring 1332 sq mt. and six storied Commercial Building cum Shopping Complex with total extent 73662 sq ft. belonging to Shri Lechi Legi at C Sector, Itanagar, Arunachal Pradesh (Valuation done by Mr. Abhijit Debroy SBI panel valuer vide their

report dated 08.12.2008). Land allotment vides Govt. Of Arunachal Pradesh order no. LRB 093884/97 dated 21.05.1997.

- b) Registered Mortgage of land and Residential cum Commercial Building belonging to Shri Lichi Legi at G Extension Colony, Naharlagun, Arunachal Pradesh (Valuation done by Mr. Abhijit Debroy SBI panel valuer vide their report dated 08.12.2008). Land measuring 2459.50 sq mt and two storied building thereon measuring 38042 sq ft. Land allotment by Govt. Of Arunachal Pradesh vide order no. CP/L – 4/83-84/A/92 dated 13.11.1992.
- c) (Earlier valuation is for one floor only. Additional of another floor has increased the valuation.)
- d) Registered Mortgage of land and Office cum Commercial Building belonging to Shri Lechi Legi at Naharlagun Market, Arunachal Pradesh (Valuation done by Mr. Abhijit Debroy SBI panel valuer vide their report dated 08.12.2008). Land extent: 72 sq. mt. total area of the building: 10652 sq. ft. Land allotment by Govt. Of Arunachal Pradesh vide order no. CP/L – 4/82-83 dated 24.08.1983.
- e) Registered Mortgage of land measuring 53800 sq ft and (1) single storied building measuring 315 sq mt (2) SP type commercial / residential building measuring 1058 sq mt (3) Workshop building measuring 1052 sq mt (4) five storied RCC building measuring 6641.50 sq mt on each floor and (5) Two storied RCC building measuring 359 sq mt situated at A sector, Naharlagun, Arunachal Pradesh in the name of Shri Lichi Legi. Land allotted vides Govt. Of Arunachal Pradesh vide order no. CP/L – 8/79-82 dated 29.07.1982. Total extent of the building 76718 sq ft.

AXIS BANK

Cash Credit

Primary Securities: Hypothecation charge on the entire current assets (both present and future) of the Company on parri-paasu basis with State Bank of India and IDBI Bank.

Collateral Securities: Parri-Passu Charge on following securities with State Bank of India and IDBI Bank.

- f) Registered Mortgage of land measuring 1332 sq mt. and 6 storied RCC Building measuring 73662 sq ft. constructed on the same land at C Sector, Itanagar, Arunachal Pradesh in the name of Mr. Lechi Legi.
- g) Registered Mortgage of land measuring 2459.50 sq mt and singlr storied building measuring 26042 sq ft constructed on the same land at G Extension Colony, Naharlagun, Arunachal Pradesh in the name of Mr. Lichi Legi.
- h) Registered Mortgage of land measuring 72 sq mt and RCC building measuring 10,652 sq ft at E- Sector, Naharlagun Market, Arunachal Pradesh in the name of Mr. Lichi Legi.
- i) Registered Mortgage of land measuring 53800 sq ft and (1) single storied building measuring 315 sq mt (2) SP type commercial / residential building measuring 1058 sq mt (3) Workshop building measuring 1052 sq mt (4) five storied RCC building measuring 661.50 sq mt on each floor and (5) Two storied RCC building measuring 359 sq mt situated at A sector, Naharlagun, Arunachal Pradesh.
- j) Hypothecation of all movable fixed assets of the company ranking parri-passu with other working capital Bankers.
- k) Pledge of Promoters equity shares in the Company (number of shares- 7,50,000) in Bank's favour ranking parri-passu with other working capital Bankers.

IDBI BANK

Primary Securities: First charge on the entire Current assets of the Company on parri-passu basis with consortium banks.

Collateral Securities:

- a) Equitable Mortgage of Commercial Building cum Shopping Complex (Legi Complex) at bank Tinali, Itanagar, Value Rs. 1466 Lacs.
- b) Equitable Mortgage of commercial building of G – extension, naharlagun. Value Rs. 551 Lakhs.
- c) Equitable Mortgage of Office cum Commercial Building, Naharlagun Market (SBI Naharlagun Branch is situated in the building). Value Rs. 89 Lacs.
- d) Equitable Mortgage of Residential cum Commercial Building, A- Sector, Naharlagun. Value Rs. 1151 Lacs.
- e) NSC/FD/LIC of Rs. 25 Lacs.
- f) Hypothecation of all moveable fixed assets of the Company, both present & future. (BV as on 31.03.2008 being 40.78 Lacs).
Total Value of Collateral Security on pari passu basis with State Bank of India and Axis Bank Ltd. Rs. 3282 Lacs.

Standard Covenants:

- 1) The Bank will have the right to examine at all the times, the company's books of account and to have company's site inspected from time to time by officer(s) of the Bank and/or qualified auditors and/or technical experts and/or management consultants of the Bank's choice. Cost of such inspection will be borne by the unit.
- 2) During the currency of the Bank's credit facilities, **the Company shall not, without Bank's prior permission in writing:**
 - a. Effect any change in the Company's capital structure.
 - b. Formulate any scheme of amalgamation or reconstitution.
 - c. Implement any scheme of expansion or acquired fixed assets other than those shown in the Cash Flow Statement;
 - d. Conclude any fresh borrowing arrangement either secured or unsecured with any other Bank or Financial Institutions, borrower or otherwise, not create any further charge over their fixed assets;
 - e. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern, normal trade credit, security deposits in the normal course of business or advances to employees can, however, be extended;
 - f. Enter into borrowing arrangement either secured or unsecured with any Bank, Financial Institution, Company or otherwise;
 - g. Effect any change in the Company's management set up;

- h. Withdraw loans/deposits secured from partners/relatives of the partners of the Firm. All such unsecured loans/deposits raised by the company for financing a project are always subordinate to the loans of the bank and should not be repaid without prior written approval from the Bank.
 - i. Undertake guarantee obligations on behalf of any other unit.
 - j. Draw profits over and above the percentage indicated in the Fund Flow Statement for any year; in any case drawing shall not be made except out of profits relating to that year after making all due and necessary provisions and provided further that no default has occurred in any term repayment obligations and that the unit is able to maintain adequate working capital margin;
 - k. Undertake any expansion or fresh project or acquire fixed assets, while normal capital expenditure, e.g. replacement of parts, can be incurred.
 - l. 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 and Bank's permission is obtained;
 - m. Make any repayment of the loans and deposits and discharge other liabilities except those shown in the Fund Flow statement submitted from time to time.
 - n. Borrow fresh loans without lender's prior consent.
- 3) Acquisition of fixed assets on lease basis should be made only with the prior approval of the Bank.
 - 4) The Company will keep the Bank advised of any circumstances adversely affecting their financial position including any action taken by any creditor, Government authority against them.
 - 5) The Company will place their entire banking business with the Bank or at least proportionately if under consortium or multiple banking arrangements.
 - 6) Book-debts arising on account of bills drawn on sister/associate concerns will not be financed.
 - 7) The loan shall be utilized for the purpose for which it is sanctioned and it should not be utilized for:
 - Subscription to or purchase of shares/debentures.
 - Extending loans to subsidiary companies/associates or for making inter-corporate deposits.
 - Any speculative purposes.
 - 8) The Company will keep the Bank informed of the happening of any event which is likely to have an impact on their profit or business and more particularly, if the monthly production or sale and profit are likely to be substantially lower than already indicated to the Bank. The Company will inform accordingly with reasons and the remedial steps proposed to be taken.
 - 9) The Company should not pay any consideration by way of commission, brokerage, and fees or in any other form to guarantors directly or indirectly.

SECTION-VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits or civil proceedings, or criminal proceedings, or prosecutions or tax liabilities, irrespective of whether specified in Schedule XIII of the Act, against our Company or the Directors, or the Promoters or group companies, and there are no defaults, non-payment or overdues of statutory dues, overdues to banks / financial institutions, defaults against banks / financial institutions, defaults in dues payable to holders of any debentures, bonds, or fixed deposits, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ and other offences (including past cases where penalty may or may not have been awarded) that would result in a material adverse effect on the business. None of the aforesaid persons/ companies is on RBI's list of wilful defaulters. No disciplinary action has been taken by the SEBI/ Stock exchanges against our Company, Directors of our Company and Promoters.

I. Litigation involving our Company

a. Notice

The company has received one legal notice from M/s. Yamuna Power and Infrastructure Limited dated 25 August 2009 alleging dishonour of cheque for Rs 42,76,038/-. M/s. Yamuna Power and Infrastructure Limited has claimed the same amount by way of a Demand Draft plus bank charges within 15 days of receiving the notice, failure to comply with the same will result in legal proceedings and prosecution under section 138 of the Negotiable Instruments Act. The Company, through its advocate has responded vide letter dated 16 September 2009 disputing such claim and denying any interest on delayed payment, Since, the Agreement dated 16 December 2006, between the parties there is no such clause or indication and that the claim of M/s. Yamuna Power and Infrastructure Limited is untenable. The amount involved is Rs.42,76,038 plus charges.

b. Criminal Matters

M/s. Bijay Concrete Works (Complainant) has filled a criminal complaint case being no. 9380(C) of 2007 before the Court of the Chief Judicial Magistrate, Patna against (i) the Company, (ii) Ms. Lichi Seth, (iii) Debasis Sarkar, (iv) Dipankar Choudhury and (v) M. Jha under Section 406, 420, 120B of Indian Penal Code, 1860 and 138 of Negotiable Instruments Act, 1881 alleging that the cheque of Rs. 11,50,000/- issued by the Company in favour of the Complainant towards payment of consignment of PSC Poles sent to the Company by the Complainant has been dishonoured due to insufficient funds. The amount involved is Rs. 11,50,000/-. The matter is pending.

II. Litigation involving the Directors (i) Ms. Lichi Seth and (ii) Dipankar Choudhury

M/s. Bijay Concrete Works (Complainant) has filled a criminal complaint case being no. 9380(C) of 2007 before the Court of the Chief Judicial Magistrate, Patna, amongst others against our Directors (i) Ms. Lichi Seth and (ii) Dipankar Choudhury under Section 406, 420, 120B of Indian Penal Code, 1860 and 138 of Negotiable Instruments Act, 1881 alleging that the cheque of Rs. 11,50,000/- issued by the Company in favour of the Complainant towards payment of consignment of PSC Poles sent to the Company by the Complainant has been dishonoured due to insufficient funds. The amount involved is Rs. 11,50,000/-. The matter is pending.

Save and except the above, no other Director of our Company is involved in any legal proceedings.

Save as aforesaid, no director of our Company is involved in any legal proceedings and/or has been declared as a 'Wilful Defaulter' by RBI.

III. Details of past penalties imposed on our Company or any of the Directors

Save as otherwise disclosed herein, there have been no instances in the past of any penalties that has been imposed on our Company or the Directors by any statutory authorities.

IV. Litigation involving our group company, Horizon Hi Tech Engicon Ltd

(i) The Assistant Director of the Employees' State Insurance Corporation, Kolkata vide notice No. C/Ins.1/41- 16772-67/11927 dated 16 January 2009 informed Horizon Hi Tech Engicon Ltd ("HHEL") of an outstanding contribution of Rs 3,43,701/- in respect of HHEL's employees under the provisions of the Employees' State Insurance Act, non payment of which would result in recovery action as well as prosecution action under Sec. 45-A and 85 (a) to (g) of the ESI Act. HHEL responded to the said notice by a letter dated 6 February 2009 stating that it has already filed an application before the Court of Employees Insurance, West Bengal challenging to pay contribution, being T.C. No. 31 of 2004 which is subjudice (HHEL had filed the T.C 31 of 2004 against the Employees State Insurance Corporation and the Recovery Officer, Employees State Insurance Corporation (Opposite Parties), amongst other things praying for interfering and/or setting aside impugned orders dated September 7, 1998, July 10, 2003, November 17, 2003 and March 16, 2004 being misconceived and perverse, declaring and holding that the contribution determined and sought to be recovered is not payable by the Company, permanent injunction sustaining the opposite parties from proceeding and further or reducing the sum of Rs. 1,35,021/- on the strength of order dated November 11, 2003 and to vacate the bank attachment order dated December 31, 2003 issued by the opposite parties). One of the grounds of the matter is that HHEL does not fall within the meaning as stated in the ESI Act and, is not liable to pay any contribution. The matter is pending.

(ii) A sum of Rs. 76,65,674.00 was receivable by the Company from the Executive Engineer, Electrical Division No. IV, Tripura on account of works contract out of which a sum of Rs. 20,51,942.00 was with held by the Executive Engineer, Electrical Division No. IV, Tripura on the plea that the said amount would be adjusted against the Tripura Sales Tax liabilities. Assessment of Sales Tax for the years 2000-01, 2001-02, 2002-03 and 2003-04 have not yet been made by the Tripura Sale Tax Authorities due to non receipt of balance payment from the said Executive Engineer, Electrical Division No. IV, Tripura.

V. Litigation involving our Promoters (i) Ms. Lichi Seth and (ii) Dipankar Choudhury

M/s. Bijay Concrete Works (Complainant) has filed a criminal complaint case being no. 9380(C) of 2007 before the Court of the Chief Judicial Magistrate, Patna, amongst others against our Promoters (i) Ms. Lichi Seth and (ii) Dipankar Choudhury under Section 406, 420, 120B of Indian Penal Code, 1860 and 138 of Negotiable Instruments Act, 1881 alleging that the cheque of Rs. 11,50,000/- issued by the Company in favour of the Complainant towards payment of consignment of PSC Poles sent to the Company by the Complainant has been dishonoured due to insufficient funds. The amount involved is Rs. 11, 50,000/-. The matter is pending.

Save as otherwise disclosed herein our Promoters are not involved in any legal proceedings.

VI. As on October 28, 2009, there are no small scale creditors to whom our Company owes a sum exceeding Rs. 1.00 lac which is outstanding for more than thirty days.

