DRAFT RED HERRING PROSPECTUS
Please read Section 60B of the Companies Act, 1956
Dated 07.03.2012
(The Draft Red Herring Prospectus will be updated upon ROC filing)
100% Book Building Issue

HARISONS STEEL LIMITED

Our Company was originally incorporated as "Harisons Steel Private Limited" on 26th November, 1999 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was converted into a public limited company and the word "Private" was deleted from its name and a fresh certificate of incorporation consequent to change in name was obtained on 6th April, 2011 from the Registrar of Companies, Mumbai, Maharashtra. For details in relation to the changes to the name of our Company, please refer to the section titled "*Our History and Corporate Structure*" beginning on page 118 of this Draft Red Herring Prospectus.

Registered Office: Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli,Taluka Wada, Dist. Thane, Maharashtra, India – 421 312;
Tel: +91-2526-212089; **Fax:** +91-2526-212074;
Corporate Office: 11, Shree Pant Niketan, 33 Road, Khar (West), Mumbai, Maharashtra, India- 400 052.
Tel: +91-22-26486691; **Fax:** +91-22-26480816; **Website:** www.harisonssteel.com; **E-Mail:** ipo@harisonssteel.com
Contact Person & Compliance Officer: Ms. Anubhuti Shukla, Compliance Officer/Company Secretary; **Email:** cs@harisonssteel.com

PROMOTERS OF THE COMPANY: MR. DAULAT HARIRAM FULWADHYA, MR. ASHOK HARIRAM FULWADHYA, MR. MANISH DAULATRAM FULWADHYA & MR. ANKUSH ASHOK FULWADHYA

INITIAL PUBLIC OFFERING OF UPTO [●] EQUITY SHARES OF Rs. 10 EACH AT A PRICE OF RS [●] PER EQUITY SHARE FOR CASH (INCLUDING SHARE PREMIUM OF RS. [●] PER SHARE) AGGREGATING UPTO RS. 6,000 LACS (HEREIN REFERRED TO AS THE ISSUE). THE ISSUE SHALL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE CAPITAL OF OUR COMPANY.

PRICE BAND: RS. [●] TO RS. [●] PER EQUITY SHARE OF FACE VALUE RS. 10
THE FLOOR PRICE IS [●] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [●] TIMES OF THE FACE VALUE

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three (3) additional Working Days after revision of the Price Band subject to the Bidding/Issue Period not exceeding ten (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 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 Members.
This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to eligible Qualified Institutional Buyers ("QIBs"), provided that our Company in consultation with the BRLM may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis, out of which at least one third will be available for allocation to domestic mutual funds only ("Anchor Investor Portion"). For details, see "*Issue Procedure*" on page 218. Further 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB portion shall be availabe for allocation on a proportionate basis to all eligible Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be made available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall made available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Potential investors (except Anchor Investors) may participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. QIBs (except Anchor Investors) and Non Institutional Bidders are mandatorily required to utilise the ASBA process to participate in this Issue. For details, please see the section titled "*Issue Procedure*" on page 218.

RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [•] times of the face value.** The Issue Price (as determined by the Company in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares offered 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 or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" beginning on page 14 of this Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

IPO GRADING

Our Company has appointed [●] for IPO Grading. [●] has assigned [●] Grade to the Initial Public Offering of our Company. The rationale furnished by the grading agency for its grading will be updated at the time of filing of the Red Herring Prospectus with RoC.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
COMFORT SECURITIES LIMITED A-301, Hetal Arch, Opp. Natraj Market, S.V.Road, Malad(West), Mumbai – 400 064 **Tel :** +91 - 22 - 28449765 **Fax:** +91 - 22 - 28892527 **Email:** mbdivision@comfortsecurities.co.in **Website:** www.comfortsecurities.co.in **Contact Person:** Mr. Deepak Mor / Ms. Shruti Banka **SEBI Regn. No:** INM 000011328	**SHAREPRO SERVICES (INDIA) PRIVATE LIMITED** 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai – 400 072 **Tel:** +91-22-61915402/5404 **Fax:** +91-22-61915444 **E-mail:** ipo@shareproservices.com **Website:** www.shareproservices.com **Contact Person:** Mr. Subhash Dhingreja **SEBI Regn. No:** INR000001476

ISSUE PROGRAMME

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

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

TABLE OF CONTENTS

SECTION	TITLE	PAGE NO
I	GENERAL	**1**
	DEFINITIONS AND ABBREVIATIONS	1
	PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	12
	FORWARD LOOKING STATEMENTS	13
II	RISK FACTORS	**14**
III	INTRODUCTION	**30**
	SUMMARY	30
	SUMMARY OF FINANCIAL DATA	33
	ISSUE DETAILS IN BRIEF	37
	GENERAL INFORMATION	38
	CAPITAL STRUCTURE	48
	OBJECTS OF THE ISSUE	61
	BASIS FOR ISSUE PRICE	72
	STATEMENT OF TAX BENEFITS	76
IV	ABOUT OUR COMPANY	**87**
	INDUSTRY OVERVIEW	87
	OUR BUSINESS	95
	KEY INDUSTRY REGULATIONS AND POLICIES	109
	OUR HISTORY AND CORPORATE STRUCTURE	118
	OUR MANAGEMENT	121
	OUR PROMOTERS	135
	OUR PROMOTER GROUP / GROUP COMPANIES / ENITITIES	138
	RELATED PARTY TRANSACTIONS	143
	DIVIDEND POLICY	144
V	FINANCIAL INFORMATION	**145**
	FINANCIAL INFORMATION OF OUR COMPANY	145
	MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	179
VI	LEGAL AND OTHER INFORMATION	**186**
	OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS	186
	GOVERNMENT & OTHER APPROVALS	194
	OTHER REGULATORY AND STATUTORY DISCLOSURES	198
VII	ISSUE RELATED INFORMATION	**209**
	TERMS OF THE ISSUE	209
	ISSUE STRUCTURE	213
	ISSUE PROCEDURE	218
	RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES	257
VIII	MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION	**259**
IX	OTHER INFORMATION	**292**
	LISTOF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	292
	DECLARATION	294

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

Term	Description
"our Company", "the Company", "HSL", "the Issuer", "Issuer Company"	Harisons Steel Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.
"We", "us", "our" or "Harisons"	Unless the context otherwise requires, means the Issuer Company.

CONVENTIONAL /GENERAL TERMS/ ABBREVIATIONS

ABBREVIATION/ACRONYM	FULL FORM
A/c	Account
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year; the period of twelve months commencing from the 1st day of April every year
B.A.	Bachelor of Arts
B.Com	Bachelor of Commerce
B.Sc.	Bachelor of Science
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956
C.S	Company Secretary
Depositories Act	The Depositories Act, 1996
DIN	Directors Identification Number
DP	A Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's Identification
DRHP	Draft Red Herring Prospectus
EBITDA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECS	Electronic Clearing System
EGM / EOGM	Extra Ordinary General Meeting of the shareholders.
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year less preference dividend and tax thereon divided by the weighted average no. of Equity Shares
ESIC	Employee State Insurance Corporation
ESOP	Employee Stock Option Plan
ESPS	Employee Stock Purchase Scheme
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to

ABBREVIATION/ACRONYM	FULL FORM
	time and the regulations issued there under
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India)Regulations, 2000
Financial Year / Fiscal / Fiscal Year / FY	Period of twelve months ended March 31 of that particular year, unless specifically stated otherwise
FIPB	Foreign Investment Promotion Board
FII	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI/ Government	Government of India
H.S.E	Higher Secondary Education
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time
IFRS	International Financial Reporting Standards
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
IPO	Initial Public Offering
IRDA	Insurance Regulatory and Development Authority
Key Managerial Personnel / KMP	The officers vested with executive powers and the officers at the level immediately below the Board of Directors of the Issuer Company and other persons whom the Issuer has declared as a Key Managerial Personnel and as mentioned in the section titled "*Our Management*" beginning on page 121 of the Draft Red Herring Prospectus
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India(Merchant Bankers) Regulations, 1992 as amended from time to time
M.A.	Masters of Arts
M.Com	Masters of Commerce
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
MSEB	Maharashtra State Electricity Board
N.A.	Not Applicable
National Investment Fund	National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India
NAV	Net Asset Value
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Non Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs registered with SEBI and FVCIs registered with SEBI
NRE Account	Non Resident External Account

ABBREVIATION/ACRONYM	FULL FORM
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
p.a	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
RBI	Reserve Bank of India
RHP	Red Herring Prospectus
RINL	Rashtriya Ispat Nigam Limited
RoC	The Registrar of Companies, Maharashtra located at 100, Everest, Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SAIL	Steel Authority of India Limited
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Regulations/ SEBI (ICDR) Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations,2011, as amended
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Sub-account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended
S.S.C	Secondary School Certificate
Stock Exchanges	BSE & NSE, referred to as collectively
TAN	Tax deduction Account Number
TDS	Tax Deducted at Source
VAT	Value Added Tax
U.S. or US or U. S. A.	The United States of America
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
ULIP	Unit Linked Investment Plan
VCF Regulations	Venture Capital Funds as defined in and registered with SEBI under the SEBI(Venture Capital Funds) Regulations, 1996

ABBREVIATION/ACRONYM	FULL FORM
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations
WDV	Written down value
WPI	Wholesale Price Index
y-o-y	Year On Year