VII. MATERIAL DEVELOPMENTS

There have been no material developments, since the date of the last balance sheet otherwise than as disclosed in the section 'Management's Discussion and Analysis of Financial Condition And Results Of Operations' on page 141.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, we can undertake this Issue and our current business activities. No further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

INCORPORATION DETAILS

1. Certificate of Incorporation No.U45203AR2006PLC008234 of 2006-2007 dated November 02, 2006 issued by Registrar of Companies, Shillong.
2. The name of our Company has been changed from time to time as detailed below:

Sr. No.	Change in Name	Details
1.	Everest Engineering House Private Limited to Everest Engineering House Limited	Fresh Certificate of Incorporation consequent on change of name on conversion to public limited Company dated August 26, 2009 .
2.	Everest Engineering House Limited to Everest Infra Energy Limited	Fresh Certificate of Incorporation consequent on change of name dated September 17, 2009 .

APPROVALS MATERIAL TO THE ISSUE

We have received the following material approvals relating to the Issue:

Our Board of Directors has, pursuant to resolution passed at its meeting held on September 02, 2009, authorized the Issue, subject to the approval by the shareholders of our Company under section 81 (1A) of the Companies Act.

Our shareholders have, pursuant to a resolution dated September 07, 2009 under Section 81 (1A) of the Companies Act, authorized the Issue.

APPROVAL MATERIAL TO OUR CURRENT BUSINESS ACTIVITIES

Our Company requires various registrations to be made for it to carry on its business in India. The registrations that our Company has acquired include the following.

A. INCOME TAX REGISTRATIONS

SL. No.	Description	Reference Number
1.	Permanent Account Number	AABCE7178B
2.	TAN Number	SHLE00454G

B. TRADE LICENSE

SL. No.	Description	Registration/ License/Reference Number	Validity
1.	45/1, Rafi Ahmed Kidwai Road, 2 nd Floor, Park Street, Kolkata - 700 016 (West Bengal)	110634300170	March 31, 2010
2.	A-Sector, Naharlagun, Arunachal Pradesh - 791110	0123/Naharlagun	Life time

C. SERVICE TAX REGISTRATIONS

SL. No.	Description	Registration Number	Date of Issue
1.	Certificate of Registration, under the Finance Act 1994 read with the Service Tax Rules, 1994 for the premises A-Sector, Naharlagun, Arunachal Pradesh - 791110	335/ST/CAT&CCW/NLP /2007	August 1, 2007
2.	Certificate of Registration, under the Finance Act 1994 read with the Service Tax Rules, 1994 for the premises 45/1, Rafi Ahmed Kidwai Road, 2 nd Floor, Park Street, Kolkata - 700 016 (West Bengal)	AABCE7178BST001	August 1, 2007

D. VALUE ADDED TAX

SL. No.	Description	TIN Number
1.	Arunachal Pradesh	12040128131
2.	West Bengal	19433187096
3.	Assam	18290116628
4.	Orissa	21253400002
5.	Chattisgarh	22632102450
6.	Jharkhand	20531406061
7.	Bihar	10274505069

E. CENTRAL SALES TAX

SL. No.	Description	Registration Number
1.	Arunachal Pradesh	12040128232
2.	West Bengal	19433187290
3.	Assam	18729930207
4.	Orissa	21253400002
5.	Chattisgarh	22572102289
6.	Jharkhand	5034

F. PROVIDENT FUND REGISTRATION

SL. No.	Description	Registration Number
1.	Provident fund	AS/2094

G. PROFESSIONAL TAX REGISTRATION

SL. No.	Description	Registration Number
1.	Professional Tax registration under rule 15 of the West Bengal State Tax on Professionals, Trades, Callings and Employments Rules, 1979	ECW/0045748

H. LABOUR LICENCE (Under Sec. 12(1) of the Contract Labour (Regulation & Abolition) Act, 1970

Sl. No.	Project Name	Issuing Authority	Valid from	Valid till
1	Rural Electrification work in Purulia District of W.B. Package-I (Phase-III)	Office of the Licensing Officer, Asansol	13-Mar-09	12-Mar-10
2	Rural Electrification work in Purulia District of W.B. Package-II (Phase-III)	Office of the Licensing Officer, Asansol	13-Mar-09	12-Mar-10
3	Rural Electrification work in Purulia District of W.B. Package-III (Phase-III)	Office of the Licensing Officer, Asansol	13-Mar-09	12-Mar-10
4	Rural Electrification Works under Dhamtari District	Office of the Regional Labour Commissioner, Raipur	1-May-09	7-May-10
5	Rural Electrification Works under Sonitpur District	Office of the Licensing Officer, Assam	26-Mar-09	25-Mar-10
6	Teesta low Dam Projects of WBSEDCL	Office of the Licensing Officer, Jalpaiguri	31-Mar-09	31-Dec-09
7	Sub-Transmission and Distribution of System at Margram, Purunderpur & Rajnagar in Birbhum District of WBSEDCL	Office of the Licensing Officer, Birbhum	22-Jun-09	31-Dec-09
8	Ex-works supply and erection of all equipments and materials for package - II of Rural Electrification Works	Office of the Regional Labour Commissioner, Patna	24-Jul-09	23-Jul-10
9	Rural Electrification work in Purbi champaran district package I	Office of the Regional Labour Commissioner, Patna	24-Jul-09	23-Jul-10
10	Road project package no. BR-1116A from Balbatiya Shampur	Office of the Regional Labour Commissioner, Patna	6-Aug-07	1-Jun-11

I. LABOUR INSURANCE

Sl. No.	Project Name	Issuing Authority	Valid from	Valid till
1	Rural Electrification Works under Dhamtari District	United India Insurance Co. Ltd., Kolkata	10-Jul-09	9-Jul-10
2	Rural Electrification work in Purulia District of W.B. Package-III (Phase-III)	United India Insurance Co. Ltd., Kolkata	3-Aug-09	2-Aug-10
3	Rural Electrification work in Purulia District of W.B. Package-I (Phase-III)	United India Insurance Co. Ltd., Kolkata	3-Aug-09	2-Aug-10
4	Rural Electrification work in Purulia District of W.B. Package-II (Phase-III)	United India Insurance Co. Ltd., Kolkata	3-Aug-09	2-Aug-10
5	Rural Electrification Works under Sonitpur District	New India Assurance Company limited	3-Jul-09	2-Jul-10
6	Rural Electrification work in Purbi champaran district package I	United India Insurance Co. Ltd., Kolkata	22-Jun-09	21-Jun-10

7	Ex-works supply and erection of all equipments and materials for package -II of Rural Electrification Works	United India Insurance Co. Ltd., Kolkata	22-Jun-09	21-Jun-10
8	Road project package no. BR-1116A from Balbatiya Shampur	United India Insurance Co. Ltd., Kolkata	22-Jun-09	21-Jun-10

J. ELECTRICAL LICENSE (Under rule 45(1) of the Indian Electricity Rules, 1956

Sl. No.	Particulars	Issuing Authority	Valid from	Valid till
1	Electricals installation work in the State of West Bengal	Commerce and Industries Department, West Bengal	31-Oct-08	30-Oct-11
2	Electricals installation work in the State of Assam	Assam Electrical licensing Board Regulations, 1992	30-Oct-08	29-Oct-09
3	Electricals installation work in the State of Jharkhand	Jharkhand Electrical licensing Board Regulations, 2002	11-July-09	31-Dec-09

K. LICENCES/APPROVALS FOR OUR FACTORY LOCATED AT TEZPUR, ASSAM

SL. No.	Description	Registration/ License/Reference Number	Validity
1	Certificate of Registration under the Assam Value Added Tax Act, 2003	18290116628	NA
2	Central Sales Tax Registration under Central Sales Tax Act, 1956	18729930207	NA
3	Acknowledgement issued by Office of the General Manager, District Industries and Commerce to the Company	18/011/11/0315	NA

L. LICENCES/APPROVALS FOR OUR FACTORY LOCATED AT PURULIA, WEST BENGAL

SL. No.	Description	Registration/ License/Reference Number	Validity
1	Consent to Establish issued by West Bengal Pollution Control Board for the Company's manufacturing unit located at Plot No. 458, J.L No. 2, P.O Dorodih, P.S Kenda, Dist: Purulia, West Bengal	415-WPBA/NOC(1527)/09	23/04/2014
2	Acknowledgement issued by Directorate of Micro & Small Scale Enterprises, Government of West Bengal to set up a manufacturing unit at P.O Dorodih, P.S Kenda, Dist: Purulia, West Bengal by the Company	19-1412-637	NA

LICENCES/APPROVALS FOR WHICH OUR COMPANY IS YET TO APPLY

1. Registration under Employees State Insurance Act, 1948
2. Licences for the pole factories at Tezpur, Assam and Purulia, West Bengal:
 - a) Licence under the Factories Act, 1948
 - b) Consent under Water (Prevention & Control of Pollution) Act, 1974 & Air (Prevention & Control of Pollution) Act, 1981
 - c) Licence under Indian Boliers Act, 1923

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board dated **September 2, 2009**. The shareholders have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the AGM of our Company held on **September 7, 2009**.

Prohibition by SEBI

Our Company, our Directors, our Promoters and Promoter Group or any other company in which our promoters and directors are directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Prohibition by RBI

Our Company, our Directors, our Promoters, the Promoter Group, the directors or the person(s) in control of the Promoter and companies in which our Directors are directors have not been declared as wilful defaulters by RBI or any other governmental authorities.

Eligibility for the Issue

As per regulation 26(1) of SEBI (ICDR) Regulation, 2009, an unlisted company may make an initial public offering of equity shares, only if it meets the following conditions with eligibility criteria calculated in accordance with financial statements under Indian GAAP:

Regulation	Requirement
26(1)(a)	The Company has net tangible assets of at least Rs. 300 Lacs in each of the preceding 3 full years (of 12 months each), of which not more than 50% is held in monetary assets; Provided that if more than 50% of the net tangible assets are held in monetary assets, the company has made firm commitments to deploy such excess monetary assets in its business/ projects;
26(1)(b)	The company has track record of distributable profits in terms of Section 205 of the Companies Act, 1956, for at least three (3) years out of immediately preceding five (5) years; Provided further that extraordinary items shall not be considered for calculating distributable profits in terms of Section 205 of Companies Act, 1956;
26(1)(c)	The company has net worth of at least Rs. 100 Lacs in each of the preceding 3 full years (of 12 months each);
26(1)(d)	The aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e., offer through offer document + firm allotment + promoters' contribution through the offer document), does not exceed five (5) times its pre-issue net worth as per the audited balance sheet of the last financial year; and
26(1)(e)	In case the company has changed its name within the last one year, at least 50% of the revenue for the preceding 1 full year is earned by the company from the activity suggested by the new name.

Our Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditor's Report included in this Draft Red Herring Prospectus under the section titled "Financial Statements", as at, and for the last three years ended fiscal are set forth below:

	Rs. in Lacs		
Particulars	Fiscal 2009	Fiscal 2008	Fiscal 2007
Net Tangible Assets*	4,221.76	2,120.32	1,383.30
Monetary Assets**	1,815.41	922.87	923.43
Monetary Assets as a % of Net Tangible Assets	43.00%	43.53%	66.76%
Net Profit, as restated***	179.22	145.00	121.05
Net Worth, as restated	2,541.22	1,243.00	847.44

**Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).*

***Monetary assets comprises of cash and bank Balances.*

****The distributable profits of the Company as per Section 205 of the Companies Act have been calculated from the audited financial statements of the respective years/period after making adjustments for restatement of financial statements.*

Monetary Assets include fixed deposits made by our Company as margin money for the Bank Guarantee sanctioned by the Bankers, which is being utilized by us in the ordinary course of our business.

Our Company was incorporated on November 2, 2006 as Everest Engineering House Private Limited under the provisions of the Companies Act, 1956. Our Company took over the business of Everest Engineering House, a proprietary concern of Ms. Lichi Seth since 1984 with effect from April 01, 2006.

The name of the Company was changed from Everest Engineering House Limited to Everest Infra Energy Limited vide Certificate of Incorporation dated September 17, 2009. The new name does not suggest any new activity. The name of the Company was changed to clearly reflect the nature of the activities carried on by the Company.

Hence, we are eligible for the issue under regulation 26 (1) of the SEBI (ICDR) Regulations, 2009.

Further, in accordance with regulation 26(4) of the SEBI (ICDR) Regulations, 2009, we undertake that the number of allottees, i.e., persons receiving allotment in the Issue shall be at least 1,000, otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, MICROSEC CAPITAL LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, MICROSEC CAPITAL LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 29, 2009 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992. THE SAID DUE DILIGENCE CERTIFICATES READ 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 ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
 - (a) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - (b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - (c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- (3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- (4) WHEN UNDERWRITTEN, WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**
- (6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE**

DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

- (7) **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
- (8) **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- (9) **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.- NOTED FOR COMPLIANCE.**
- (10) **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE.**

AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

- (11) **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- (12) **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
- (a) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
- (b) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- (13) **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up at any point of time, with the BRLM, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Draft Red Herring Prospectus with the Registrar of Companies, Shillong in terms of 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Shillong in terms of Section 56, Section 60 and Section 60B of the Companies Act.

Disclaimer from the Company and the Book Running Lead Manager

Our company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information, including Company's web site, **www.everesteng.com** would be doing so at his or her own risk.

The BRLM accepts no responsibility, save to the limited extent as provided in the Agreement entered into between the Book Running Lead Manager and our Company.

All information shall be made available by our Company and the Book Running Lead Manager 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 collection centers or elsewhere.

Neither us nor the Syndicate is liable for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Investors who bid in this 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of the Company.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to Indian Nationals, who are resident in India and are Adult Individuals and are not lunatic, in single name or joint names (not more than three); Hindu Undivided Families through the Karta of the Hindu Undivided Family; Companies, Bodies Corporate and Societies

registered under the applicable laws in India and authorized to invest in the Shares; Indian Mutual Funds registered with SEBI; Indian Financial Institutions & Banks; Indian Venture Capital Funds registered with SEBI subject to the applicable RBI Guidelines and Approvals, if any; State Industrial Development Corporations; Insurance Companies registered with Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs.2500 Lacs; Pension Funds with minimum corpus of Rs.2500 Lacs; Trusts or Societies registered under the Societies Registration Act, 1860 or any other applicable Trust Law and are authorized under its constitution to hold and invest in Equity Shares of a Company; Commercial Banks and Regional Rural Banks, Co-operative Banks may also apply subject to permission from Reserve Bank of India. This Draft Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an Offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about and to observe any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Kolkata, West Bengal only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been submitted to SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of or at any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers", as defined in Rule 144A under the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated [*] permission to our Company to use the Exchange's name in this Draft Red Herring Prospectus as one of the stock exchanges on which our Company's securities are proposed to be listed. BSE has scrutinized this Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that this Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter [●], permission to us to use NSE's name in the Draft Red Herring Prospectus as one of the stock exchanges on which our securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to us. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that our securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company.

Every Person who desires to apply for or otherwise acquires any of our securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of this Draft Red Herring Prospectus, along with the documents required has been filed with SEBI (East Zonal Office) Securities and Exchange Board of India, L&T Chambers, 3rd Floor, 16 Camac Street, Kolkata 700 017

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 60B of the Companies Act would be delivered for registration to the Registrar of Companies, Shillong located at Morello Building, Ground Floor, Shillong – 793 001.

Listing

The initial listing applications have been made to Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to list the Equity Shares of the company are not granted by any of the Stock Exchanges mentioned above, the Company would forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within 8 days after the Company become liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8 days, be jointly and severally liable to repay the money, with interest 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 7 working days of finalization of the Basis of Allotment for the Issue.

Impersonation

Attention of 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

The written consents of (a) the Directors, the Compliance Officer, the Statutory Auditors and Bankers to the Issue; and (b) BRLM, Registrar to the Issue, Legal Counsel to Issue to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 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.

In accordance with the Companies Act, 1956 and the Securities and Exchange Board of India (ICDR) REgulations 2000, P. Gaggar & Associates, Chartered Accountants, have given their written consent to the inclusion of their financial report as well as report in relation to tax benefits accruing to our Company and its members in the form and context in which it appears in this Draft Red Herring Prospectus.

Expert Opinion

Except the report of [•] in respect of the IPO grading of this Offer annexed herewith and except as stated elsewhere in this Draft Red Herring Prospectus, we have not obtained any expert opinions.

Public Issue Expenses

The expenses of the Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company. The details of the estimated Issue expenses are as follows:

Activity	Expense (Rs. in Lacs)
Lead Management Fees, underwriting and selling commissions	[•]
Advertising and marketing expenses	[•]
Printing, Stationary and distribution expenses	[•]
IPO Grading Fees	[•]
Others (listing fees, SEBI filing fees, bidding charges, Registrar fees, legal advisor fees, depository fees, Auditor’s fees etc.)	[•]
Total estimated Issue expenses	[•]

Details of Fees Payable

Name of the party	Amount * (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Book Running Lead Manager to the Issue	[•]	[•]	[•]
Registrars to the issue	[•]	[•]	[•]
Legal Advisor to the Issue	[•]	[•]	[•]
Auditor	[•]	[•]	[•]
Total	[•]	[•]	[•]

*Will be completed after finalization of the issue price

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Runner Lead Manager will be as per the Engagement Letter dated July 10, 2009 signed with the Book Runner Lead Manager, copy of which is available for inspection at the Corporate Office of the Company.

Fees Payable to Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as the per the MoU between our Company and the Registrar to the Issue dated September 23, 2009, copy of which is available for inspection at the Corporate Office of the Company.

The Registrar will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, communication expenses, etc. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) / letter(s) of allotment / share certificate(s) by registered post/under certificate of posting.

IPO Grading

[•]

Previous Rights and Public Issues

The Company has not made any previous rights and public issues in India or abroad in the past.

Previous issues of shares otherwise than for cash

Except as stated in the section titled "Capital Structure" on page 42 of this Draft Red Herring Prospectus, the Company has not made any issues of shares for consideration otherwise than for cash.

Underwriting commission, brokerage and selling commission on Previous Issues

This is the initial public offer of our Company and we have not made any public issue in the past.

Public Issue by Companies under the same management

No company under the same management (within the meaning of Section 370(1)(B) of the Companies Act) has made any public issue during the last three years.

Promise v. performance – Promoter Group

There has not been any public issue of Equity Shares by our promoter group companies.

Outstanding Debentures, Bond Issues, or Preference Shares

Our Company does not have any outstanding debentures or bonds and redeemable preference shares as on the date of filing this Draft Red Herring Prospectus.

Stock Market Data for our Equity Shares

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

The Company has an Investor Shareholders' Grievances Committee to redress the complaints of the share holders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of dividend etc. The committee will handle Investors grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the company. The committee would also be co-coordinating with the Registrar to the issue in attending to the grievances of the investor. The composition of the committee as on the date of filing of this Draft Red Herring Prospectus is as follows:

Sl. No.	Name of the Committee Member	Category	Position
1.	Mr. Pulak Deb	Independent Director	Chairman
2.	Ms. Lichi Seth	Non-Executive Director	Member
3.	Mr. Dipankar Choudhury	Executive Director	Member

Disposal of Investor Grievances

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

The Company has appointed Mr. Mohan Jha as Compliance Officer who will deal with various regulatory authorities with respect to implementation / compliance of various laws, rules, regulations and other directives issued by SEBI / Stock Exchanges and matters related to investor complaints.

Registrar to the Issue will also handle the investors' grievances related to the Issue in co-ordination with Compliance Officer of the Company. All grievances relating to the Present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name of the applicant, address, number of Equity Shares applied for, amount paid on application and bank and branch. The Company would monitor the work of the Registrar to ensure that the investors' grievances are settled expeditiously and satisfactorily.

As per the agreement entered with Registrar to the Issue, the following investors' grievances would be handled by it for atleast six months after the Issue:

Type of Investors' Grievance	Time Taken for Reply (No. Of Days)
Non-receipt of Refund Order	7
Non-receipt of Share Certificates	7
Transfer of Shares	30
Change of Address	15
Correction of Address	7

Mr. Mohan Jha, Chief Financial Officer of our Company, been appointed as the Compliance Officer and may be contacted in case of any pre-issue or post-issue at the following Address:

Name of the Compliance Officer:

Mr. Mohan Jha

Everest Infra Energy Limited
45/1, Rafi Ahmed Kidwai Road
Jaiswal Mansion, 2nd Floor
Kolkata- 700 016

Tel: + 91-33- 30285458

Fax: + 91-33- 2229 0335

E-mail: info@everesteng.com

Changes in auditors during last 3 years and reasons thereof

There has not been any change in the statutory auditors of our Company during the past three years.

Capitalization of Reserves or Profits

Excepted as stated in the section "Capital Structure" beginning on page no. 42, we have not capitalized our reserves or profits at any time in the past.

Revaluation of Assets

Our Company has not revalued its assets in the past.

Purchase of Property

Other than as disclosed in this Draft Red Herring Prospectus there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of this Draft Red Herring Prospectus, other than property, in respect of which:

- The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or
- The amount of the purchase money is not material.

The Company has not purchased any property in which any of its Promoter and/or Directors, have any direct or indirect interest in any payment made thereunder.

Servicing Behaviour

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in "Related Party Transaction" on page 138 of this Draft Red Herring Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

SECTION-VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the Company's Memorandum and Articles of Association, the terms of the Draft 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 advice and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to applicable laws, guidelines, notifications and regulations relating to the issue of capital and the listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable

Authority for the Issue

The present Issue of Equity Shares has been authorized by shareholders vide a Special Resolution passed at the Annual General Meeting of the Company held on September 7, 2009. The Board of Directors of the Company had approved the present Issue of Equity Shares vide a resolution passed at their meeting held on September 2, 2009.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari - passu* with the existing Equity Shares of our Company including rights in respect of dividend. The allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see "Main Provisions of the Articles of Association" on page 222 of this Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividends to our shareholders in accordance with the provisions of the Companies Act.

Compliance with SEBI Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Face Value and Issue Price

The face value of the Equity Share is Rs. 10/- each and the Issue Price at the lower end of the Price Band is Rs. [●] per Equity Share and at the higher end of the Price Band is Rs. [●] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in all editions of [●] in English and Hindi languages at least two working days prior to the Bid/Issue Opening Date.

Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and our Articles of Associations, the holders of our Equity Shares shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and our Company's Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to "Main Provisions of the Articles of Association" on page 222 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 SEBI 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 one (1) Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company, or to the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act shall, upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to public including devolvement of Underwriters within 60 days from the date of closure of this Issue, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the Company

becomes liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Further, in terms of Regulation 26(4) of the SEBI (ICDR) Regulations, 2009, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1000.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

There are no restrictions on transfers and transmissions of share and on their consolidation/splitting except as provided in our Articles of Association. For details see the section titled "Main Provisions of our Articles of Association" beginning on page 222 of this Draft Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Kolkata, India.

ISSUE STRUCTURE

Issue of **60,00,000** Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] Lacs. The Public Issue will constitute 33.69% of the fully diluted post Issue paid up capital of the Company.

The Issue is being made through the 100% Book Building Process:

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation	Up to 30,00,000 Equity Shares.	Not less than 9,00,000 Equity Shares.	Not less than 21,00,000 Equity Shares.
Percentage of the Issue available for Allocation	Up to 50% of the Issue or the Issue less allocation to Non- Institutional Bidders and Retail Individual Bidders. However, up to 5% of the QIB Portion shall be available for allocation proportionately to mutual funds.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of Issue or the Issue less allocation to QIB Bidders and Non - Institutional Bidders.
Basis of Allocation	Proportionate (a) 1,50,000 Equity Shares shall be allocated on a proportionate basis to Mutual Funds in the Mutual Funds Portion; and (b) 28,50,000 Equity Shares shall be allocated on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 1,00,000 and in multiples of [●] Equity Shares	[●] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the issue size, subject to applicable limits.	Such number of Equity Shares not exceeding the issue size, subject to applicable limits.	Such number of Equity Shares so as to ensure that the Bid amount does not exceed Rs. 1,00,000.
Mode of Allotment	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
Bid lot	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples on [●] Equity Shares.
Allotment lot	A minimum of [●] Equity Shares and thereafter in multiples of 1 Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of 1 Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of 1 Equity Share.

Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply	Public financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds, Venture Capital Funds registered with SEBI, State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of Rs. 2500 Lacs and Pension Funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law and National Investment Fund.	Eligible NRIs, Resident Indian Individuals, and HUF (in the name of Karta), companies, corporate bodies, scientific institutions, Societies and trusts.	Resident Indian Individuals (including ASBA Bidders) and HUF (in the name of Karta) and eligible NRIs.
Terms of Payment	Margin Amount applicable to QIB Bidders shall be payable at the time of submission of Bid cum Application Form to the syndicate members.	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of Bid cum Application Form to the syndicate members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the syndicate members. In case of ASBA Bidders, the SCSB shall be authorized to block the Bid Amount mentioned in the ASBA Form.
Margin Amount	At least 10% of the Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on Bidding.

- The Issue is being made through the 100% Book Building Process wherein upto 50% of the Issue will be allocated on a proportionate basis to QIBs, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand by Mutual Funds is less than **1,50,000** Equity Shares (assuming QIB Portion is 50% of the of the Issue, i.e. **30,00,000** 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 the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a

proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

- Under-subscription, if any, in any 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 BRLM and the Designated Stock Exchange.
- 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 are in the same sequence in which they appear in the Bid cum Application Form.
- After the Bid/Issue Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.

Withdrawal of the Issue

Our company in consultation with the BRLM reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date but prior to Allotment, without assigning any reason therefore.

Letters of Allotment or Refund Orders

We shall give credit to the beneficiary account with depository participants within two working days from the date of the finalisation of basis of allocation. Applicants residing at 74 centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS and NEFT. We shall ensure despatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post or ECS, direct credit, RTGS or NEFT at the sole or First Bidder's sole risk within 15 days of the Bid/Offer Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be send a letter through ordinary post intimating them about the mode of credit of refund within 15 days of closure of Offer.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as 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.

Interest in Case of Delay in Despatch of Allotment Letters/ Refund Orders

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 15 days of Bid/ Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, the Company undertakes that:

- Allotment of equity shares shall be made only in dematerialised form within 15 days from the Bid/ Offer Closing Date;
- Despatch of refund orders, except for Bidders who shall receive refunds through ECS, direct credit, RTGS or NEFT, shall be done within 15 days from the Bid/ Offer Closing Date; and
- Our Company shall pay interest at 15% per annum, if the Transfer is not made, refund orders are not dispatched and/ or demat credits are not made to investors within the 15 day time prescribed above or if, in a case where the refund or portion thereof is made in electronic manner through ECS, direct credit, RTGS or NEFT, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Offer Closing Date.

Bidding Period / Issue Period

BID / ISSUE OPENS ON	[•]
BID / ISSUE CLOSSES ON	[•]

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time). On the Bid/Issue Closing Date, the bids would be uploaded till (i) 4.00 p.m. in case of bids received from Non Institutional Bidders and QIB Bidders and (ii) 5.00 p.m. in case of bids received from Retail Bidders, which may be extended up to such time by the stock exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLM to the stock exchanges within half an hour of the closure. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded may not be considered for allocation

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLM and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

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

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations that the Cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can be revised up or down up to a maximum of 20% of the Floor Price advertised at least 2 days before the Bid/Issue Opening Date.

In case of revision of the Price Band, the bidding/ Issue Period will be extended for three additional 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 Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the websites of the BRLM and on the terminals of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, including up to 5% of the QIB Portion which shall be available for allocation to Mutual Funds only . Further not less than 35% of the Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. Our Company, in consultation with the BRLM, may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

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

Investors may note that no separate application for demat and physical is to be made. If such applications are made, the applications for physical shares shall be treated as multiple applications and rejected accordingly.

Bid-cum-Application Form

Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Draft Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in this Draft Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form to the SCSB authorizing blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. The ASBA Bidders can only provide one Bid in the ASBA Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Draft Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the Bid cum Application Form for various categories, is as follows:

Category	Colour of Bid cum Application Form
Indian public, NRIs or FIIs applying on a non repatriation basis	White
Non-Residents, NRIs or FIIs applying on a repatriation basis	Blue

The physical ASBA Bid cum Application Form shall be white in colour.

In accordance with the SEBI Regulations, only Resident Retail Individual Investors can participate by way of ASBA process.