ISSUE RELATED TERMS

Terms	Description
Allocation / Allocation of Equity Shares	Unless the context otherwise requires, the allocation of Equity Shares pursuant to this Issue to the successful Bidders
Allotment/Allot	Issue of Equity Shares pursuant to the Issue to the successful Bidders as the context requires
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Allottee	The successful bidder to whom the Equity Shares are allotted pursuant to this Issue
Anchor Investor	An Anchor Investor shall be a Qualified Institutional Buyer, whose application size is atleast 1,000 Lacs and making an application for this Issue in accordance with the SEBI ICDR Regulations. For further detail, please refer to the section titled "*Issue Procedure*" on page 218 of this Draft Red Herring Prospectus
Anchor Investor Bid/Issue Date	The day, one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Issue Price	The final price at which Allotment is made to the Anchor Investors in-terms of the Red Herring Prospectus and Prospectus, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price
Anchor Investor Margin Amount	An amount equivalent to the 100 % of the Bid Amount, payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorising a SCSBs to block the Bid Amount in a specified bank account maintained with the SCSBs
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate Bid Amount of the ASBA Bidder, as specified in the Bid cum Application Form
ASBA Bidder(s)	Any prospective investors in this Issue who Bid/ apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated 29th April, 2011, non- retail Investors i.e. QIBs (other than Anchor Investors) and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Bids
ASBA Bidding Location(s)/Specified Cities	Location(s) at which ASBA Bids can be uploaded by the Syndicate and Sub – Syndicate Members, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat
ASBA Public Issue Account	A Bank Account of the Company under Section 73 of the Act, where the funds shall be transferred by the SCSBs from the bank accounts of the

Terms	Description
	ASBA investors
Escrow Bankers to the Issue/Escrow Collection Bank (s)/Bankers to the Issue	[•]
Basis of Allotment	The basis on which Equity Shares will be allotted to successful Bidders pursuant to the Issue and which is described in the section titled *"Issue Procedure - Basis of Allotment"* on page 250 of the Draft Red Herring Prospectus
Bid	An indication to make an offer during the Bidding Period by the Bidders, pursuant to submission of the Bid cum Application Form , to subscribe to or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue and in case of ASBA Bidders, the amount mentioned in the Bid cum Application Form
Bid Opening Date/ Issue Opening date	Except in relation to any Bids received from Anchor Investors, the date from which the members of the Syndicate and the SCSBs shall start accepting Bids for the issue, which shall be notified in an English National Newspaper, a Hindi National Newspaper and a Regional Newspaper, all with wide circulation
Bid Closing Date/ Issue Closing date	Except in relation to any Bids received from Anchor Investors, the date after which the members of the Syndicate and the SCSBs will not accept any Bids for the issue, which shall be notified in an English National Newspaper, a Hindi national Newspaper and a Regional Newspaper, all with wide circulation
Bid cum Application Form/ Bid Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bidding Center	A center for acceptance of Bid cum application form
Bidding Period / Issue Period	Except in relation to Anchor Investors, the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders may submit their Bids
Book Building Process/Book Building Method	Book Building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which the Issue is being made
BRLM/Book Running Lead Manager/Lead Merchant Banker	Book Running Lead Managers to the Issue, in this case being Comfort Securities Limited
Business Day	Any day on which commercial banks in Mumbai are open for the business
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 in the Book Building Process
Cap Price	The higher end of the Price Band, above which Issue Price will not be finalized and above which no Bids will be accepted
Compliance Officer	The Compliance Officer for the Issue, being Ms. Anubhuti Shukla
Controlling Branches	Such branches of the SCSB which coordinate under this Issue by the ASBA Bidders with the BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available on http://www.sebi.gov.in
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the Book Running Lead Manager. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding Rs. 2

Terms	Description
	Lacs. QIBs and Non- Institutional Bidders are not entitled to Bid at the Cut-off Price
CSL	Comfort Securities Limited
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details
Depositories	Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Form used by ASBA Bidders, a list of which is available at http://www.sebi.gov.in
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus	The draft red herring prospectus dated 7th March, 2012 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the number of shares being offered pursuant to the Issue
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Engagement Letter	The engagement letter dated 9th September, 2011 between our Company and the BRLM
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into between our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof
Escrow Collection Bank(s)	The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened
First/ Sole 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 at or above which the Issue Price will be finalized, and below which no Bids will be accepted
IPO Grading Agency	[●]
Issue	Initial public offering of [●]Equity Shares of Rs. 10 each at a price of Rs [•] per Equity Share for cash (including share premium of Rs. [•] per share) aggregating up to Rs. 6,000 Lacs (herein referred to as "the Issue"). The Issue shall constitute [•] of the fully diluted post issue capital of our Company
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus, as determined by our Company in consultation with BRLM on the Pricing Date. Provided that for the purposes of the

Terms	Description
	Anchor Investors, this price shall be the Anchor Investor Issue Price
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being upto Rs. 6,000 Lacs. For further information about use of the Issue Proceeds and the Issue expenses, please refer to the section titled *"Objects of the Issue"* on page 61
Listing Agreement	Equity listing agreements to be entered into by our Company with the Stock Exchanges
Margin Amount	The amount paid by the Bidder at the time of submission of the Bid, being 100% of the Bid Amount
Mutual Funds	A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996
Memorandum of Understanding	The arrangement entered into on 2nd March, 2012 between our Company, and BRLM pursuant to which certain arrangements are agreed in relation to the Issue
Mutual Fund portion	5 per cent of the Net QIB Portion available for allocation to Mutual Funds only
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue related expenses, please refer to the section titled "*Objects of the Issue*" beginning on page 61 of the Draft Red Herring Prospectus
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allotted to Anchor Investors
Non-Institutional Portion	The portion of the Issue being not less than 15 percent of the Issue available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 200,000 (but not including NRIs other than Eligible NRIs)
Non – resident/NR	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
OCBs/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest/particpate in this Issue
Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bid/ Issue Date and extending until two Working Days after the Bid/ Issue Closing Date in the event the Anchor Investor is required to pay any additional amount due to the Issue Price being higher than the Anchor Investor Issue Price and in case of others, it is the period commencing on the Bid / Issue Opening Date and continuing till the Bid / Issue Closing Date
Price Band	Being the price band of a minimum price of Rs. [●] per Equity Share (Floor Price) and the maximum price of Rs. [●] per Equity Share (Cap Price)(both inclusive), and including revision thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised at least two Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) and Regional newspaper of wide circulation
Pricing Date	Means the date on which our Company, in consultation with the BRLM, finalizes the Issue Price
Prospectus	The Prospectus, filed with the RoC in accordance with section 60 of the Companies Act, containing, inter alia, the Issue Price that is determined at

Terms	Description
	the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the bank accounts of ASBA Bidders maintained with the SCSBs on the Designated Date
Qualified Institutional Buyers or QIBs	The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investor and sub-accounts registered with SEBI (other than subaccounts being foreign corporates or foreign individuals), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated 23rd November, 2005 of the Government of India published in the Gazette of India, insurance funds setup and managed by the Department of Posts, India and insurance funds set up and managed by the army, navy and air force of the Union of India.
QIB Portion	The portion of the Issue being up to 50 % of the Issue, i.e. up to [●] Equity Shares of Rs. 10 each available for allocation to QIBs (Including the Anchor Investor Portion)
Qualified Purchasers or QPs	Qualified Purchasers as defined in section 2(a)(51) and related rules of the Investment Company Act
Red Herring Prospectus/ RHP	Document issued in accordance with Section 60B of the Companies Act and does not have complete particulars on the price at which the Equity Shares are offered and the number of Equity Shares offered pursuant to the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing with RoC after the Pricing Date
Registrar/Registrar to the Issue	Registrar to the Issue being Sharepro Services (India) Private Limited, 13 AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Mumbai – 400 072
Retail Portion	Consists of [●] Equity Shares of Rs. 10 each aggregating upto Rs. [●], being not less than 35% of the Issue, available for allocation to Retail Individual Bidder(s)
Retail Individual Bidders	Individual Bidders who have Bid for Equity Shares for an amount not more than Rs. 2,00,000 (net of retail discount, if any) in any of the bidding options in the Issue(including HUFs applying through their Karta and does not include NRIs other than Eligible NRIs)
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Form(s)
Refund Account	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding to the ASBA Bidders) shall be made.
Refund Banker/ Refund Bank(s)	[●]
Refunds through electronic	Refunds through ECS, Direct Credit, RTGS or the ASBA process, as

Terms	Description
transfer of funds	applicable
Legal Advisors to the Issue	Legal Advisors to the Issue being Arpan M Rajput & Co.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf or at such other website as may be prescribed by SEBI from time to time.
Securities Act	U.S. Securities Act of 1933, as amended
Stock Exchanges	The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited
Sub Syndicate Member	A SEBI registered member of BSE and / or NSE appointed by the BRLM and / or Syndicate Member to act as a Sub Syndicate Member in the Issue
Syndicate Agreement	Agreement to be entered into amongst the BRLM, Syndicate Member(s) and our Company in relation to the collection of Bids (excluding Bids by ASBA Bidders) in the Issue
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the BRLM and in this case, being [•]
Syndicate	Collectively, the Book Running Lead Managers , the Syndicate Members and the Sub Syndicate Members
TRS or Transaction Registration Slip	The slip or document issued by member of the Syndicate or the SCSBs (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
U.S. Person	As defined in Regulation S under the Securities Act
U.S. QIBs	Qualified Institutional Buyers, as defined in Rule 144A under the Securities Act
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
Working Days	Unless the context otherwise requires: (i) Till the Bid / Issue closing date: All days other than a Saturday, Sunday or a public holiday; (ii) Post the Bid / Issue closing date: All days other than a Sunday or a public holiday And on which commercial banks in Mumbai are open for business in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated 22nd April, 2010