Who can Bid

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
2. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
3. HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
4. Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;
5. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
6. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
7. Scientific and/or industrial research organizations authorized to invest in equity shares;
8. Mutual Funds registered with SEBI;
9. Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI guidelines and regulations, as applicable);
10. FIIs registered with SEBI;
11. Venture Capital Funds registered with SEBI;
12. State Industrial Development Corporations;
13. Insurance companies registered with the Insurance Regulatory and Development Authority, India;
14. Provident funds with minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to invest in equity shares;
15. Pension funds with a minimum corpus of Rs. 2500 Lacs and who are authorized under their constitution to invest in equity shares;
16. State Industrial Development Corporations;
17. Foreign Venture Capital Investors registered with SEBI;
18. Multilateral and bilateral development financial institutions;
19. National Investment Fund;
20. Any others QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulation, guidelines and approvals in the issue.

As per the existing policy of the government of India, OCBs cannot participate in this Issue.

Participation by Associates of the BRLM and Syndicate Members:

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation. However, associates and affiliates of the BRLM and syndicate Members are entitled to Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non Institutional Portion as may be applicable to such investors, where the allotment will be on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid form from them does not exceed the investment limits or maximum number of equity shares that can be held by them under applicable law.

The information below is given for the benefit of the Bidders. The Company and the BRLM are not liable for 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 the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid size

- a) **For Retail Individual Bidders** - The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter and it must be ensured that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non Institutional Portion. The option to bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- b) **For Non-Institutional Bidders and QIB Bidders** - The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid /Issue Closing Date and is required to pay QIB Margin upon submission of Bid.

In case of revision in Bids, the Non Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not entitled to the option of bidding at Cut-off Price.

Bids by Eligible HUFs

HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;

Bids by Eligible NRIs

- 1. Bid cum Application Forms have been made available for Eligible NRIs at our Corporate Office and with members of the Syndicate.

2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

In accordance with the SEBI Regulations, Non-Residents cannot subscribe to this Issue under the ASBA process.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 17,811,000 Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits, the aggregate FII holding in us cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Information for the Bidders

- a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

- b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid Cum Application Form to potential investors.
- c) Any investor (who is eligible to invest in the Equity Shares according to the terms of the Red Herring Prospectus and applicable law) who would like to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain the same from our corporate office or from any of the members of the Syndicate.
- d) Bidders who are interested in subscribing for the Issuer's Equity Shares should approach any of the members of the Syndicate or their authorized agent(s) to register their Bids.
- e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Option to Subscribe

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only. Bidders will not have the option of getting Allotment in physical form. The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Application in the Issue

Equity Shares being issued through this Draft Red Herring Prospectus can be applied for in the dematerialized form only.

Method and Process of Bidding

1. Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in newspapers with wide circulation. The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in all editions of [•] in English, Hindi and in one regional languages at least two working days prior to the Bid/Issue Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XIII of the SEBI Regulations. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
2. The Bidding Period shall be a minimum of 3 working days and shall not exceed 7 working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two widely circulated newspapers (one each in English and Hindi) and one regional newspaper with wide circulation and the Bidding Period may be extended, if required, by an additional 3 days, subject to the total Bidding Period not exceeding 10 working days. The change will also be indicated in the websites of the BRLM and at the terminals of members of the syndicate.
3. Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details please see section titled "Issue Procedure - Bids at Different Price Levels" beginning on page 185) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
4. During the Bid/Issue Period, eligible investors who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorized agents to register their Bid.

5. The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure - Build up of the Book and Revision of Bids" beginning on page 187.
6. The Syndicate Members will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
7. During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Draft Red Herring Prospectus.
8. Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "Issue Procedure – Payment into Escrow Account" beginning on page 195.

Bids at Different Price Levels

1. The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re. 1.
2. In accordance with the SEBI Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
3. We, in consultation with the BRLM can finalize the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
4. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
5. Retail Individual Bidders who bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-Off Price shall deposit the Bid Amount in the Escrow Account. In the event the Bid Amount is higher than the allocation amount payable by the Retail Individual Bidders (i.e. the total number of Equity Shares allocated in the offer multiplied by the offer price), Retail Individual Bidders shall receive the refund of the excess amount from the respective Refund Account.
6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders Portion at Cut-Off Price can either (i) revise their Bid or (ii) make additional payment based on the Cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of

Equity Shares bid for shall be adjusted downwards for the purpose of allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to the total Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding /Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper, and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders at Cut-Off Price could either revise their Bids or the excess amount paid at the time of bidding would be refunded from the respective Refund Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is in the range of Rs. 5,000 to Rs. 7,000 or not.

Multiple Bids by Mutual Funds

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Electronic Registration of Bids

- i. The Syndicate Members will register the Bids using the on-line facilities of the BSE and the NSE. There will be at least one on-line connectivity in each city where a stock exchange is located in India and where bids are accepted.

The Stock Exchanges will offer a screen-based facility for registering bids for the Issue. This facility will be available on the terminals of Syndicate Members and their authorised agents during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a half hourly basis. On the Bid Closing Date, the Syndicate Member will upload the Bids till such time as permitted by the Stock Exchanges.

- ii. The aggregate demand and price for bids registered on each of the electronic facilities of the BSE and the NSE will be downloaded on a regular basis, consolidated and displayed online at all bidding centers and the websites of the BSE and the NSE. A graphical representation of consolidated demand and price would be made available at the bidding centers during the Bidding Period.
- iii. At the time of registering each bid, the Syndicate Members shall enter the following details of the investor in the online system:
 - Name of the investor (*Investors should ensure that the name given in the Bid-cum Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in the joint names, investors should ensure that the Depository Account is held in the same joint names in the same sequence as that in which they appear in the Bid-cum-Application Form*)
 - Investor category –Individual/Corporate/ Mutual Fund etc
 - Number of Equity Shares bid for
 - Bid Price
 - Bid-cum-Application Form number

- Margin Amount paid upon submission of Bid cum Application Form
 - Depository participant identification no. and client identification no. of the beneficiary account of the Bidder.
- iv. A system generated Transaction Registration Slip (TRS) will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Syndicate Members. The registration of the bid by the Syndicate Members does not guarantee that the Equity Shares shall be allocated either by the Syndicate Members or our Company.
 - v. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 - vi. The Syndicate Members have the right to review the Bid. Consequently, QIB Bids procured can be rejected by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of such Bid is communicated to the Bidder at the time of rejection of the Bid. In case of Non-Institutional Bidders and Retail Bidders Bids shall not be rejected except on the technical grounds listed on page 197 of the Draft Red Herring Prospectus.
 - vii. It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and the software of the online IPO system should not in any way be deemed or construed to indicate that the compliance with various statutory and other requirements by the Company or the BRLM are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any compliance with statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project.
 - viii. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed to indicate that this Draft Red Herring Prospectus has been cleared or approved by the BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus, nor does it warrant that our Equity Shares will be listed or continue to be listed on the BSE and the NSE.
 - ix. Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

- i. Bids registered by various Bidders through the Syndicate Members shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- ii. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- iii. During the Bidding Period/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form which is a part of the Bid cum Application Form.
- iv. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate. **QIBs shall not be allowed to withdraw their bids after the closure of the Issue.**

- v. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. **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.**
- vi. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus. In the case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- vii. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- viii. In case of discrepancy of data between NSE or BSE and the members of the Syndicate, the decision of the BRLM, based on the physical records of Bid cum Application Forms, shall be final and binding on all concerned.

Price Discovery and Allocation

- i. After the Bid /Issue Closing Date, the BRLM will analyse the demand generated at various price levels and discuss pricing strategy with us.
- ii. Our Company in consultation with the BRLM shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allotment to successful Bidders.
- iii. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue respectively, and the allocation to QIBs for up to 50% of the Issue, would be on proportionate basis, in the manner specified in the SEBI Regulations, subject to the sectoral cap and this Draft Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- iv. Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 150,000 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 the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
- v. Allocation to Non-Residents, including Eligible NRIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- vi. The BRLM in consultation with us shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- vii. We reserve the right to cancel the Issue any time after the Bid /Issue Opening Date but before the Allotment without assigning any reasons whatsoever.
- viii. In terms of the SEBI Regulations, QIBs shall not be allowed to withdraw their Bid after the Bid /Issue Closing Date.

- ix. The allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- i. Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- ii. After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with ROC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price and Issue size and would be complete in all material respects.
- iii. Our company will file a copy of the Prospectus with the RoC in terms of Section 56, Section 60, and Section 60B of the Companies Act.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the ROC, a statutory advertisement will be issued by our Company in a widely circulated English and Hindi national newspapers, regional language newspaper with wide circulation in the place where our Registered Office is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement

Issuance of Confirmation of Allocation Note and Allotment for the Issue

- i. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that the Bank shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.
- ii. The BRLM or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares Allocated to such Bidder. Those Bidders who have not paid into the Escrow Account at the time of bidding shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN;
- iii. Bidders who have been allocated Equity Shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed as a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares to be allotted to such Bidder.
- iv. The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth herein:

Allotment Reconciliation and Revised CANs

After the Bid/Offer Closing Date, an electronic book will be prepared by the Registrar to the Offer on the basis of Bid applications received. Based on the electronic book, QIBs will be sent a CAN indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Transfer, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar to the Offer. Subject to the SEBI ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the

reconciliation and the basis of Transfer as approved by the Designated Stock Exchange and specified in the physical book. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Offer Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that the Allotment of Equity Shares is done within 15(fifteen) days of the Bid Closing Date. After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, our Company would ensure the credit to the successful Bidders' depository accounts of the allotted Equity Shares to the allottees within two working days of the date of Allotment.
2. As per the SEBI Regulations, **Equity Shares will be issued and allotted only in the dematerialized form to the allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply.
- Read all the instructions carefully and complete the Resident Bid cum Application Form.
- Ensure that the details about your Depository Participant and beneficiary account are correct, as Equity Shares will be allotted in the dematerialized form only.
- Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate.
- Ensure that you have been given a TRS for all your Bid options.
- Ensure that the Bid is within the Price Band.
- QIBs shall submit their bids only to the BRLM or to Syndicate Members duly appointed in this regard.
- Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS.
- The Bidder 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. Applications without this information will be considered incomplete and are liable to be rejected.
- If you have mentioned "Applied For" or "Not Applicable", in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- 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:

- Do not Bid for lower than the minimum Bid size.
- Do not Bid/revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band.
- Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate.
- Do not pay the Bid amount in cash, by money order or by postal order or by Stock Invest.
- Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only.
- Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders).
- Do not Bid for an amount exceeding Rs.100,000 (for Retail Individual Bidders)
- Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations.
- Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

Instructions for filling up the Bid-Cum-Application Form

Bidders can obtain Bid-cum-Application Forms and/or Revision Forms from the Syndicate Members.

Bids and revisions of Bids must be:

- I. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (White colour for Resident Indians, Blue colour for Non-Residents including NRIs, FIIs and FVCIs applying on repatriation basis).
- II. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- III. For Retail Individual Bidders the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
- IV. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Price exceeds or equal to Rs. 100,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- V. NRIs for a Bid Price of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Price of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident

Bidders for a minimum of such number of Equity Shares and in multiples of [●] Equity Shares thereafter that the Bid Price exceeds Rs. 100,000.

- VI. Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- VII. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- VIII. 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.

Bidder's Bank Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and identification number and the beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the details of the Bidder's bank account. **These bank account details would be printed on the refund order, if any, to be sent to Bidders. In case the refunds are made through Electronic Clearing Service (ECS), the refund amount, if any, would be electronically credited to the bank account of the applicant. For further details, please refer to the section titled "Mode of making refunds" on page no. 204 of this Draft Red Herring Prospectus. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant.** Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company shall have any responsibility and undertake any liability for the same.

IT IS MANDATORY FOR ALL THE BIDDERS TO PROVIDE BANK ACCOUNT DETAILS IN THE SPACE PROVIDED IN THE APPLICATION FORM AND APPLICATIONS THAT DO NOT CONTAIN THE BIDDER'S BANK DETAIL ARE LIABLE TO BE REJECTED.

Bidder's Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THE EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name and Identification Number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form. Please note that failure to do so could result in delays in credit of refund to Bidders at the Bidders sole risk, and neither the BRLM nor the Company shall have any responsibility or undertake any liability for the same.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders / CANs / Allocation Advices and printing of bank particulars on the refund orders as

per the modes disclosed and the Demographic Details given by the Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advices /CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number, then such Bids are liable to be rejected.

We in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

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. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by Mutual Funds registered with SEBI, Venture Capital Investor registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application form. Failing this, our company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that we/the BRLM may deem fit.

We, in our absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, 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.

PAYMENT INSTRUCTIONS

Escrow Mechanism

We shall open Escrow Accounts with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue.

The Escrow Collection Banks will act in terms of the Draft Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, and the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Each Bidder shall draw a cheque or demand draft or remit funds electronically through RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

Payment into Escrow Account

- i. Each category of Bidders i.e., QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Bidders in the Reservation Portion, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted. The Margin Amount payable by each category of Bidders is mentioned under the section titled "Issue Structure" on page 176 of this Draft Red Herring Prospectus.
- ii. In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM.
- iii. The payment instruments for payment into the Escrow Account should be drawn in favour of:
 - a) In case of QIB Bidders: **"Escrow Account – [●] Public Issue-QIB"**
 - b) In case of Non-Resident QIB Bidders: **"Escrow Account – [●] Public Issue-QIB-NR"**
 - c) In case of Resident Bidders: **"Escrow Account – [●] Public Issue-R"**
 - d) In case of Non-Resident Bidders: **"Escrow Account – [●] Public Issue-NR"**
- iv. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
- v. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Accounts.
- vi. The monies deposited in the Escrow Account will be held for the benefit of the Bidders till the Designated Date.
- vii. In case of Bids by FIIs, the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.
- viii. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account.
- ix. On the Designated Date and not later than 15 days from the Bid /Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- x. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub member of the banker's clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stock invests/money orders/postal orders will not be accepted.