COMPANY RELATED TERMS

Terms	Description
AOA/Articles/ Articles of Association	Articles of Association of Harisons Steel Limited
Auditors	The Statutory Auditors of Harisons Steel Limited being M/s. Rajesh Ramesh Shah & Co., Chartered Accountants
Bankers to our Company	Such entities which are disclosed as Bankers to our Company in the section titled *"General Information"* beginning on page 38 of the Draft Red Herring Prospectus
Board of Directors / Board or our Board	The Board of Directors of Harisons Steel Limited, duly constituted from time to time, including any committee thereof
Corporate Office of our Company	11, Shree Pant Niketan, 33 Road, Khar (West), Mumbai, Maharashtra, India- 400 052

Terms	Description
Director(s)	Director(s) of Harisons Steel Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Harisons Steel Limited
Project	Setup of rolling mill with a proposed installed capacity of 30,000 MTs per annum, to part-finance incremental working capital requirements
Promoters	Promoters of the Company being Mr. Daulat Hariram Fulwadhya, Mr. Ashok Hariram Fulwadhya, Mr. Manish Daulatram Fulwadhya and Mr. Ankush Ashok Fulwadhya
Promoter Group	Our Promoter Group as defined under Clause 2 (zb) of the SEBI (ICDR) Regulations, 2009 including natural persons who form part of our Promoter Group and Promoter Group Companies and Entities
Promoter Group Companies/Group Companies / /Promoter Group Entities	Harisons Ferro Alloys (Mumbai) Private Limited, Dollar Industries & Goga Ice & Cold Storage
Registered Office of our Company	Plot No. 1, Gut No. 194 (Part of Village),Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312;
RoC / Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra

TECHNICAL / INDUSTRY RELATED TERMS / ABBREVIATIONS

ABBREVIATION/ACRONYM	FULL FORM
A	Ampere
ACSR	Aluminum Conductor Steel Reinforced
A.O.D	Argon Oxygen Decarburization
CENVAT	Central Value Added Tax
CIF	Crucible Induction Furnace
CFT	Cubic Feet
CPU	Central Processing Unit
DG	Diesel Generator
EAF	Electric Arc Furnace
IF	Induction Furnace
KA	Kilo Ampere
KW	Kilowatt
KVA	Kilo Volt Ampere
KV	Kilo Volt
M^3/hr	Cubic meters per hour
M.S.	Mild Steel
MTs	Metric Tonnes
Mold Jacket	To mold stainless steel into ingots and billets
S.S.	Stainless Steel
Sq. Mtr	Square Meter
SEN	Submerged Entry Nozzle
TMT	Thermo Mechanically Treated

ABBREVIATION/ACRONYM	FULL FORM
Tundish	Used to transfer liquid metal from ladle into mold jackets
TUV	Abbreviation of a German term Technischer Überwachungs-Verein also termed asTechnical Inspection Association
VOD	Vaccum Oxygen Decarborisation
^{o}C	Degree Celsius

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

FINANCIAL DATA

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is extracted from (i) the restated financial statements of our Company for Fiscal Years 2011, 2010, 2009, 2008 and 2007 and for the six months period ended 30th September, 2011 prepared in accordance with the applicable provisions of the Companies Act and the SEBI Regulations and set out in the section titled "*Financial Information*" on page 145. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. 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. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company has 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. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

CURRENCY OF PRESENTATION

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "$", "US$", "USD", "U.S.$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Red Herring Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Draft Red Herring Prospectus, throughout all figures have been expressed in Lacs. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

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

INDUSTRY & MARKET DATA

Unless otherwise stated, Industry & Market data used throughout this Draft Red Herring Prospectus has been obtained from internal company reports and Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal company reports, while believed by us to be reliable, have not been verified by any independent sources.

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.

For additional definitions, please refer the section titled *"Definitions and Abbreviations"* on page 1 of this Draft Red Herring Prospectus.

FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Red Herring Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "project", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Draft Red Herring Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- Our ability to successfully implement strategy, growth and expansion plans;
- Our dependence on key personnel;
- Government approvals;
- Our ability to comply with the financial conditions and other covenants of our borrowings;
- General economic and business conditions in India and other countries;
- Changes in political conditions in India as well in overseas countries;
- Occurrence of natural disasters or calamities affecting our areas of operations;
- A slowdown in economic growth in India as well as overseas;
- Changes in the foreign exchange control regulations in India and fluctuations in foreign exchange rates;
- Changes in the regulatory framework governing us;
- Any downgrading of India's debt rating by an independent agency.

For further discussion of factors that could cause Company's actual results to differ, see the section titled *"Risk Factors", "Our Business"* and *"Management Discussion and Analysis of Financial Condition and Results of Operations'* beginning on pages 14, 95 and 179 respectively of this Draft Red Herring Prospectus. By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Forward looking statements reflects views as of the date of the Draft Red Herring Prospectus and not guarantee of future performance. Neither our Company, our Directors and officers and the BRLM nor any of the Syndicate Members nor any of their respective affiliates has any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of the grant of listing and trading approvals by the Stock Exchanges.

SECTION II

RISK FACTORS

An Investment in equity involves a higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Red Herring Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.

Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Red Herring Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the " Financial Information" included in this Draft Red Herring Prospectus beginning on pages 95, 179 and 145 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.

Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

INTERNAL RISK FACTORS

1. **Our Company, Promoters are involved in various litigation, the outcome of which could adversely affect our business and financial operations.**

   Summary of litigations are given below:

Sr. No.	Particulars	No. of cases / disputes	Amount involved where quantifiable (Rs. In Lacs)
LITIGATION BY AND AGAINST OUR COMPANY			
Cases filed by the Company			
Litigation involving criminal complaint		1	5.00#
Cases filed against the Company			
Indirect tax proceedings involving our Company			
1.	Related to Central Excise	4	333.74 ##
		1	Not quantifiable
Litigation involving Labour Laws		1	5.31#
LITIGATIONS INVOLVING OUR PROMOTERS			
1.	Central excise penalty appeal by our Promoters	4	48.00

The above liability is subject to interest charges.

##The above tax liabilities are subject to interest charges and penalty imposed by the Department, if any.

*For details of the above litigation, please refer to the section titled "*Outstanding litigation and material developments*" appearing on page 186 of this Draft Red Herring Prospectus.

2. **The Corporate Office of our Company is not owned by us.**

   The Corporate Office of our Company belongs to our Promoter, Mr. Daulat Hariram Fulwadhya and he has permitted us to use his premises as our Corporate Office for a monthly rent of Rs. 13,000/-. He is interested in the Company to the extent of the lease rentals received by him other than the extent of his shareholding and remuneration in the Company.

3. **Significant portion of our debtors are outstanding for a period of more than six months, which may adversely impact the results of operations of our Company.**

   The total debtors of our Company as on 30th September, 2011 are Rs. 4303.40 Lacs and the debtors outstanding for more than six months constitute Rs. 889.80 Lacs which consists of 20.68 % of total debtors. Though we percept all our debtors are recoverable, however if we can not recover our debtors, this would adversely impact our financial position and results of operations.

4. **Our Company may face risks of delays/non-receipt of the requisite regulatory approvals for our existing business operations and objects arising out of the Issue. Any delay in receipt or non-receipt of such approval could result in cost and time overrun.**

   We would be applying for various licenses, approvals, registrations at various stages of implementation for the proposed Project and for our existing business operations. Any delay in receipt or non-receipt of licenses or approvals that may be required for the proposed Project and for our existing business operations could result in cost and time overrun, and accordingly adversely affecting our operations and profitability. For details, please refer to section titled *"Government & other Approvals"* on page 194 of this DRHP.

5. **We have no experience in building and operating a rolling mill, which may affect our ability to effectively manage and operate this proposed unit and hence adversely affect our results of operations and financial condition.**

   The Company and its Promoters have been in the business of manufacturing stainless steel billets and ingots. The Company regularly supplies billets to rolling mills and also gets rolling done on a job work basis. We are aware of its functioning and infrastructure requirements, but have no experience in building and operating a rolling mill completely by itself. The Company would have to rely on its Key Managerial Personnel and technical staff deployed for effective implementation of this forward integration process. Accordingly, any inability to effectively manage and operate this proposed rolling mill could adversely affect our results of operations and financial conditions.

6. **We have not entered into any agreement with the suppliers for development of the Project for our proposed expansion as specified in the objects of the Issue. Any delay in entering into such agreements may delay the implementation schedule, which may also lead to increase in prices of these equipments in future affecting our costs, revenue and profitability.**

   We are yet to place orders for our plant & machinery required for our proposed expansion Project, as specified in the section titled *"Objects of the Issue"* on page 61 of this Draft Red Herring Prospectus. Any delay in procurement of plant & machinery, equipment etc may delay the implementation schedule. We may also be subject to risks on account of inflation in the price of plant & machinery and other equipments that we require. Hence our Project could face time and cost over-run which could have an adverse effect on the operations of our Company. Negotiations in respect of specification with suppliers have been commenced and the agreements will be entered in due course once the negotiations are completed and Issue proceeds are procured.