Payment by Stock Invest

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection center of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

- i. All applications with the same name and age will be accumulated and taken to a separate process file as probable multiple master.
- ii. In this master, a check will be carried out for the same PAN/GIR Numbers. In cases where the PAN/GIR Numbers are different, the same will be deleted from this master.
- iii. The Registrar will obtain, from depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form and create an address master.
- iv. Then the addresses of all these applications from the address master will be strung. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. Applications with the same name and same address will be treated as multiple applications.
- v. The applications will be scanned for similar DP ID and Client ID numbers. In case applications bear the same numbers, these will be treated as multiple applications.
- vi. After consolidation of all the masters as described above, a print out of the same will be taken and the applications physically verified to tally signatures as also father/husband names. On completion of this, the applications will be identified as multiple applications

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories.

The company reserves the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number ("PAN")

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Bidders, should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete** and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Unique Identification Number ("UIN")

With effect from July 1, 2005, SEBI had decided to suspend all fresh registrations for obtaining UIN and the requirement to contain/quote UIN under the SEBI MAPIN Regulations/Circulars vide its circular MAPIN/Cir-13/2005. However, in a recent press release dated December 30, 2005, SEBI has approved certain policy decisions and has now decided to resume registrations for obtaining UINs in a phased manner. The press release states that the cut off limit for obtaining UIN has been raised from the existing limit of trade order value of Rs. 100,000 to Rs. 500,000 or more. The limit will be reduced progressively. For trade order value of less than Rs. 500,000, an option will be available to investors to obtain either the PAN or UIN. These changes are, however, not effective as of the date of this Draft Red Herring Prospectus and SEBI has stated in the press release that the changes will be implemented only after necessary amendments are made to the SEBI MAPIN Regulations. On June 25, 2007, SEBI has decided to discontinue with the requirement of UIN under the SEBI MAPIN Regulation.

Right to reject Bids

In case of QIB Bidders, the Company, in consultation with the BRLM may reject a bid placed by a qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the QIB Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders we have a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, *inter alia*, the following technical grounds:

- 1) Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
- 2) Age of first Bidder not given;
- 3) Bank account details (for refund are not given);
- 4) In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no such partnership firm, shall be entitled to apply;

- 5) Bids by persons not competent to contract under the Indian Contract Act,1872 including minors, insane persons;
- 6) PAN not stated and GIR number furnished instead of PAN;
- 7) Bids for lower number of Equity Shares than specified for that category of investors;
- 8) Bids at a price less than lower end of the Price Band;
- 9) Bids at a price more than the higher end of the Price Band;
- 10) Bids at cut-off Price by Non-Institutional Bidders and QIB Bidders;
- 11) Bids for number of Equity Shares, which are not in multiples of [●];
- 12) Category not ticked;
- 13) Multiple Bids as defined in this Draft Red Herring Prospectus;
- 14) In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- 15) Bids accompanied by stock invest/money order/postal order/cash;
- 16) Bids that are not accompanied by the applicable Margin Amount;
- 17) Signature of sole and/or joint Bidders missing;
- 18) Bid cum Application Form does not have the stamp of the BRLM or the Syndicate Members;
- 19) Bid cum Application Form does not have the Bidder's depository account details;
- 20) Bid cum Application Form is not delivered by the Bidder within the time prescribed as per the Bid cum Application Form, Bid /Issue Opening Date advertisement and this Draft Red Herring Prospectus and as per the instructions in this Draft Red Herring Prospectus and the Bid cum Application Form;
- 21) In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the depository participant's identity (DP ID) and the beneficiary account number;
- 22) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations. See the details regarding the same in the section titled "Issue Procedure – Bids at Different Price Levels" beginning on page 185;
- 23) Bids by OCBs;
- 24) Bids by QIBs not submitted through members of the Syndicate;
- 25) Bids by persons who are not eligible to acquire Equity Shares in terms of applicable laws, rules, regulations, guidelines and approvals;
- 26) Bids in respect whereof the Bid cum Application Forms do not reach the Registrar prior to the date of finalization of basis of allotment;
- 27) Bids in respect whereof clear funds are not available in the escrow account upto the date of receipt of final certificates from escrow collection banks.
- 28) Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- 29) Bids by U.S. persons or U.S. Residents other than "Qualified Institutional Buyers" as defined in Rule 144A of the U.S. Securities Act of 1933; and

Equity Shares in Dematerialized form with NSDL & CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

The Company has recently appointed Bigshare Services Private Limited as Registrar to the Issue. To facilitate the connectivity with NSDL & CDSL, the company has signed the following tripartite agreements with both the Depositories and the Registrar to the Issue:

- i. an agreement dated [●], between NSDL, us and the Registrar to the Issue; and
- ii. an agreement dated [●], between CDSL, us and the Registrar to the Issue.

The company's shares bear an ISIN no. [●]

- i. 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.
- ii. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
- iii. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
- iv. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- v. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
- vi. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
- vii. The Bidder is responsible for the correctness of his or her demographic details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
- viii. It may be noted that Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- ix. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communication in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid cum Application Form number, details of Depository Participant, 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 and a copy of the acknowledgement slip.

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

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 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.

Mr. Mohan Jha, Chief Financial Officer has been appointed as the Compliance Officer and may be contacted in case of any pre-issue or post-issue at the following Address:

Name of the Compliance Officer:

Mr. Mohan Jha

Everest Infra Energy Ltd.
45/1, Rafi Ahmed Kidwai Road
Jaiswal Mansion, 2nd Floor
Kolkata- 700 016

Tel: + 91-33- 30285458

Fax: + 91-33- 2229 0335

E-mail: info@everesteng.com

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 21,00,000 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 21,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis subject to a minimum allotment of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 9,00,000 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 9,00,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis subject to a minimum of [●] Equity Shares . For the method of proportionate basis of allocation refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Fund Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 1,50,000 Equity Shares (the Mutual Fund Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Fund Portion). For the method of allocation in the QIB Portion please see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the aggregate demand by Mutual Funds is less than 1,50,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spillover from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. For the purposes of this paragraph it has been assumed that the QIB Portion for the purposes of the Issue amounts to 30,00,000 equity shares which is 50% of the Issue size.
- Subject to the sectoral caps, allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 - i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii) In the event that the aggregate demand form Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - (b) In the second instance allocation to all QIBs shall be determined as follows:
 - i) In the event that the over subscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis;

- Except for any Equity Share allocated to QIB Bidders due to under subscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis up to a maximum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate basis of allocation refer below.

Method of Proportionate basis of allocation in the Issue

In the event the Issue is oversubscribed, the basis of Allotment shall be finalised by the Company in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

Bidders will be categorized according to the number of Equity Shares applied for by them.

- i. Bidders will be categorized according to the numbers of Equity Shares applied for.
- ii. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- 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 shall be made as follows:
 - Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (i) above; and
- 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 market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares 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 shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue Details
1.	Issue Size	200 Lacs Equity Shares
2.	Allocation to QIB (50% of the Issue) Of which: a. Reservation for Mutual Funds (5%) b. Balance for all QIBs including Mutual Funds	100 Lacs Equity Shares 5 Lacs Equity Shares 95 Lacs Equity Shares
3.	Number of QIB Applicants	10
4.	Number of Equity Shares applied for	500 Lacs Equity Shares

B. Details of QIB Bids

SL. No.	Type of QIB Bidders *	No. of Equity Shares bid for (in Lacs)
1	Q1	50
2	Q2	20
3	Q3	130
4	Q4	50
5	Q5	50
6	M1	40
7	M2	40
8	M3	80
9	M4	20
10	M5	20
	Total	500

*Q1-Q5 are QIB Bidders other than Mutual Funds, M1-M5 are QIB Bidders who are Mutual Funds

C. Details of Allotment to QIB Bidders/Applicants

(Number of Equity Shares in Lacs)

Type of QIB Bidders	Shares Bid for	Allocation of 5 lacs Equity Shares to MF Proportionately (Please see Note 2 below)	Allocation of Balance 95 lacs Equity Shares to QIBs Proportionately (Please see Note 4 below)	Aggregate Allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
Q1	50	0	9.5	0
Q2	20	0	3.8	0
Q3	130	0	24.7	0
Q4	50	0	9.5	0
Q5	50	0	9.5	0
M1	40	1	7.6	8.6
M2	40	1	7.6	8.6
M3	80	2	15.2	17.2
M4	20	0.5	3.8	4.3
M5	20	0.5	3.8	4.3
	500	5	95	43

Please Note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in the section titled "Issue Structure" beginning on page 176.
2. Out of 100 lacs Equity Shares allocated to QIBs, 5 lacs Equity Shares (i.e. 5%) will be allocated on proportionate basis among the five Mutual Fund applicants who applied for 200 lacs Equity Shares in the QIB Portion.
3. The balance 95 lacs Equity Shares [i.e. 100-5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 lacs Equity Shares (including 5 Mutual Fund applicants who applied for 200 lacs Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 95 lacs Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (Q1 to Q5)= Number of Equity Shares Bid for * 95/495
 - For Mutual Funds (M1 to M5)= [(No. of shares bid for (i.e in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] * 95/495
 - The numerator and denominator for arriving at allocation of 95 lacs Equity Shares to the 10 QIBs are reduced by 5 lacs Equity Shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

PAYMENT OF REFUND

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. **ECS** – Payment of refund would be done through ECS for applicants having an account at any of the 74 centres where clearing houses for ECS are managed by the Reserve Bank of India. This mode of payment of refunds would be subject to availability of complete bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf, from the depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 74 centers, except where applicant is otherwise disclosed as eligible to get refunds through direct credit, RTGS or NEFT.
2. **Direct Credit** – Applicants applying through the web/internet whose service providers opt to have the refund amounts for such applicants being by way of direct disbursement by the service provider through their internal networks, the refund amounts payable to such applicants will be directly handled by the service providers and credited to bank account particulars as registered by the applicant in the demat account being maintained with the service provider. The service provider, based on the information provided by the Registrar, shall carry out the disbursement of the refund amounts to the applicants.

3. **RTGS** – Applicants having a bank account at any of the centres where such facility has been made and whose bid amount exceeds Rs. 10 Lacs shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the Indian Financial System Code (“IFSC”) code in the Bid cum Application Form, the refund shall be made through the ECS or direct credit, if eligibility disclosed. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant’s bank receiving the credit would be borne by the applicant.
4. **NEFT**-Payment of refund may be undertaken through NEFT wherever the applicants’ bank has been assigned the Indian Financial System Code (“IFSC”), which can be linked to a Magnetic Ink Character Recognition (“MICR”), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

Please note that only applicants having a bank account at any of the 74 centers where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in 1, 2, 3 & 4 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR Code, the refund orders would be dispatched “Under Certificate of Posting” for refund orders of value upto Rs. 1,500 and through speed post / registered post for refund orders of above Rs. 1,500. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS

We shall ensure dispatch of allotment advice, refund orders, instructions to the clearing system for electronic credit of refunds and give benefit to the beneficiary account with Depository Participants within 15 days from the closure of the issue. We shall submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of finalisation of allotment of Equity Shares. We shall dispatch refund orders, if any, of value up to Rs. 1,500, “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder’s sole risk.

For the purpose of refund, the details of bank accounts of applicants would be taken directly from the Depositories’ database. The Registrar will send the electronic files with the refund data to the Bankers to the Issue and the bankers to the issue shall send the refund files to the RBI system within 15 days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

We shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations we further undertake that:

- allotment of Equity Shares shall be made only in dematerialised form within 15 (fifteen) days of the Bid /Issue Closing Date;

- dispatch of refund orders/ instructions to the clearing system for electronic credit of refunds within 15 (fifteen) days of the Bid /Issue Closing Date would be ensured; and
- we shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if Allotment is not made and refund orders are not dispatched/ instructions to the clearing system for electronic credit of refunds and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI Regulations.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received except where the refund or portion thereof is made in Electronic manner as described above. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Letters of allotment or refund orders

We shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 15 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through "Under Certificate of Posting" intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company shall ensure dispatch of refund orders / refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder's risk within 15 days of the Bid Closing Date / Issue Closing Date, and adequate funds for making refunds to the unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, we undertake that:

- Allotment shall be made only in dematerialized form within 15 days from the Bid /Issue Closing Date;
- Dispatch of refund orders/ instructions to the clearing system for electronic credit of refunds shall be done within 15 days from the Bid /Issue Closing Date; and
- We shall pay interest at 15% per annum (for any delay beyond the 15 days time period as mentioned above), if Allotment is not made, refund orders / credit intimation are not dispatched, and in case where refund is made through electronic mode, the refund instructions have not been given to the clearing system for electronic credit of refunds and/or demat credits are not made to investors within the 15 day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

The Company will provide adequate funds required for the cost of dispatch of refund orders / refund advice / allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e ECS, direct credit, RTGS or NEFT, 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. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's Name, Depository Participant - Identification Number (DP ID) and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) as appearing on the records of the Depository Participant. Hence the Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delay in the credit of refunds to the Bidders at the sole risk of Bidders and neither the BRLM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

Interest in case of delay in Despatch of Allotment Letters/Refund Orders

Our Company agrees that allotment of securities offered to the public shall be made not later than 15 days from the Bid / Issue Closing Date. The Company further agrees that it shall pay interest at the rate of 15% per annum if the allotment letters/refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner, within 15 days from the Bid / Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of upload of the electronic transfer.

In case of revision in the Price Band, the Bidding / Issue Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the Syndicate.

Undertaking by the Company

a) We undertake as follows:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- That our Company shall take all steps for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment.
- That our Company shall apply in advance for the listing of equities on the conversion of debentures/bonds
- That the funds required for making refunds to the unsuccessful applicants as per the modes discussed above under the head "Mode of Making Refunds" shall be made available to the Registrars to the Issue by our Company.
- That where the refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount of refund and the expected date of electronic credit of refund.
- That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
- That except for pre-IPO placement, if any, no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.

- That adequate arrangements shall be made to collect all applications supported by ASBA and to consider them similar to non-ASBA Application while finalizing the basis of allotment.
- b) Our Company reserves the right not to proceed with the issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The stock exchanges where the specified securities were proposed to be listed shall also be informed promptly.
- c) If our company withdraws the issue after closure of bidding, we shall be required to file a fresh draft offer document with the Board.