7. **We have not entered into any agreement with any architect for civil related work for our proposed Project.**

   We have not entered into any agreement with any architects or contractors for the entire civil work involved in the Project. Any delay in appointing these parties could adversely affect our business operations. Negotiations in respect of specifications with architect for civil work have been commenced and the agreements will be entered in due course once the negotiations are completed and Issue proceeds are procured.

8. **Delay in raising funds from the IPO could adversely impact the implementation schedule.**

   The proposed expansion, as detailed in the section titled *"Objects of the Issue"* is to be funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

9. **There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our Board of Directors, though it shall be monitored by the Audit Committee.**

   As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the Audit Committee of our Board, will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchanges and shall also simultaneously make the material deviations / adverse comments of the Audit Committee public through advertisement in newspapers.

10. **The Company has not appointed any independent agency for the appraisal of the proposed Project.**

    The Project, for which we intend to use our Issue proceeds as mentioned in the *"Objects of the Issue",* have not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our estimated long term working capital requirements may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

11. **We have substantial indebtedness and will continue to have debt service obligations following the Issue. The total amounts outstanding and payable by our Company as principal and interest were Rs. 3,115.70 Lacs as on 30th September, 2011.**

    The total amounts outstanding and payable by us as principal and interest on account of the loan arrangements with banks and other lenders as on 30th September, 2011 are Rs. 3,115.70 Lacs. Out of this, amounts outstanding and payable by us as secured loans were Rs. 2468.22 Lacs and as unsecured loans were 647.48 Lacs as on 30th September, 2011. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, see Annexure - X of section titled *"Financial Information of Our Company"* on page 168 of this Draft Red Herring Prospectus.

12. **Our lenders have charge over our movable and immovable properties in respect of finance availed by us.**

We have secured our lenders by creating charge over our movable and immovable properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding; please refer to Annexure-X of section titled "*Financial Information of our Company*" on page 168 of this DRHP.

13. **Our indebtedness and the conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.**

We have taken long term and short term credit facilities from Banks and may do so in the future for further fund requirements. As per the signed credit facilities agreements with them, we are subject to certain restrictive covenants and are required to obtain their prior consent for certain issues including raising of capital, declaration of dividend, formulate any scheme of amalgamation or reconstruction etc. There can be no assurance that we will be able to comply with these covenants or that we will be able to obtain the consents necessary to take the actions which we believe are required to operate and grow our business. An event of default under any of these loan arrangements, if not cured or waived, could have a material adverse effect on us.

14. **Contingent Liabilities could adversely affect our financial condition.**

As on 30th September, 2011, we have contingent liabilities of Rs. 1015.47 Lacs . The break-up of contingent liabilities is as follows:

(Rs. In Lacs)

Particulars	30.09.2011
Letter of Credit	473.00
Estimated amount of contracts remaining to be executed on capital account	75.00
Dispute with Central Excise Authorities	467.47*
Total	**1015.47**

* Net off Rs. 200 Lacs pre deposit as per High Court Order dated 06.10.2009.

In the event this liability gets crystallized, our financial condition may be affected. For further information see Annexure- V of section titled *"Financial Information of Our Company"* on page 156 of this Draft Red Herring Prospectus.

15. **We have reported negative cash flows.**

The detailed break up of cash flows is summarized in below mentioned table and our Company have reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

Particulars	30.09.2011	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Net Cash flow from Operative activities	310.17	157.92	279.67	(81.50)	(168.61)	(540.28)
Net Cash Flow from investing activities	(244.95)	(182.56)	(520.83)	(40.03)	(80.35)	(152.44)
Net Cash Flow from Financing activities	(80.20)	2.90	271.22	128.62	185.59	716.56

Particulars	30.09.2011	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Net Cash Flow for the Year	(14.98)	(21.75)	30.06	7.08	(63.37)	23.84

16. Our business has experienced growth in the past, which we may not be able to sustain in the future.

The total turnover of our Company has sustained the growth since FY 2006-07. Our Company has reported total income from operations of Rs. 15231.13 Lacs in fiscal 2009 as compared to Rs. 11586.12 Lacs in fiscal 2008 with a growth of 31.46%, Rs. 17225.41 Lacs in fiscal 2010 as compared to Rs. 15231.13 Lacs in fiscal 2009 showing an increase of 13.09%, Rs. 31223.30 in fiscal 2011 as compared to Rs. 17225.41Lacs in fiscal 2010 with a growth of 81.26%. We may not be able to sustain our growth or maintain a similar rate of growth in the future due to non-availability of professionals with necessary skill sets, decline in the demand for our products due to increased competition, and lack of management resources or due to a general slowdown in the economy. A failure to sustain our growth may have a material adverse effect on our financial condition and results of operations.

17. 94.49% of our Company's revenue for the six months period ended 30th September, 2011 was from a limited number of customers.

For the six months period ended 30th September, 2011, our top five customers constitute nearly 94.49% of our total revenue. Hence, we would be dependent on continuous business from these entities. We do not have long-term sales contracts with our customers. The sale to each customer is dependent on our ability to manufacture products of acceptable quality that meet the customer's specifications and to deliver such products on a timely basis. In the event of our inability to meet their requirements or expectations for reasons within or beyond our control leading to any loss or significant reduction in business from these customers, would adversely affect our revenues and thereby our profitability.

18. As on 30th September, 2011, 85.17 % of the total purchases was from a limited number of suppliers.

As on 30th September, 2011, top five suppliers constituted 85.17% of the total purchases of the Company. Company's dependency on few suppliers could affect the financial position and operations of the Company if these suppliers fail to provide the raw materials of specified quality and quantity at proper time at reasonable rates to the company.

19. Upon completion of the Issue, our Promoters / Promoter Group may continue to retain significant control over us, which will allow them to influence the outcome of matters submitted to the shareholders for approval.

Upon completion of this Issue, our Promoters / Promoter Group will continue to own majority of our Equity Shares on a fully diluted basis. As a result, our Promoters / Promoter Group will have the ability to exercise significant influence over all matters requiring shareholders approval, including the election of directors and approvals of significant corporate transactions. Our Promoters / Promoter Group will also be in a position to influence any shareholders action or approval requiring a majority vote, except where it is required by applicable laws or where they abstain from voting. Such a concentration of ownership may also have the effect of delaying or deterring a change in control.

20. Our Promoter Group entity have objects similar to that of our Company's business and this could lead to a potential conflict of interest.

M/s. Harisons Ferro Alloys (Mumbai) Private Limited, Promoter Group Company incorporated to carry out activities which are similar to the main objects as set out in the MOA of our Company. However, M/s. Harisons Ferro Alloys (Mumbai) Private Limited has not commenced its business since its incorporation. There could exist conflict of interests arising out of common pursuits between our Promoter Group Entities and our Company in future. Our Company has entered into a non-compete agreement with M/s. Harisons Ferro Alloys (Mumbai) Private Limited wherein as per the terms of the agreement, M/s. Harisons Ferro Alloys (Mumbai) Private Limited would not enter into similar kind of business with that of ours in the western zone of India covering the States of Maharashtra, Gujarat, Rajasthan, Goa and Daman & Diu .

21. We have not registered the Company's trademark in the name of "Harisons Steel Limited" and our ability to use the brand name and logo may be impaired.

Our corporate logo and trademark in the name of "Harisons Steel Limited" which we use on our products, packaging, and other important written correspondence has not been registered with any statutory/ regulatory authority in our name. We hence face the risk of counterfeiting and duplicity. Also, in case some other entity registers the same logo and name as a trademark we will not be able to make use our logo in connection with our business and consequently, we may be unable to capitalize on the brand recognition associated with the same. Accordingly, we may be required to invest significant resources in developing a new brand.

22. Our existing and proposed manufacturing operations are geographically located at one place i.e. in Thane district near Mumbai. Hence, we may face the risk of geographical non-diversification of manufacturing facilities.

Although we exercise centralized control, being a single point manufacturing facility will prove to be disadvantageous at times because of any disruption on account of labour unrest, power failures, natural calamities, or civic unrest. Our operations will have to be stalled which will impact our production, delivery of goods and financial results. Also any changes in market dynamics in the stainless steel industry whereby the new market is far from our existing location shall increase our risk of being noncompetitive due to lack of geographical diversification.

23. Our business is dependent on our manufacturing facility. The loss of or shutdown of operations of our manufacturing facility may have a material adverse effect on our business, financial condition and results of operations.

Our manufacturing facility is 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, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. We carry out planned shutdowns of our plant for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facilities, including due to any of the factors mentioned above.

24. We are dependent on third-party transportation providers for supply of raw materials and delivery of products. Increase in transport costs, delay or accidents in transportation will affect our manufacturing activities and subsequently our reputation and goodwill in the market.

Transportation strikes by members of various Indian truckers' unions have had in the past, and could also have in the future, an adverse effect on the receipt of raw material and our ability to deliver our products on time. Port strike, disruption of services of railways and/or non-

availability of rakes/wagons may affect the material movement leading to stoppage of production/delay in delivery of stocks. In addition, transportation costs have been steadily increasing. Continuing increases in transportation costs may have an adverse effect on our business profitability and results of operations. Also, accidents of our third party transportation vehicles could lead to delays in the supply of raw materials or final goods and loss of goods.

25. The Company has not entered in to any agreements/contracts for the supply of raw material and other utilities. Risks related to shortfall or non-availability of raw material, fuel supplies and other utilities may adversely affect our manufacturing processes and have an adverse impact on our operations and financial condition.

We procure scrap by importing and also procure through domestic and other local dealers. We have not entered into any formal agreement with our suppliers, and hence we cannot be assured that all our raw material requirements will continue to be met by the suppliers. Our inability to obtain high quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules besides increasing cost of production, which may result in us losing some customers and hence could lead to reduction in revenues. We purchase our utilities and fuel supplies from the local market from time to time and there are no formal purchase agreements for the same. Hence we also face market risks for each of these products.

26. Our insurance coverage may not adequately protect us against certain operating risks and this may have a material adverse impact on our business.

We have maintained insurance coverage of our assets to the tune of Rs. 2265.95 Lacs as specified in section titled *"Insurance Policies"* on page 107 of the Draft Red Herring Prospectus. We believe that the insurance coverage maintained, would reasonably cover all normal risks associated with the operation of our business, however, there can be no assurance that any claim under the insurance policies maintained by us will be met fully, in part or on time. In the event we suffer loss or damage that is not covered by insurance or exceeds our insurance coverage, our results of operations and cash flow may be adversely affected.

27. Accidents in our factory may lead to public liability consequences. Further, the value of our brand, and our revenue could be diminished if we are associated with negative publicity.

Occurrence of accidents at our manufacturing facility may expose our Company to pay compensation and penalty to our workmen and third parties for any losses or damage to human life/health or the environment.

28. Rise in input costs may affect our profitability.

The input costs of the products of the Company may increase due to various reasons. In case the Company is not able to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

Management Perception

The Company constantly endeavors to procure raw materials at the lowest prices by using its long-term association with the suppliers and constantly developing new sources. The Company also follows prudent pricing policy to keep the costs under check. The risk on account of price fluctuation in raw material is reduced to a significant extent by passing incremental raw material cost to the prices of finished products thereby insulating the Company from fluctuation in raw material prices. Profitability will depend upon the extent up to which the Company is able to pass on the burden of rise in the price of raw material to the consumers.

29. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

30. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoters, Group Companies/Entities, Directors and related entities. While we believe that all such transactions have been conducted on the arms length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section *titled "Related Party Transactions"* at page 143 of this DRHP.

31. Changes in technology may affect our business by making our equipment or products less competitive or obsolete.

Our future success will depend in part on our ability to respond to technological advances and emerging stainless steel industry standards and practices on a cost-effective and timely basis. Changes in technology and product preferences may make newer stainless steel units or equipment more competitive than ours or may require us to make additional capital expenditures to upgrade our facilities. If we are unable to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business, financial performance and the trading price of our Equity Shares could be adversely affected.

32. The stainless steel industry is highly competitive.

The Company believes that the key competitive factors affecting its business include access to low cost raw materials, product quality, changes in manufacturing technology, skilled workforce and productivity, cash operating costs, pricing power with large buyers, access to outside funds and degree of regulation. In particular, the Company faces competition from other stainless steel manufacturers, some of which have greater resources and larger production capacities. In addition, a variety of known and unknown events could have a material adverse impact on the Company's ability to compete. For example, changes in the level of marketing undertaken by competitors, governmental subsidies provided to foreign competitors, dramatic reductions in pricing policies, irrational market behavior by competitors, increases in tariffs or the imposition of trade barriers, could all affect the ability of the Company to compete effectively. Any such event could have a material adverse impact on the Company's results of operations and financial condition.

33. The prices of stainless steel are highly volatile which could adversely affect our business and results of operations.

Since the manufacturing of stainless steel entails a high proportion of fixed costs, the producers generally seek to maintain high capacity utilization. If capacity exceeds demand, there is a tendency for prices to fall sharply. Conversely, if demand grows strongly, the prices increase rapidly since the expansion of capacity requires long lead times. Thus, the prices of stainless steel remain volatile.

34. Our business is subject to government regulations and requires periodic approvals and renewals and changes in these regulations or in their implementation, or our failure to obtain or renew certain approvals or licenses in the ordinary course of business in a timely manner or at all, may adversely affect our operations.

Our business is subject to government regulations that include regulations and policies issued by the Ministry of Environment and the State Pollution Control Board. We require certain approvals, licences, 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. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. Furthermore, our government approvals and licenses are subject to numerous conditions, some of which may be onerous and require us to make substantial expenditure. For more information, please see the section entitled *"Government & Other Approvals"* on page 194 of this Draft Red Herring Prospectus. If we fail to obtain any of these approvals or licences, or renewals thereof, in a timely manner, or at all, our business could be materially and adversely affected.

35. The stainless steel industry is cyclical in nature and factors affecting the demand for, and production of steel affect our results of operations.

The stainless steel industry is cyclical in nature, sensitive to general economic conditions and the condition of certain other industries. Future economic downturns or stagnant economies conditions in India or our key global markets could adversely affect our business and results of operations. Over the past few years, the demand for stainless steel has fluctuated and may fluctuate in the future due to a number of factors, including any downturn in purchases by traditional bulk stainless steel end users such as utensils manufacturers, auto component, automobile and infrastructure industries, slowdown in basic manufacturing and construction industry in India or abroad, availability and price of key raw materials, many of which are beyond our control. Further, China is a major consumer and producer of stainless steel in the world and any adverse developments therein shall impact the stainless steel industry globally.

Production of stainless steel has varied from year to year, depending upon demand and consolidation in the industry. Unfavorable changes in the demand for stainless steel, due to changes in customer preferences, government policies and other factors may adversely affect the steel industry and our business and results of operations. Demand for our products is sensitive to changes in industry capacity and output levels, cyclical changes in regional and global economic conditions and changes in consumer demand. A downturn in any of the key markets for steel can have a significant impact on the selling prices of our products and on our results of operations.

EXTERNAL RISK FACTORS

36. Political, economic and social changes in India could adversely affect our business

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government of India policies, including taxation. Social, political, economic or other developments in or affecting India could also adversely affect our business. Since1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. The rate of economic liberalization could change, and specific laws and policies affecting infrastructure projects, foreign investment and other matters affecting investment in our Equity Shares could change as well. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares. India's economy could be adversely affected by a general rise in interest rates, adverse

weather conditions affecting agriculture, commodity and energy prices as well as various other factors. Slowdown in the Indian economy could adversely affect the policy of the Government of India towards infrastructure, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

37. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations

The revenues recorded and income earned in various jurisdictions where we are operating are taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year. Taxes and other levies imposed by the central or state governments in India that affect the industry in which our Company operates includes customs duties, excise duties, VAT, Income tax, service tax and other taxes, duties or surcharges introduced from time to time. The Central and state tax scheme in India is extensive and subject to change from time to time.

38. Natural calamities and force majeure events may have an adverse impact on our business.

Natural disasters may cause significant interruption to our operations, disruption to our project sites and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

39. We are subject to risks arising from interest rate fluctuations on our borrowings, which could adversely affect our business, financial condition and results of operations.

Increases in interest rates could significantly affect our financial condition and results of operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt could be adversely affected with a concurrent adverse effect on our business, financial position and results of operations.

40. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of IFRS may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognised during that period.

In addition, in our transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, our transition may be hampered by increasing competition for the relatively small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by an agreed deadline could have a material adverse effect on the price of our Equity Shares.

41. Any increase in labour costs due to wage increases, strikes or claims arising from accidents could materially affect our business operations and financial condition.

Currently, our employees are not represented by any labour unions. We may hire additional employees as our business expands. Although in the past, we have not experienced any strikes, there is no assurance that we will not experience future disruptions to business operations due to problems with our workforce. If labour costs increase, our business operations and financial condition could be materially affected.

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

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

43. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, financial, banking or liquidity crises, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Our profitability may also be adversely affected by fixed costs and the possible inability to scale back other costs within a time frame sufficient to match any decreases in revenue relating to changes in market and economic conditions. Additionally, during periods of adverse economic conditions, we may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments and acquisitions. A general market downturn, or a specific market dislocation, may result in lower investment returns, which would adversely affect our revenues.

44. Restrictions on foreign investment limit our ability to raise debt or capital outside India.

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board. The Government of India has permitted 100% foreign direct investment, without prior approval.

45. Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.

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

46. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

RISKS RELATING TO THE EQUITY SHARES

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

The prices of our Equity Shares on the Indian Stock Exchanges may fluctuate after this Issue as a result of several factors, including:

- Volatility in the Indian and global securities market or in the Rupee's value relative to the U.S. dollar, the Euro and other foreign currencies;
- Performance of the competitors and the perception in the market about investments in the industry;
- Adverse media reports on our Company or the industry;
- Changes in the estimates of our Company's performance or recommendations by financial analysts;
- Significant developments in India's fiscal and environmental regulations.
- There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the prices at which our Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.
- Our share price may be volatile post-listing. Also, no assurance can be given that an active trading market for our Equity Shares will develop or as to the liquidity or sustainability of any such market, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which shareholders will be able to sell their Equity Shares. If an active market for the Equity Shares fails to develop or be sustained, the trading price of the Equity Shares could fall. If an active trading market were to develop, the Equity Shares could trade at prices that may be lower than their Issue Price.

48. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.

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

49. We will require final listing and trading approvals from the BSE and the NSE prior to the commencement of trading of our Equity Shares.

Our Equity Shares are a new issue of securities for which there is currently no trading market. We will apply to the Stock Exchanges for final listing and trading approvals after the allotment of the Equity Shares in the Issue. There can be no assurance that our Company will receive such approvals on time or at all.