Utilization of Issue Proceeds

The Board of Directors of the Company certifies that:

- All monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and
- Details of all unutilized monies out of the Issue, if any, shall be disclosed under the appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Withdrawal of the Issue

Our Company, in consultation with the BRLM reserves the right not to proceed with the Issue at anytime, including after the Bid/Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/ Issue Closing Date.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSB for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilized by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Bidders to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the code of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Draft Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the SEBI Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to Bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 100,000. The ASBA Bidders shall bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

- (a) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Draft Red Herring Prospectus and ASBA Bid cum Application Form to the SCSB and the SCSB will then make available such copies to investors applying under the ASBA process. Additionally, the BRLM shall

ensure that the SCSB are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form. SCSB shall make the same available on their websites.

- (b) ASBA Bidders, under the ASBA process, who would like to obtain the Draft Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSB or the BRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSB.
- (c) The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSB may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.
- (d) ASBA Bid cum Application Forms should bear the code of the Syndicate Member and/or Designated Branch of the SCSB.
- (e) ASBA Bidders shall Bid for Equity Shares only at the Cut-off Price, with a single Bid option as to the number of Equity Shares.
- (f) ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.
- (g) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
- (h) ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.
- (i) ASBA Bidders shall not be allowed to revise their Bid and shall not Bid under any reserved category.

Method and Process of Bidding

- (a) ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSB. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSB or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSB shall have the right to vet the Bids, subject to the terms of the SEBI Regulations and Draft Red Herring Prospectus.
- (b) The Designated Branches of the SCSB shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (c) Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to Bid for the Equity Shares at the Cutoff Price i.e. at the cap price of the Price Band and specify the demand (i.e. the number of Equity Shares Bid for) in such option. After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the Non-ASBA Retail Bidders who have Bid for Equity Shares at or above the Issue Price or at Cut-off Price.
- (d) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

- (e) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges
- (f) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSB, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("TRS"). The TRS shall be furnished to the ASBA Bidder on request.
- (g) An ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non- ASBA Bid cum Application Form after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSB or uploaded by the ASBA Bidder, as the case may be. Submission of a second ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the Allocation or Allotment of Equity Shares in this Issue. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

- (a) The Price Band and the minimum Bid lot size for the Issue will be decided by the Company in consultation with the BRLM and advertised in all editions of [●] in English & Hindi language at least two working days prior to the Bid/Issue Opening Date. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.
- (b) In accordance with the SEBI Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
- (c) In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the BRLM, SCSB and at the terminals of the members of the Syndicate.
- (d) Our Company in consultation with the BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.
- (e) ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable, the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.
- (f) In case of an upward revision in the Price Band, announced as above, the number of Equity Shares Bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the ASBA Account and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form till the Designated Date. On the Designated Date, the SCSB shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSB on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the ASBA Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSB

- (a) In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSB will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless;
 - i. it has received the ASBA Bid Cum Application Form in a physical or electronic form; and
 - ii. it has blocked the application money in the ASBA Account specified in the ASBA Bid cum Application Form or has systems to ensure that Electronic ASBA are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSB shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of Bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such Bids that are not uploaded may not be considered for allocation.
- (c) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available on the websites of the Stock Exchanges during the Bidding Period.
- (d) At the time of registering each Bid, the Designated Branches of the SCSB shall enter the information pertaining to the investor into the online system, including the following details:
 - Name of the Bidder(s);
 - Application Number;
 - Permanent Account Number;
 - Number of Equity Shares Bid for;
 - Depository Participant identification No.; and
 - Client identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSB shall thereafter upload

all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).

- (e) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSB.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSB are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- (h) The SCSB may reject the ASBA Bid, if the ASBA Account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- (i) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSB, the decision of the Registrar, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

- (a) Bids registered through the Designated Branches of the SCSB shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM and the Stock Exchanges on a regular basis.
- (c) ASBA Bidders shall not revise their Bids.
- (d) The SCSB shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSB. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue.
- (e) Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process and which details are provided to them by the SCSB with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the section titled "Issue Procedure" beginning on page 180 of this Draft Red Herring Prospectus.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in English and Hindi national newspaper of wide circulation and a Regional Language newspaper with wide circulation at the place where the registered office of the issuer is situated. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Draft Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

- (a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSB, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and
- (b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSB shall transfer the requisite amount against each successful ASBA Bidder to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/ failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

- (a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.
- (b) As per the SEBI Regulations, Equity Shares will be issued, transferred and allotted only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.
- (b) Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.
- (c) Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).
- (d) Ensure that your Bid is at the Cut-off Price.
- (e) Ensure that you have mentioned only one Bid option with respect to the number of Equity Shares in the ASBA Bid cum Application Form.

- (f) Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- (g) Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM to the Issue.
- (h) Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.
- (i) Ensure that you have mentioned the correct bank account numbers in the ASBA Bid cum Application Form.
- (j) Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in the ASBA Account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.
- (k) Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.
- (l) Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.
- (m) Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- (n) Ensure that the name(s) and PAN given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Bid cum Application Form.
- (o) Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

- (a) Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.
- (b) Do not submit an ASBA Bid if you are applying under any reserved category.
- (c) Do not revise your Bid.
- (d) Do not Bid for lower than the minimum Bid size.
- (e) Do not Bid on another ASBA or Non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.
- (f) Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSB, shall not be accepted under the ASBA process.
- (g) Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.
- (h) Do not fill up the ASBA Bid cum Application Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs. 100,000.

- (i) Do not submit the GIR number instead of the PAN Number.
- (j) Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

- (a) Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.
- (d) The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 100,000.
- (e) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALIZED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PAN IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, PAN IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WITH THE DEPOSITORY PARTICIPANT. IN CASE THE ASBA BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSB, the members of the Syndicate, or the

Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialized form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject such ASBA Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA Bid Cum Application Form from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA cum Application Form after the Bid/ Issue Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. Two or more Bids will be deemed to be multiple Bids if the sole or first Bidder is one and the same. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are described in "Issue Procedure - Multiple Bids" on page 196 of Draft Red Herring Prospectus.

Permanent Account Number

For details, see "Permanent Account Number or PAN" on page 197 of this Draft Red Herring Prospectus.

Right to Reject ASBA Bids

The Designated Branches of the SCSB shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the Depository Participant's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "Grounds for Rejections" on page 218 of this Draft Red Herring Prospectus, applications under the ASBA process are liable to be rejected on, inter alia, the following technical grounds:

1. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
2. Bids at a price other than at the Cut-off Price;
3. Age of first Bidder not given;
4. Bid made by categories of investors other than Resident Retail Individual Investors;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
6. PAN not stated;
7. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
8. ASBA Bids accompanied by stockinvest/ money order/ postal order/ cash;
9. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
10. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
11. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Draft Red Herring Prospectus;

12. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account; and
13. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

Communications

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, bank account number in which the amount equivalent to the Bid Amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSB for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the BRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commission or any acts of SCSB including any defaults in complying with its obligations under applicable SEBI Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see section titled "**Issue Procedure- Impersonation**" on page 200 of this Draft Red Herring Prospectus.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSB BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, the Company undertakes that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- If the instructions to SCSB to unblock funds in the ASBA accounts are not given within 8 days after our Company becomes liable to repay all moneys received from the applicants in pursuance of this Red Herring Prospectus, i.e. within 7 days from the Bid/Issue Closing Date, then the Company and every Director of the Company who is an officer in default shall, on and from such expiry of 8

days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see section "Issue Procedure- Basis of Allotment" on page 200 of this Draft Red Herring Prospectus.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "**Issue Procedure - Undertaking by our Company**", with respect to the ASBA Bidders, the Company undertakes that adequate arrangement shall be made to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilization of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see "**Issue Procedure- Utilisation of Issue Proceeds**" on page 208 of this Draft Red Herring Prospectus.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION-VII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Guidelines, the main provisions of the Articles of Association of relating to voting rights, dividend, liens, forfeiture, restrictions on transfer and transmission of equity shares or debenture and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

Capital	
3.	The Authorised Share Capital of the company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.
Increase of Capital by the Company and How Carried in to Effect	
4.	The Company in General Meeting may, from time to time, increase the Capital by the creation of new Shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.
Redeemable Preference Shares	
6.	Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares which at or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
Provision applicable on the Issue Redeemable Preference shares	
7.	On the issue of. Redeemable Preference Shares under the provisions of Article 6 hereof, the following provisions shall take effect : <ul style="list-style-type: none"> a. no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption. b. no such shares shall be redeemed unless they are fully paid. c. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, excepts as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
Reduction of Capital	
8.	The Company may (subject to the Provisions of Section 78, 80, 100 to 105 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if the were omitted.

Sub-division Consolidation and Cancellation of Shares	
9.	Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
Modification of Rights	
10.	Whenever the Capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths of nominal value of the issued shares of the class or is confirmed by a Resolution passed at a separate General Meeting of the holders of shares of that class and supported by the votes of the holders of at least three-fourths of those shares, and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be members present in person or by proxy and holding three-fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.
SHARES AND CERTIFICATES	
Register and Index of Members	
11.	The Company shall cause to be kept a Register and index of Members in accordance with Sections 150 and 151 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.
Shares to be Numbered Progressively And no Share to be Subdivided	
12.	The shares in the Capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
Further Issue of Capital	
13.	<p>1) 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, then :</p> <ol style="list-style-type: none"> a. Such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid-up on those shares at the date. b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer 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. d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as they are most beneficial to the company. <p>2) Notwithstanding anything contained in the sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever.</p> <ol style="list-style-type: none"> i) if a special resolution to that effect is passed by the company in general meeting; or

	<p>ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of. The Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members so entitled to voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>3) Nothing in sub-clause (c) of (1) hereof shall be deemed;</p> <p>a) To extend the time within which the offer should be accepted; or</p> <p>b) To 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.</p> <p>4) Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued by the company:</p> <p>i) To convert such debentures or loans into shares in the company; or</p> <p>ii) To subscribe for shares in the company.</p> <p>Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term :</p> <p>1. 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</p> <p>2. 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.</p>
Shares at the disposal of the Directors	
14.	<p>Subject to the provisions of section 81 of the act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the act) at discount and at such time as they may from time to time think fit and with the sanction of the company in the general meeting to give to any persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any persons without the sanction of the company in the general meeting.</p>
The power also to company in general meeting to authorize issue of shares	
15.	<p>In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons whether (members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company</p>

	and the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
Acceptance of shares	
16.	Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts shares and whose name is on the Register shall for the purpose of these Articles, be a member.
Deposit and call to be a debt payable immediately	
17.	The money (if any) which the Board shall, on the allotment of any share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
Liability of Members	
18.	Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
Limitation of time for issue of certificates	
19.	Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery of such certificates within 3 month from the date of allotment, unless the conditions of issue thereof otherwise provide or within 2 month of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the no. and distinctive nos. of shares in respect of which it is issued and the amount Paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holders.
Issue of New Certificate in Place of One Defaced, lost or Destroyed	
20.	If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the directors so decide, or on payment of such fees (not exceeding Rs.2 for each certificate) as the directors shall prescribe, provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced, worn out.
The first named joint holder deemed to be sole holder	
21.	If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.
Company not bound to recognize any interest in share other than that of registered holder	
22.	Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

Buy back of Securities by the Company	
23.	The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made there under, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities or from such other sources as may be permitted by Law on such terms, conditions and in such manner as may be prescribed by the Law from time to time in respect of such purchase.
24.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of share, attending (but not voting) at the general meeting, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the general meeting by a special resolution.
UNDERWRITING AND BROKERAGE	
Commission may be paid	
25.	Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, but so that the commission shall not exceed in the case of shares, five per cent of the price at which the shares are issued, and in the case of debentures, two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
Brokerage	
26.	The Company may pay a reasonable sum for brokerage.
Interest Out of Capital	
27.	Where any shares are issued for the purpose of raising money to defray the expenses of the Construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.
CALLS	
Directors may make calls	
28	(a) The Board may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments. (b) That option or right to call of shares shall not be given to any person except with the sanction of the issuer in general meetings.
Notice of calls	
29.	Fifteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
Calls to date from resolution	
30.	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
Calls may be revoked or postponed	
31.	A call may be revoked or postponed at the discretion of the Board.
32.	The option or right to call of shares not be given to any person except with the sanction of the company in general meeting.
33.	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect

	thereof.
Directors may extend time	
34.	The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.
Calls to carry interest	
35.	If any member fails to pay any call due from him on the day appointed for. Payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest of the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
Sums deemed to be calls	
36.	Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
Proof on trial of suit for money due on shares	
37.	On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that 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 Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
Partial payment not to preclude forfeiture	
38.	Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, 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 shares as hereinafter provided.
Calls in advance	
39.	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 debenture of the company.
LIEN	
Company to have lien on shares	
40.	The Company shall have a first and paramount lien upon all the shares/ debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether

	presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing, and upon the condition that that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provision of this clause
As to Enforcing Lien by Sale	
41.	For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
Application of proceeds of sale	
42.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.
FORFEITURE OF SHARE	
If call or installment not paid notice may be given	
43.	If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment
Form of notice	
44.	The notice shall name a day (not being less Than Thirty days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non payment at or before the time, and at the place appointed the shares in respect of which such call was made or installment is payable will be liable to be forfeited.
If notice not complied with shares may be forfeited	
45.	If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
Notice of forfeiture to a member	
46.	When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited share to become property of the company	
47.	Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit.
Power to annul forfeiture	
48.	The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
Liability on forfeiture	
49.	A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such share a t the time of the forfeiture, together with interest thereon, from the time of forfeiture until

	payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.
Effect of forfeiture	
50.	The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest 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.
Evidence of forfeiture	
51.	A duly verified declaration in writing that the declarant is a Director of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.
Cancellation of share certificate in respect of forfeited shares	
52.	Upon any sale, re-allotment or other disposal under the provisions of the preceding. Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.
ADRs/GDRs	
52 A.	The Company shall, subject to the provisions of the Act, compliance with all applicable laws, rules and regulations, have power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include, at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board or otherwise.
Employees Stock Options	
52 B.	Subject to the provisions of section 81 of the Act and the applicable law, the Company may issue options to the whole-time directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both.
Variation of Share Holder's Rights	
52 C.	If at any time the share capital is divided into different classes of shares, all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may, subject to the provisions of sections 106 and 107 of the Act, whether or not the Company is being wound up, be modified, commuted, affected, abrogated, varied or dealt with by the consent in writing of the holders of not less than three fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of three fourths of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply but so that necessary quorum shall be five members or all the members holding or represented by proxy of the entire issued share of the class in the question.
Power to Issue Shares with Differential Voting Rights	
52 D.	The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable.
Power to Issue Share Warrants	
52 E.	The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115, and accordingly, the Board may in its discretion, with respect to any

	share which is fully paid up on an application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
TRANSFER AND TRANSMISSION OF SHARES	
Register of transfers	
53.	The Company shall keep a book to be called the "Register of Transfers", and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.
Instruments of transfer	
54.	The instrument of transfer shall be in writing and all provision of section 108 of the Companies Act, 1956 and statutory modification there of for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
To be executed by transferor and transferee	
55.	Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when they are fully paid up).
Transfer books when closed	
56.	The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
Directors may refuse to register transfer	
57.	Subject to the provisions of section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
Nomination	
58.	<p>Every holder of shares in, or Debentures of the Company. may at any time nominate, in the manner prescribed under the Act, a person to whom his Shares in or Debentures of the Company shall vest in the event of death of such holder.</p> <p>Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the Shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.</p> <p>Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such Shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the Shares in, or Debentures of the Company, the nominee shall, on the death of the Shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the Shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.</p> <p>Where the nominee is a minor, it shall be lawful for the holder of the Shares or holder of</p>