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

Once listed our Equity Shares will be subject to a daily circuit breaker imposed 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 do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits 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.

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

Our Company has not paid annual dividends in the last five years. The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, the financial performance of our Subsidiary, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

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

Under the SEBI Regulations, we are permitted to allot the Equity Shares within 12 days of the Bid/Issue Closing Date. Consequently, the Equity Shares you purchase in the Issue may not be credited to your demat account with Depository Participants until approximately 12 days after the Bid/Issue Closing Date. You can start trading in the Equity Shares only after they have been credited to your demat account and final listing and trading approvals are received from the Stock Exchanges. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time periods.

PROMINENT NOTES:

1) **SIZE OF THE ISSUE**:

Initial public offering of [●] Equity Shares of Rs. 10 each at a price of Rs [•] per Equity Share for cash (including share premium of Rs. [•] per share) aggregating up to Rs.6,000 Lacs (herein referred to as "the Issue"). The Issue would constitute [●]% of the fully diluted post Issue paid-up capital of the Company.

2) The average cost of acquisition of Equity Shares by the Promoters:

Name of the Promoters	Average cost of Acquisition (in Rs.)*
Mr. Daulat Hariram Fulwadhya	Rs. 2.5
Mr. Ashok Hariram Fulwadhya	Rs. 2.5
Mr. Manish Daulatram Fulwadhya	Rs. 2.5
Mr. Ankush Ashok Fulwadhya	Rs. 2.5

**The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them. For more information, please refer to the section titled "Capital Structure" on page 48.*

3) Our Net worth as on 30th September, 2011 is Rs. 1,938.90 Lacs as per Restated Financial Statements.

4) The Book -Value per share as on 30th September, 2011 is Rs. 19.46 as per Restated Financial Statements.

5) There was no change in the name of the Company at any time during last three years immediately preceding the date of filing of this offer document, except that the constitution of our Company was changed to a public limited company and consequently our name was changed to "Harisons Steel Limited" pursuant to a fresh certificate of incorporation issued by the RoC, Mumbai, Maharashtra on 6th April, 2011.

6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the Bombay Stock Exchange Limited, the Designated Stock Exchange. For more information, please refer to *"Basis of Allotment"* on page 250 of the Draft Red Herring prospectus.

7) Investors are advised to refer to the paragraph on *"Basis for Issue Price"* on page 72 of this Draft Red Herring Prospectus before making an investment in this issue.

8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.

9) Investors may contact the BRLM or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the BRLM and the Compliance Officer, refer the front cover page.

10) Other than as stated in the section titled *"Capital Structure"* beginning on page 48 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration other than cash.

11) Except as mentioned in the sections titled *"Capital Structure"* beginning on page 48 of this Draft Red Herring Prospectus, we have not issued any Equity Shares in the last twelve months.

12) Trading in Equity Shares of our Company for all the Investors shall be in dematerialized form only.

13) The Issue is being made through a 100% Book Building Process wherein up to 50% of the Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") (including 5% thereof to be allocated to Mutual Funds). Further, atleast 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional bidders and atleast 35% of the Issue will be available for allocation on a proportionate basis to the Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

14) Except as disclosed in the sections titled *"Our Promoters"* or *"Our Management"* beginning on pages 135 and 121 respectively 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 or held by the companies, firms and trusts in which they are interested as directors, member, partner and/or trustee and to the extent of the benefits arising out of such shareholding.

15) Any clarification or information relating to the Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the BRLM for any complaints pertaining to the Issue. Investors are free to contact the BRLM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.

16) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled *"Capital Structure"* on page 48 of this Draft Red Herring Prospectus.

17) Our Company and the BRLM shall update this DRHP in accordance with the Companies Act, 1956. All information shall be made available by our Company and the BRLM 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.

18) There are no contingent liabilities as on 30th September, 2011, except as mentioned in the section titled *"Financial Information"*on page 145 of this Draft Red Herring Prospectus.

19) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled *"Financial Information"*on page 145 of this Draft Red Herring Prospectus.

20) Except as disclosed in the section titled *"Our Promoter Group / Group Companies / Entities"* on page 138, none of our Group Companies have business interest in our Company.

21) For interest of Promoters/Directors, please refer to the section titled *"Our Promoters"* beginning on page no. 135 of this Draft Red Herring Prospectus.

22) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are as under:

I.	**Entities where significant influence exists of the Company or Key Managerial Personnel**	
	Sr.No.	**As on 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
	1	M/s Goga Ice & Cold Storage
	2	M/s Dollar Industries
	3	Harisons Ferro Alloys (Mumbai) Private Limited
II	**Joint Ventures in which significant influence of the Company exists**	
	Sr.No.	**As On 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
		N.A.
III.	**Key Management Personnel**	
	Sr. No.	**As On 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
	1	Daulat Hariram Fulwadhya
	2	Ashok Hariram Fulwadhya
	Relatives of Key Management Personnel	
	Sr. No.	**As On 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
	1	Manish Daulatram Fulwadhya
	2	Ankush Ashok Fulwadhya
	3	Kavita Manish Fulwadhya
	Transaction with entities where significant influence exists of the Company :	

(All Amounts Rs. in Lacs)

Sr. No.	Nature of Transaction	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
1	Loan Received	-	16.21	11.15	30.83	15.39	17.00
2	Loan Repaid	-	22.90	34.54	8.82	15.50	15.30
	Balance Outstanding at end						
	Due to Company	-	-	-	-	-	-
	Payable by Company	-	-	6.69	30.08	8.07	8.18
Transaction with Joint Venture where significant influence exists of the Company or Key Managerial Personnel:							
Sr.No.	**Nature of Transaction**	**30.09.11**	**31.03.11**	**31.03.10**	**31.03.09**	**31.03.08**	**31.03.07**
			N.A				
Transaction with Key Managerial Personnel & Relatives:							
							(All Amounts Rs. In Lacs)
Sr. No.	**Nature of Transaction**	**30.09.11**	**31.03.11**	**31.03.10**	**31.03.09**	**31.03.08**	**31.03.07**
1	Managerial Remuneration	12.00	12.00	3.00	4.50	5.00	5.00
2	Loan Repaid	228.73	48.34	94.24	36.81	0.49	-
3	Loans Received	187.24	39.12	16.89	59.61	50.18	10.00
4	Salary	-	6.00	-	-	-	-
5	Share Application Money Received / (Repaid)	-	(30.00)	30.00			-
	Balance Outstanding						
	Due to Company	-	-	-	-	-	-
	Payable by Company	15.56	54.64	17.26	128.88	103.08	48.40

SECTION III: INTRODUCTION

SUMMARY

This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Draft Red Herring Prospectus, including the information on "Risk Factors" and related notes on page 14 of this DRHP before deciding to invest in Equity Shares.

THE INDUSTRY OVERVIEW

Steel is a uniquely versatile material. It is involved in virtually every phase of our lives from housing, food supply and transport to energy delivery, machinery and healthcare. In fact, it is so versatile that pretty well everything people use every day is either made from steel or is provided by steel.

Steel has facilitated our quality of life, underpinned humankind's development and even helped us to understand our planet and the eco-systems it supports. Without being aware of it, society now depends on steel. Human kind's future success in meeting challenges such as climate change, poverty, population growth, water distribution and energy limited by a lower carbon world depends on applications of steel.

Steel's claim to be right for these times is not solely based on its claim as the most versatile man-made material. Recyclability is another of its key performance characteristics. Steel can be recycled again and again without loss of quality. This differentiates steel from many other materials where there is a loss in performance at each recycling.

India's rapid economic growth is being built on a frame of steel. Soaring demand by sectors like infrastructure, real estate and automobiles, at home and abroad, has put India's steel industry on the world map.

INDIAN STAINLESS STEEL INDUSTRY

India's production of stainless steel began in the late sixties of the last century at SAIL's Alloy Steel Plant at Durgapur, West Bengal. During the eighties of the last century, the Government changed its policies allowing the production of all types of steel in the secondary sector. New capacities for the production of stainless steel came up and the country's production reached about 170,000 tons in 1984-85. The eighties of the last century also saw the installation of AOD/VOD processes by some major Electric Arc Furnace (EAF) units resulting in the use of high carbon ferro-chrome for the first time in India which brought down the cost of production. Some smaller units started production through the Induction Furnace (IF) route by melting stainless steel scrap and recycling it into usable stainless steel.

With the down of the 21st Century, India has emerged as a net exporter of stainless steel products as well as fabricated and value – added components and kitchenware. Presently, the Indian stainless steel industry is capable of meeting all the critical requirement of the nuclear power installations and other process industries by supplying higher grades of stainless steel containing nickel and molybdenum.

INDIAN RE- ROLLED PRODUCTS INDUSTRY

There are approximately 2600 re-rolling mills throughout India, out of which approximately 1800 units are working inclusive of scrap re-roller in India. Out of total 1800, 1167 re-rolling mills are on the list of Government. The first Re-rolling Mill in the Country was installed in the year 1928 at Kanpur mainly for salvaging scrap materials.

The TOR steel, the flats, special squares window section, thinner size HR strips, thinner gaze HR strips, hexagons, wire rods, angles, channels, H-Beams, I-Beams, tele-channels etc. are the products of this sector.

The substantial quantities of steel rolled products are being exported to the various parts of the world in addition to all neighbouring Country like Bangladesh, Nepal and Bhutan. Various fabricated and steel items, which are produced out of the rolled products, are export to the most developed countries of the world like USA, Canada etc.

The estimated demand of the re-rolled products has been estimated at about eight million tonnes. The share of the secondary steel producers in India out of the total production of finished steel has been assessed at 59 percent which itself proves the achievement of this sector. The Steel re-rolling industry caters to the needs of the domestic field up to the tune of 68 percent of the total requirement. 80 percent of the total exports of rounds and bars have been recorded from the secondary steel producers. *(Source:http://www.msmefoundation.org)*

OVERVIEW OF THE BUSINESS

Our Company was originally incorporated as "Harisons Steel Private Limited" on 26th November, 1999 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. For further details in relation to the changes to the name of our Company, please refer to the section titled *"Our History and Corporate Structure"* beginning on page 118 of this Draft Red Herring Prospectus.

We are currently engaged in the manufacturing of stainless steel ingots and billets of various grades and sizes. However in the recent past, manufacturing of stainless steel billets comprise the main thrust of our business. In order to complete the value chain by providing the synergy of forward integration, we plan to set up a rolling mill wherein these billets will be utilized for captive consumption.

Our manufacturing unit is located at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312. Our unit is equipped with state –of – art infrastructure facilities & technology.

We started our commercial production in 2001 with an installed capacity of 30,000 MTs per annum of mild steel ingots/billet/slabs. In the year 2007, we have expanded our operations by venturing in to production of stainless steel ingots/billets/blooms/slabs/runners/risers.

We are an ISO 9001: 2008 Company certified for all areas of operation and have been awarded the "TUV" Certification.

Our core competencies are our in-house technical knowledge, skilled workforce and well-equipped manufacturing facility which enable us to manufacture S.S. ingots and billets in diverse variations to meet varied client requirements.

SWOT

Strengths

- Existing customer base
- In depth knowledge of Industry-commercial & technical
- Established manufacturing facility
- Experienced Promoters, skilled and dedicated manpower

Weaknesses

- Lack of comprehensive value chain in-house
- Inadequate international exposure
- Dependent upon few customers for our business

Opportunities

- Benefits of economies of scale by installation of oxygen & nitrogen gas plant
- Explore untapped markets and segments
- Expand our existing customer base through expansion of our existing product portfolio

Threats

- Industry is prone to changes in government policies, any material changes in the duty or international raw material prices may adversely impact our financials.
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.
- Sluggish industrial growth
- Threats of substitute

SUMMARY OF FINANCIAL DATA

The following tables set forth summary financial information derived from our restated financial statements as of and for the years ended March 31, 2007, 2008, 2009, 2010, 2011 and for the period ended September 30, 2011. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI ICDR Regulations and presented under the section titled *"Financial Information"* on page 145. The summary financial information presented below should be read in conjunction with the chapter titled *"Management Discussion and Analysis of Financial Conditions and Results of Operations"* and *"Financial Information"* on pages 179 and 145 respectively.

ANNEXURE – I
RESTATED SUMMARY STATEMENT OF ASSETS AND LIABLITIES

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Assets						
Fixed Assets-Gross Block	1782.50	1703.99	1217.06	1110.81	1081.61	1144.62
Less: Depreciation	724.93	657.61	564.25	517.41	432.40	410.85
Net Block	**1057.57**	**1046.39**	**652.81**	**593.40**	**649.21**	**733.77**
Capital Work in Progress	283.86	117.00	408.63	19.37	7.04	-
Total (A)	**1341.43**	**1163.39**	**1061.43**	**612.78**	**656.26**	**733.77**
Investments (B)	-	-	7.00	7.00	7.00	7.00
Current Assets, Loans and Advances						
Inventories (as taken, valued and certified by management)	2832.52	2763.75	2537.18	2027.41	2783.82	1722.28
Sundry Debtors	4303.40	1802.97	1254.83	928.62	1065.86	101.14
Cash & Bank Balances	9.99	24.97	46.72	16.66	9.57	72.94
Loans & Advances	1837.23	1114.64	554.82	474.45	649.48	471.82
Total Current Assets (C)	**8983.15**	**5706.33**	**4393.55**	**3447.14**	**4508.73**	**2368.18**
Total Assets (D) = (A) + (B) + (C)	**10324.58**	**6869.72**	**5461.98**	**4066.92**	**5171.99**	**3108.95**
Liabilities & Provisions						
Loan Funds :						
Secured Loans	2468.22	2280.61	1979.51	1747.63	1836.94	1421.57
Unsecured Loans	647.48	718.94	666.97	803.16	720.61	742.37
Current Liabilities & Provisions:						
Current Liabilities	4787.94	1787.78	1279.73	751.11	2257.32	590.74
Provisions	436.20	310.57	104.62	4.70	4.00	2.42
Deferred Tax (Asset) / Liability (net)	45.84	49.46	33.50	24.18	21.41	28.80
Total Liabilities & Provisions (E)	**8385.68**	**5147.35**	**4064.33**	**3330.78**	**4840.28**	**2785.90**
Net Worth (D) - (E)	**1938.90**	**1722.37**	**1397.64**	**736.14**	**331.71**	**323.05**
Represented By:						
Equity Share Capital	996.59	996.59	249.15	232.15	192.15	192.15
Share Application Money	-	-	30.00	-	-	-
Reserves & Surplus	958.98	725.78	1118.50	503.99	139.57	130.90
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	16.67	-	-	-	-	-
Total Net Worth	**1938.90**	**1722.37**	**1397.64**	**736.14**	**331.71**	**323.05**

Notes: The above statement should be read with the Notes on Adjustments to Restated Financial Statements, Significant Accounting policies and notes to Accounts as appearing in Annexures IV and V.

ANNEXURE-II
RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Income						
Sales of products Manufactured	15906.26	32525.35	17835.36	17136.16	11030.84	3508.84
Less: Excise Duty	1495.91	3009.67	1452.47	1928.52	148.09	493.84
Net Sales of products Manufactured	**14410.36**	**29515.68**	**16382.89**	**15207.64**	**10882.75**	**3015.01**
Sales of products Traded	255.75	1697.83	821.60	-	633.23	101.96
Total Sales	**14666.11**	**31213.51**	**17204.49**	**15207.64**	**11515.98**	**3116.97**
Other Income	2.99	9.79	20.92	23.49	70.14	2.69
Increase/(Decrease) in Inventories	(369.11)	(73.46)	378.16	(491.90)	1081.03	110.20
Total	**14299.99**	**31149.84**	**17603.58**	**14739.24**	**12667.15**	**3229.86**
Expenditure						
Cost of Materials	12910.06	27861.41	15605.29	13761.41	11110.41	2018.57
Cost of Traded Goods	231.00	1140.46	507.91	-	319.60	201.83
Manufacturing Overheads	443.76	932.87	687.60	539.43	838.47	737.90
Personnel Expenses	72.79	130.24	63.52	41.70	53.14	14.70
Administration & Selling Expenses	50.00	126.51	41.12	35.69	29.02	23.45
Total	**13707.6**	**30191.49**	**16905.44**	**14378.23**	**12350.64**	**2996.45**
Profit before Depreciation, Interest and Tax	**592.38**	**958.35**	**698.14**	**361.01**	**316.51**	**233.41**
Depreciation	68.64	93.36	75.40	85.01	101.45	93.58
Profit before Interest & Tax	**523.74**	**864.99**	**622.74**	**276.00**	**215.06**	**139.83**
Financial Expenses	174.91	294.82	302.22	267.10	213.37	132.96
Net Profit before Tax	**348.83**	**570.18**	**320.52**	**8.89**	**1.69**	**6.87**
Less: Taxation -Current Tax	119.25	199.50	104.69	1.10	0.01	1.51
Deferred Tax	(3.62)	15.95	9.33	2.77	(7.39)	0.70
Fringe Benefit Tax	-	-	-	0.59	0.40	0.14
Net Profit After Tax &Before Extra OrdinaryItems	**233.20**	**354.72**	**206.50**	**4.43**	**8.67**	**4.52**
Extra Ordinary Items (Net of tax)	-	-	-	-	-	-
Net Profit AfterExtra OrdinaryItems	**233.20**	**354.72**	**206.50**	**4.43**	**8.67**	**4.52**
Add: Balance Brought Forward	**705.22**	**350.50**	**143.99**	**139.57**	**130.90**	**127.22**
Balance available for appropriation	**938.42**	**705.22**	**350.49**	**143.99**	**139.57**	**131.74**
Less: Appropriation						
Capitalisation for issue of bonus shares	-	-	-	-	-	-
Charge on account of transitional provisions under AS-15	-	-	-	-	-	**(0.84)**
Adjusted available surplus carried forward to balance sheet	**938.42**	**705.22**	**350.49**	**143.99**	**139.57**	**130.90**

Notes: The above statement should be read with the Notes on Adjustments to Restated Financial Statements, Significant Accounting policies and notes to Accounts as appearing in Annexures IV and V.