	Debtors to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the Shares in or Debtors of the Company, in the event of his death, during the minority.
Transmission in the name of nominee	
59.	<p>Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :</p> <p style="padding-left: 40px;">a) to be registered himself as holder of the shares or debtors, as the case may be; or b) to make such transfer of the shares or debtors, as the case may be, as the deceased shareholder or debenture holder, as the case may be, could have made.</p> <p>If the nominee, so becoming entitled, elects himself to be registered as holder of the Shares or Debtors, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate(s) of Shares or Debtors, as the case may be, held by the deceased in the Company.</p> <p>Subject to the provisions of Section 109B(3) of the Act and these Articles, the Board may register the relevant Shares or Debtors in the name of the nominee of the transferee as if the death of the registered holder of the Shares or Debtors had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.</p> <p>A nominee on becoming entitled to Shares or Debtors by reason of the death of the holder. or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture, except that he shall not before being registered as holder of such Shares or Debtors, be entitled in respect of them to exercise any right conferred on a member or Debenture holder in relation to meetings of the Company.</p> <p>The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Shares or Debtors, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant Shares or Debtors, until the requirements of the notice have been complied with.</p>
No transfer to insolvent etc.	
60.	No share shall in any circumstances be transferred to any insolvent or persons of unsound mind.
Registration of persons entitled to shares otherwise than by transfer (The transmission article)	
61.	Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.
Person entitled may receive dividend without being registered as a member	
62.	A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receives and may give discharge for any dividends or other moneys payable in respect of the share.

Transfer to be presented with evidence of title	
63.	Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
Conditions of registration of transfer	
64.	For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
Fee on transfer or transmission	
65.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
Company not liable for disregards of a notice in prohibiting registration of transfer	
66.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the Prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred 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 book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.
DEMATERIALIZATION OF SECURITIES	
Definitions	
67.	<p>The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.</p> <p>1. For the purpose of this Article</p> <p>‘Beneficial Owner’ means a person or persons whose name is recorded as such with a depository’ ‘SEBI’ means the Securities & Exchange Board of India; established under Section 3 of the Securities & Exchange Board of India Act, 1992 and</p> <p>‘Depository’ means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as depository under Securities & Exchange Board of India Act, 1992; and wherein the securities of the Company are dealt With in accordance With the provisions of the Depositories Act, 1996.</p> <p>2. Dematerialization of Securities</p> <p>The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.</p> <p>3. Options for investors</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted bylaw, in respect of any securities in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.</p>

If a person opts to hold his Securities with the 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 the allottee as the beneficial owner of the Securities

4. Securities in depositories to be in fungible form

All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.

5. Rights of Depositories and beneficial owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.

6. Service of Documents

Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

7. Transfer of securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

8. Allotment of securities dealt with in a depository

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities

9. Distinctive number of securities held in a Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.

10. Register and index of Beneficial Owners

The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

BORROWING POWERS	
Power to borrow	
69.	The Board may, from time to time, at its discretion subject to the provisions of Section 292 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
Conditions on which money may be borrowed	
70.	The Board may raise or secure the repayment of such sum or sums in such; manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.
Issued at discounts etc. with special privileges	
71.	Any debentures, debenture-stock, bonds other securities may be issued at a discount and otherwise debentures, debenture-stock, 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. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with sanction of the Company in General Meeting.
Instrument of transfer	
72.	Save as provided in Section 108 of the Act, no transfer of debentures 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 the debentures
Notice of refusal to register members	
73.	If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor the notice of such refusal.
Register of mortgages etc. to be kept	
74.	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board
Register and index of debenture holders	
75.	The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of debenture-stock, resident in that State or Country.
CONVERSION OF SHARES INTO STOCK AND RECONVERSION	
Shares may be converted to stock	
76.	The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.
Rights of stock Holders	
77.	The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS	
Annual General Meeting Summary	
78.	The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in anyone Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
Extraordinary General Meeting	
79.	The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
Regulation of the Members to state objects of meeting	
80.	Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitions.
On receipt of requisitions Directors to call meeting and in default requisiteness may do so	
81.	Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twentyone days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
Meeting called by requisitionist	
82.	Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
Twenty one days notice of meeting to be given	
83.	Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid up share capital of the

	Company as gives a right to vote at the meeting any be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of remuneration of the Auditors, is proposed to be transacted then in that event there shall be annexed to the notice of the Meeting a statement setting out all materials facts concerning each such item of business including, in particular, the nature of concern or interest, if any, therein of every director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the Statement if the extent of such share holding interest is not less than 20 percent of the paid-up share capital of that other company Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
Omissions to given notice and to invalidate a resolution passed	
84.	The accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.
Meeting not to transact business not mentioned in notice	
85.	No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
86.	Five members present in person shall be quorum for a General Meeting.
Quorum of General Meeting	
87.	A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
If quorum not present meeting to be dissolved or adjourned	
88.	If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such oilier time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
Chairman of general meeting	
89.	The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair, then the directors present may choose one of their member to be the Chairman of the meeting. If no director be present or if all the directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman.
90.	No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
Chairman with consent may adjourn meeting	
91.	The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held 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.
Questions at general meeting decided	
92.	At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any

	member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right, and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands, been carried unanimously, or by a particular majority, or lost, and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
Chairman's casting vote	
93.	In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
Poll if be taken if demanded	
94.	If a poll is demanded as aforesaid, the same shall, subject to Article 89 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or person who made the demand.
Scrutinizers at poll	
95.	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a Scrutinizer from office and fill vacancies in the office of Scrutinizer from such removal or from any other cause
In what case poll taken without adjournment	
96.	Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
Demand of poll not to prevent transaction of other business	
97.	The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
VOTE OF MEMBERS	
Members in arrears not to vote	
98.	No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.
Number of vote which a person entitled	
99.	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person. shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
Casting on votes by a member entitled more than one vote	
100.	On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.
How members non composmentia and minor may vote	
101.	A member of unsound mind or in respect of whom an order has been made by any Court

	having jurisdiction in lunacy may vote whether on a show of hands or on a poll, by his committee or other legal guardian; and any such committee or guardian may vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his, guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
Vote of joint holders	
102.	If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.
Voting in person or by proxy	
103.	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
Votes in respect of shares of deceased and insolvent members	
104.	Any person entitled under Article 60, to transfer any share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
Appointment of proxy	
105.	Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
Proxy either for specified meeting or a period	
106.	An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or. It may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
107.	A member present by proxy shall be entitled to vote only on a poll.
Deposit of instrument of appointment	
108.	The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
Form of proxy	
109.	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
Validity of votes given by proxy notwithstanding death of member	
110.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the pervious death or insanity of the principal, or revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.

Time for objection of votes	
111.	No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
Passing of resolution by postal ballot	
112.	<p>Notwithstanding any thing contained in the foregoing, the company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no meeting need to be held at a specified time and space requiring physical presence of members to form a quorum. Where a resolution will be passed by postal ballot the company shall, in addition to the requirements of giving requisite clear days notice, send to all the members the following :</p> <ol style="list-style-type: none"> i. Draft resolution and relevant explanatory statement clearly explaining the reasons thereof. ii. Postal ballot for giving assent or dissent, in writing by members; and iii. Postage prepaid envelope (by Registered Post) for communicating assents or dissents on the postal ballot to the company with a request to the members to send their communications within 30 days from the date of dispatch of Notice <p>The Company shall also follow such procedure, for conducting vote by postal ballot and for ascertaining the assent or dissent, as may be prescribed by the Act and the relevant Rules made there under.</p>
Chairman of meeting to be the judge of validity of any vote	
113.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
Meetings of General Meeting and inspection thereof by members	
114.	<ol style="list-style-type: none"> 1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered 2. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or non availability of that Chairman within that period, by a Director duly authorised by the Board for the purpose. 3. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. 4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. 5. All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings. 6. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the 'Chairman of the meeting : <ol style="list-style-type: none"> a. is or could reasonably be regarded, as, defamatory of any person or b. is irrelevant or immaterial to the proceeding, or c. is detrimental to the interest of the Company 7. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds 8. Any such minutes shall be evidence of the proceedings recorded therein.

	9. The book containing the minutes of proceedings of General Meetings shall be kept at the office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.
Directors	
115.	<p>1. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (excluding Debenture and Alternate Directors, (if any) shall not be less than three nor more than twelve.</p> <p>2. The first Directors of the Company were the following :</p> <ol style="list-style-type: none"> a. Smti Lichi Seth b. Shri Lichi Legi c. Shri Dipankar Choudhury
Power to appoint ex-officio directors	
116.	If at any time the Company obtains any loan or any assistance in connection there with by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called "the institution") or if at any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution, whereby the institution subscribes for or underwrites the issue of the Company's shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that the institution shall have the right to appoint one or more directors to the Board of the Company, then subject to the provisions of Section 225 of the Act and subject to the terms and conditions of such loan, assistance, contract or arrangement, the institution shall be entitled to appoint one or more director or Directors, as the case may be, to the Board of the Company and to remove from office any director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office, Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The director or directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue in the office for so long as the relative loan, assistance, contract or arrangement, as the case may be, subsists.
117.	If it is provided by the Trust Deed, securing or ptherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company, then in the case of any and every such issue of debenture the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director maybe appointed in his place. A Debenture Director shall not be allowed to hold any qualification share.
Restrictions on directorship	
118.	<p>If the Company at any time have a minimum paid up capital of Rupees Five Crore or such sum as may be prescribed and at least one thousand or more small shareholders, then the company may, suo motu or upon requisition of not less than one tenth of the total number of small shareholders, proceed to appoint a nominee from amongst small shareholders as a Director of the Company. The small 'shareholders' director shall before his appoint, file his consent, to act as a Director, in writing to the Company and the tenure of such appointment shall be three years at a time without retirement by rotation, but shall be eligible for reappointment for another tenure. He shall, however, not be appointed as Managing Director or Whole Time Director under any circumstances and shall be subject to same disqualifications and shall vacate his office on the same grounds as are applicable to other Directors, in pursuance of these Articles. The company shall follow such Rules as may be prescribed by the Central Govt. in this behalf.</p> <p>No small shareholders' director appointed in accordance with the provisions of this Article shall hold office at the same time as "small shareholders' director" in more than two companies.</p>

Appointment of alternate directors	
119.	The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
Directors power to add to the Board or the appointment of Additional director	
120.	Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum 12 fixed under the Article 111. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.
Share qualification of directors	
121.	Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.
Directors can act before acquiring qualification	
122.	Without prejudice to the restrictions imposed by Section 226 of the Act, a Director who is required to hold qualification shares may act as a Director before acquiring such shares but shall, if he is not already qualified, obtain his qualification, and every Director other than a Director appointed by the Central or a State Government shall file with the Company a, declaration specifying the qualification shares held by him within two months from his appointment as a director.
Director's power to fill casual vacancies	
123.	Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
Remuneration of Directors	
124.	<ol style="list-style-type: none"> 1. Subject to the provisions of the Act, a Managing Director, or Managing Directors or Director who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. 2. Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either: <ol style="list-style-type: none"> i. by way of monthly, quarterly or annual payment or ii. by way of commission if the Company by a special resolution authorised such payment. 3. The fees payable to a Director (including a Managing or whole-time Director, if any), for attending a Meeting of the Board or Gommittee thereof may be in accordance with and subject to the provisions of Section 309 of the Act or such other sum as the Company in Genera1 Meeting may from time to time determine.

Reimbursement of expenses to Directors for attending meeting of the Board	
125.	The Board may allow any pay to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.
Directors may act notwithstanding any vacancies	
126.	The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by the Article 111 hereof, the continuing Directors not being less than three, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.
Vacation of office of director	
127.	<p>(1) The office of a Director shall ipso facto be vacated if :</p> <ol style="list-style-type: none"> a. he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any necessary for his appointment; or b. he is found to be of unsound mind by a Court of competent jurisdiction; or c. he applies to be adjudicated an insolvent; or d. he is adjudged insolvent; or e. he is convicted by a Court in India of any offence and is sentenced in respect thereof to imprisonment for not less than six months; or f. he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or g. he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or h. he or any firm of which he is a partner or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or i. he acts in contravention of Section 299 of the Act; or j. he has been removed from office in pursuance of Section 203 of the Act; or k. by notice in writing to the Company that he resigns his office; or l. any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate the office. <p>(2) Notwithstanding any matter or thing in sub-clauses (d), (e) and (j) of clause (1), the disqualification referred to in those sub-clauses shall not take effect :</p> <ol style="list-style-type: none"> a. for thirty days from the date of adjudication sentence or order; or b. where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or c. where within the seven days aforesaid any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

Director may contract with company	
128.	<p>1. A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or a private company of which the Company is a member or director, may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.</p> <p>2. No sanction shall, however, be necessary for :</p> <p>a. any purchase of goods and materials from the Company, or the sale of the goods or materials to the Company, by any such director, relative, firm's partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>b. any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs. 5,000/- (Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>Provided that in the circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may 'without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5,000/- (Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract and the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.</p>
Disclosure of interest	
129.	<p>A director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company either himself or along with his relatives holds or hold two per cent of the paid-up share capital in any such other company.</p>
General notice of interest	
130.	<p>A General Notice given to the Board by the Directors, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired of such general notice and no renewal thereof, shall be of effect unless it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p>

Interested director not to participator vote in Board's proceeding	
131.	<p>No director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to :-</p> <ol style="list-style-type: none"> a. any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company. b. any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely: <ol style="list-style-type: none"> i. in his being <ol style="list-style-type: none"> a. director in such company, and b. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company c. in his being a member holding not more than 2% of its paid-up share capital
Register of contracts in which directors are interested.	
132.	<p>The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 125. The Register shall be kept at the office of the company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.</p>
Directors may be directors of companies promoted by the company	
133.	<p>A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 209(6) or Section 314 of the Act may be applicable.</p>
Retirement and rotation of directors	
134.	<p>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, the number nearest to one-third shall retire from office.</p>
Ascertainment of Directors retiring by rotation and filling of vacancies.	
135.	<p>Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those (other than Managing Director and or any Director or Directors who by virtue of the Provisions of any agreement referred to in Article-116 are not liable to retire) who have been longest in the office since their last appointment, but as between persons who became directors on the same day; those who are 135. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those (other than Managing Director and or any Director or Directors who by virtue of the Provisions of any agreement referred to in Article-116 are not liable to retire) who have been longest in the office since their last appointment, but as between persons who became directors on the same day; those who are to retire, shall, in</p>

	default of, and subject to any agreement among themselves, be determined by lot.
Retiring Director eligible for re-election	
136.	A retiring Director shall be eligible for re-election.
Filling up of vacancies at general meeting	
137.	Subject to Sections 258 and 259 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.
Provisions for default of appointment	
138.	<p>a. If the place of the retiring Director is not so filled up and the meeting has not expressly, resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place.</p> <p>b. If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless :</p> <ol style="list-style-type: none"> i. at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost ii. the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed; iii. he is not qualified or is disqualified for appointment; iv. a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or v. the provision to sub-section (2) of Section 263 of the Act is applicable to the case.
Company may increase or reduce the number of directors.	
139.	Subject to Section 259 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of directors, and may after their qualifications the Company (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold Office during. such time as the director in whose place he is appointed would have held the same if he had not been removed.
Notice of candidate for office of directors except in certain cases.	
140.	<ol style="list-style-type: none"> 1) No person not being a retiring Director, shall be eligible for appointment to the office of director at any General Meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office. 2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 or the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed. 3) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as

	such Director.
Register of Directors etc. and notification of charge to Registrar.	
141.	<p>a. The Company shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respects.</p> <p>b. The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.</p>
Disclosure by directors of appointment only in other body corporate	
142.	<p>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, shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body which are required to be specified under sub-section (1) of Section 303 of the Act.</p>
Disclosure by a Director of his holding of share and debenture of company etc.	
142	<p>b. Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provision of that section.</p>
MANAGING DIRECTORS	
Board may appoint Managing Director or Managing Directors.	
143.	<p>Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 140, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.</p>
Restriction on Management	
144.	<p>The Managing Director or Managing Directors shall not exercise the powers to:</p> <ol style="list-style-type: none"> a. make calls on share holders in respect of money unpaid on the shares in the Company. b. issue debentures; and except to the extent mentioned in the resolution passed at the Board meeting under Section 292 of the Act, shall also not exercise the powers to; c. borrow moneys, otherwise than on debentures; d. invest the funds of the Company, and e. make loans.
Certain persons appointed	
145.	<p>The Company shall not appoint or employ, or continue the appointment or employment of a person as its Managing or whole-time Director who :</p> <ol style="list-style-type: none"> a. is an discharged insolvent, or has at any time been adjudged as insolvent;

	<p>b. suspends, or has at any time suspended payment to his creditors, or makes, or has at any time made a composition with them; or</p> <p>c. is, or has, at any time been convicted by a Court of an offence involving moral turpitude.</p>
Managing Director Special position of Managing Director	
146.	A Managing Director shall not while he continues to hold that office be subject to the retirement by rotation, in accordance with Article 129. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.
PROCEEDINGS OF THE BOARD OF DIRECTORS	
Meetings of Directors	
147.	The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
Notice of Meeting	
148.	Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India; to every other Director.
When meeting to be convened	
149.	The Secretary shall, as and when directed by the Directors to do so convene a meeting of the Board by giving a notice in writing to every other Director
Chairman	
150.	The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed, or if at any meeting of the Board the Chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose some one of their member to be the Chairman of such meeting
Quorum	
151.	The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the 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 Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint.
Exercise of powers to be valid in meetings where quorum is present	
152.	A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.
Matter to be decided on majority of votes	
153.	Subject to the provisions of Sections 316, 327(4) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
Power to appoint committee and a delegate	
154.	The Board may subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board.
Proceeding of committee	
155.	The meetings and the 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 Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the Article 149.
Resolution without Board Meeting/ Resolution by Circulation	
156.	Save in those case where a resolution is required by Sections 262, 292,297,316,372(4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee

	of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors, or members of the Committee, at their usual address in India, and has been approved by such of them as are then in India, or by a majority of them as are entitled to vote on the resolution.
Acts of Board Committee valid notwithstanding formal appointment	
157.	All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.
Minutes of proceedings of meeting of Board	
158.	<ol style="list-style-type: none"> 1. The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in the books kept for that purpose with their pages consecutively numbered. 2. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. 3. In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise. 4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat. 5. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings. 6. The minutes shall also contain: <ol style="list-style-type: none"> a. the names of the Directors present at the meeting; and b. in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution. 7. Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting : <ol style="list-style-type: none"> a. is or could reasonably be regarded as defamatory of any person. b. is irrelevant or immaterial to the proceedings; or c. is detrimental to the interest of the Company. 8. Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
Power of Director	
159.	<p>The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :</p> <ol style="list-style-type: none"> a. sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking. b. remit, or give time for the repayment of any debt due by a Director.

	<p>c. 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 clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.</p> <p>d. borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserve not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent there in stated; or</p> <p>e. contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.</p>
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Absolute powers of Board in certain cases

160.	<p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power:</p> <ol style="list-style-type: none"> 1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company. 2) To pay any charge to the capital account of the Company and Commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act. 3) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory. 4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged; 5) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit; 6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed; 7) To appoint any person to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees; 8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any
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differences to arbitration, and observe and, perform any awards made thereon;

- 9) To act on behalf of the Company in all matters relating to bankrupts and insolvents;
- 10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- 11) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;
- 12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- 13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;
- 14) To distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;
- 15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;
- 16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the

capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.

- 17) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following subclauses shall be without prejudice to the general powers conferred by this sub-clause.
- 18) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary or expedient to comply with;
- 19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such Local Boards and to fix their remuneration.
- 20) Subject to Section 292 & 293 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.
- 21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money') and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the share holders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;
- 22) Subject to Sections 294, 294A, 297 and 301 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;

	23) Subject to the provisions of Companies Act, 1956, the Board may pay such remuneration to Chairman/Vice Chairman of the Board upon such conditions as they may think fit.
Secretary	
161.	The Directors may from time to time appoint, and at their discretion, remove the Secretary provided that where the Board comprises only three Directors, neither of them shall be the Secretary. The Secretary appointed by the directors pursuant to this Article shall be a whole-time Secretary. The Directors may also at any time appoint some person, who need not be Secretary, to keep the registers required to be kept by the Company.
The seal, its custody and use	
162.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given. (b) The Company shall also be at liberty to have an official; Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
163	Every Deed or other instrument, to which the seal of the Company is required to be affixed, shall unless the same is executed by a duly constituted attorney, be signed by two Directors or one Director and Secretary or some other person appointed by the Board for the purpose, provided that in respect of the Share Certificate, the Seal shall be affixed in accordance with the Article 19(a)
Division of profits	
164.	The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
The Company in general meeting may declare a dividend	
165.	The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the company in general meeting may declare a smaller dividend.
Dividend only to be paid out of profits	
166.	No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both, provided that; a. if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years. b. if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.
Interim Dividend	
167.	The Board may, from time to time, pay to the Members such interim dividend as in their judgment, the position of the Company justifies.
Calls in advance not to carry rights to participate in profits	
168.	Where capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

Payment of prorated dividend	
169.	All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portion of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
Dividend to be kept in abeyance	
170.	The Board may retain the dividends payable upon shares in respect of which any person is under the Article 60 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.
Receipts for dividends	
171.	Anyone of several person who are registered as joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
Deduction of money owned to the company	
172.	No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
Rights to dividend where shares transferred	
173.	A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer.
Manner of paying dividend	
174.	Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or Warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.
Non-forfeiture of unclaimed dividend	
175.	No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with the provision of Sections 205A and 205C of the Act in respect of all unclaimed or unpaid dividends.
Dividend may be set off against calls	
176.	Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Company and the member, be set off against the calls.
177.	Where the company has declared a dividend but which has not been paid or claimed within 30 days from the date of the declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Unpaid dividend of Microsec Financial Services Limited". Any money transferred to the unpaid dividend account of the Company which remains unpaid/unclaimed for a period of 7 years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the sub section (1) of section 205C of the Act.
CAPITALISATION OF RESERVES	
Issue of Bonus Shares	
178.	Any General Meeting may resolve that any moneys, investments, or other assets forming part of undivided profits of the Company standing to the credit of the Reserves, or any Capital Redemption Reserve Fund, in the hands of the company and available for dividend or representing premiums received on the issue of shares and standing to the credit of the Share Premium Account be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend all in the same proportions on

	the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such members in paying up in full any un issued shares, debentures, or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, all that such distribution or payment shall be accepted by such members in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a Share Premium Account or a Capital Redemption Reserve Fund may, for the purposes of this Article, only be applied in the paying up of un issued shares to be issued to members of the Company as fully paid bonus shares.
Utilization of undistributed capital profits	
179.	A General Meeting may resolve that any surplus money arising from the realisation of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
Resolving issues of fractional certificates	
180.	For the purpose of giving effect to any resolution under the two last preceding articles hereof the Board may settle any difficulty which may arise in regard the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value of distribution of any specific assets, and may determine that cash payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or specific assets in trustees upon such trusts for the persons entitled to the Board. Where requisite, a proper contract shall be filed in accordance with Section 75 of the Act, and the Board may appoint any person to sign such contract on behalf of the person entitled to the dividend or capital fund, and such appointment shall be effective.
WINDING UP	
Liquidators powers	
195.	The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories as the Liquidator, with the like sanction shall think fit.
INDEMNITY AND RESPONSIBILITY	
Person when to be indemnified by the company	
196.	Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.
SECRECY	
No members to enter the premises of the company without permission	
197.	Subject to the provisions of these Articles and the Act no member, or other person (not being a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature or a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient in the interest of the Company to communicate.

SECTION-IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Draft Red Herring Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the corporate office of our Company from 10.00 am to 4.00 pm on working days from the date of this Draft Red Herring Prospectus until the Bid/Issue Closing Date.

Material Contracts to the Issue

1. Engagement Letter dated July 10, 2009 appointing Microsec Capital Limited as the Book Running Lead Manager.
2. Agreement between our Company and the BRLM dated October 05, 2009.
3. Memorandum of Understanding between our Company and Registrar to the Issue dated September 23, 2009.
4. Escrow Agreement between the Company, the BRLM, the Escrow Banks and the Registrar to the Issue dated [•].
5. Syndicate Agreement between the Company, the BRLM and the Syndicate Members dated [•].
6. Underwriting Agreement between the Company, the BRLM and the Syndicate Members dated [•].

Material Documents:

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certification of incorporation.
3. Board resolution in relation to the Issue dated September 02, 2009.
4. Shareholders' resolutions in relation to the Issue dated September 07, 2009.
5. Auditors Report dated October 12, 2009 of the auditors, M/s P.Gaggar & Associates, Chartered Accountants, on the restated financial statements of the Company prepared as per the Indian GAAP and disclosed in this Draft Red Herring Prospectus.
6. Statement of Tax Benefits dated October 12, 2009 from the auditors M/s P.Gaggar & Associates, Chartered Accountants on possible Income-tax benefits available to the Company and its shareholders.
7. Copies of annual reports of our Company for past three financial years.
8. Report of the IPO grading agency, [•], dated [•] furnishing the rationale for its grading, disclosed in this Draft Red Herring Prospectus.
9. Consent of the Auditor, M/s P.Gaggar & Associates, Chartered Accountants for inclusion of their reports prepared as per the Indian GAAP and their report on accounts, in the form and context in which they appear in this Draft Red Herring Prospectus.

10. Consent of the IPO grading agency, [●], for inclusion of their IPO grading report furnishing the rationale for its grading, in the form and context in which they appear in this Draft Red Herring Prospectus.
11. Consents of Bankers to the Company, BRLM, Registrar to the Issue, Legal Advisor to the Issue, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
12. Agreement dated October 08, 2009 between our Company and Mr. Dipankar Choudhury appointing Mr. Choudhury as our Managing Director.
13. Applications filed with the NSE and the BSE, for obtaining their in-principle listing approval dated [●] and [●].
14. In-principle listing approvals received from the NSE and the BSE dated [●] and [●], respectively.
15. Tripartite Agreement between NSDL, our Company and the Registrar to the Issue dated [●].
16. Tripartite Agreement between CDSL, our Company and the Registrar to the Issue dated [●].
17. Due diligence certificate to SEBI from the BRLM dated [●].
18. SEBI observation letter No. [●] dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, applicable, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Dipankar Choudhury

Ms. Lichi Seth

Mr. Pulak Deb

Mr. Saubir Bhattacharyya

SIGNED BY THE CHAIRMAN AND MANAGING DIRECTOR

Mr. Dipankar Choudhury

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Mohan Jha

Date: October 30, 2009

Place: Kolkata