ANNEXURE-III
RESTATED SUMMARY STATEMENT OF CASH FLOW

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before taxation and Extra Ordinary items	348.83	570.18	320.52	8.89	1.69	6.87
Adjustment for:						
Interest Income	(1.73)	(5.01)	(5.51)	(0.75)	(1.08)	(1.45)
Gratuity	6.38	6.45	1.49	(0.38)	1.16	0.32
Depreciation	68.64	93.36	75.40	85.01	101.45	93.58
Loss on sale of Machinery	-	-	3.03	-	-	-
Interest Expenses	179.69	320.18	279.47	264.62	208.02	103.08
Dividend Income	-	(0.75)	(0.75)	(0.75)	(0.19)	-
Operating Profit before Working capital	**601.81**	**984.40**	**673.64**	**356.65**	**311.05**	**202.40**
Adjustments for:						
Decrease / (Increase) in Sundry Debtors	(2500.43)	(548.14)	(326.20)	137.24	(964.73)	(83.93)
Decrease / (Increase) in Loans and Advances	(537.66)	(383.32)	(71.32)	183.66	(174.42)	(84.08)
Decrease / (Increase) in Inventories	(68.77)	(226.57)	(509.77)	756.40	(1003.86)	(761.88)
Increase / (Decrease) in Current Liabilities& Provisions	3000.16	508.05	528.62	(1506.21)	1666.57	187.65
Cash Generated from Operations	**495.11**	**334.42**	**294.97**	**(72.26)**	**(165.38)**	**(539.84)**
Less: Income taxes paid	184.93	176.50	15.30	9.24	3.23	0.43
Cash Flow before Extra Ordinaryitems	**310.17**	**157.92**	**279.67**	**(81.50)**	**(168.61)**	**(540.28)**
Less: Extra Ordinary Items	**-**	**-**	**-**	**-**	**-**	**-**
Net Cash flow from Operating Activities (A)	**310.17**	**157.92**	**279.67**	**(81.50)**	**(168.61)**	**(540.28)**
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Investments	-	-	-	-	-	(5.00)
Sale of Investments	-	7.00	-	-	-	-
Purchase of fixed assets	(249.59)	(195.31)	(528.05)	(41.53)	(81.61)	(148.90)
Sale of Fixed Assets	2.91	-	0.96	-	-	-
Dividend Income	-	0.75	0.75	0.75	0.19	-
Interest Income	1.73	5.01	5.51	0.75	1.08	1.45
Net Cash Flow from Investing Activities (B)	**(244.95)**	**(182.56)**	**(520.83)**	**(40.03)**	**(80.35)**	**(152.44)**
CASH FLOW FROM FINANCING ACTIVITIES						
Borrowings	116.15	353.07	95.69	(6.76)	393.61	819.65
Share Application Money	-	(30.00)	30.00	-	-	-
Increase in share capital (Incl Application Money)	-	-	17.00	40.00	-	-
Securities Premium	-	-	408.00	360.00	-	-
Preliminary Expenses	(16.67)	-	-	-	-	-
Interest paid	(179.69)	(320.18)	(279.47)	(264.62)	(208.02)	(103.08)
Net Cash Flow from Financing Activities (C)	**(80.20)**	**2.90**	**271.22**	**128.62**	**185.59**	**716.56**
Net Increase / (Decrease) in Cash & Cash Equivalents	**(14.98)**	**(21.75)**	**30.06**	**7.08**	**(63.37)**	**23.84**
Cash and cash equivalents at the beginning of the year / Period	24.97	46.72	16.66	9.57	72.94	49.10
Cash and cash equivalents at the end of the year/ Period	**9.99**	**24.97**	**46.72**	**16.66**	**9.57**	**72.94**

Breakup of Cash and Cash Equivalent

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Bank Balances with Schedule Bank						
-In Current Accounts	-	16.41	15.24	-	0.09	0.36
-In Fixed Deposit and Margin Account	-	-	10.62	9.81	8.00	6.18
Cash on Hand	9.99	8.56	20.85	6.85	1.48	66.41
	9.99	**24.97**	**46.72**	**16.66**	**9.57**	**72.94**

ISSUE DETAILS IN BRIEF

Public Issue #	[●] Equity Shares of face value of Rs. 10 each aggregating upto Rs. 6,000 Lacs
of which	
(A) Qualified Institutional Buyers Portion *Of Which*	Upto [●] Equity Shares (not more than 50% of the Issue)
Anchor Investor Portion	Upto [●] Equity Shares*
Net QIB Portion	[●] Equity Shares of face value of Rs. 10 each
Of Which-	
Mutual Fund Portion (5% of the Net QIB Portion)	Of the above [●] Equity Shares, [●] Equity Shares shall be available for allocation on proportionate basis to Mutual Funds only
Balance for all QIBs including Mutual Funds	The balance [●] Equity Shares shall be available for allocation on proportionate basis to all QIBs, including Mutual Funds
(B) Non Institutional Portion	[●] Equity Shares of face value of Rs 10 each constituting not less than 15% of the Issue (Allocation on a proportionate basis)
(C) Retail Portion	[●] Equity Shares of face value of Rs 10 each constituting not less than 35% of the Issue (Allocation on a proportionate basis)
Pre & Post Equity Shares	
Equity Shares outstanding prior to the Issue	9,965,908 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of Rs.10 each
Objects of the Issue	Please see the section titled *"Objects of the Issue"* on page 61 of this Draft Red Herring Prospectus.

Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis subject to valid Bids being received at or above the Issue Price.

* Our Company may, in consultation with BRLM, consider participation by Anchor Investors upto 30% of the QIB Portion on a discretionary basis in accordance with applicable SEBI (ICDR) Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. For further details, please refer to the section titled *"Issue Procedure"* on page 218 of this Draft Red Herring Prospectus.

Note: Under subscription, if any, in any category would be allowed to be met with spill over from any other category at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

GENERAL INFORMATION

HARISONS STEEL LIMITED

Our Company was originally incorporated as "Harisons Steel Private Limited" on 26th November, 1999 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was converted into a public limited company and the word "Private" was deleted from its name and a fresh certificate of incorporation consequent to change in name was obtained on 6th April, 2011 from the Registrar of Companies, Mumbai, Maharashtra.

REGISTERED OFFICE
Plot No.1, Survey Gut No. 194 (Part of Village),
Nehroli,Taluka Wada, Dist. Thane, Maharashtra,
India – 421 312;
Tel: +91-2526-212089;
Fax: +91-2526-212074;
Website: www.harisonssteel.com
E-Mail: cs@harisonssteel.com

CORPORATE OFFICE
11, Shree Pant Niketan,
33 Road, Khar (West), Mumbai, Maharashtra,
India- 400 052.
Tel: +91-22-26486691;
Fax: +91-22-26480816;

COMPANY REGISTRATION NUMBER: 11- 122789

CORPORATE IDENTIFICATION NUMBER: U27100MH1999PLC122789

ADDRESS OF REGISTRAR OF COMPANIES

We are registered with the RoC situated at Everest, 5th Floor, 100 Marine Drive, Mumbai 400 002, Maharashtra.

For details in relation to the changes to the name of our Company, please refer to the section titled *"Our History and Corporate Structure"* beginning on page 118 of this Draft Red Herring Prospectus.

Contact Person: Ms. Anubhuti Shukla, Company Secretary & Compliance Officer,
cs@harisonssteel.com

BOARD OF DIRECTORS

Our Board of Directors comprise of the following members:

Name	Designation	DIN	Address
Mr. Daulat Hariram Fulwadhya	Managing Director	02440861	1002, Moru Mahal, Dr. Ambedkar Road, Bandra (West),Mumbai, Maharashtra, India- 400 050.
Mr. Ashok Hariram Fulwadhya	Whole Time Director	01526151	602, Moru Mahal, Dr. Ambedkar Road, Bandra (West),Mumbai, Maharashtra, India- 400 050.
Mr. Deepesh Lalitchandra Mehta	Independent Director	03309603	A-202, Kinjal Apartment, Sanghani Estate, L.B.S. Marg, Ghatkopar (West), Mumbai,

Name	Designation	DIN	Address
			Maharashtra, India -400086.
Ms. Swati Hemraj Gosher	Independent Director	03506521	257/65, Narshi Natha Street, Newanantbhuvan,Block - A / 7, Bhat Bazar, Mumbai, Maharashtra, India- 400 009.
Mr.Lalitchandra Jayantilal Mehta	Independent Director	05115367	A-202, Kinjal Apartment, Sanghani Estate, L.B.S. Marg, Ghatkopar (West), Mumbai, Maharashtra, India -400086.

For further details of Management of our Company, please refer to section titled *"Our Management"* on page 121 of this Draft Red Herring Prospectus.

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anubhuti Shukla
Plot No.1, Survey Gut No. 194 (Part of Village),
Nehroli, Taluka Wada, Dist. Thane, Maharashtra,
India – 421 312;
Tel: +91-02526-212089;
Fax: +91-02526-212074;
Website: www.harisonssteel.com
E-Mail: cs@harisonssteel.com

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

BOOK RUNNING LEAD MANAGER

COMFORT SECURITIES LIMITED
A-301, Hetal Arch, Opposite Natraj Market,
S.V.Road, Malad (West),
Mumbai- 400 064.
Tel: +91-22 - 28449765
Fax: +91-22 - 28892527
Email: mbdivison@comfortsecurities.co.in
Website: www.comfortsecurities.co.in
Contact Person: Mr. Deepak Mor / Ms. Shruti Banka
SEBI Regn. No: INM 000011328

LEGAL ADVISORS TO THE ISSUE

ARPAN M. RAJPUT & CO.
154/21, Rashid Mansion,
1st Floor, Bora Bazar Street,
Fort, Mumbai – 400 001
Tel: +91-22-22622035
Email: arpanmrajput@rediffmail.com
Contact Person: Mr. Arpan M. Rajput

REGISTRAR TO THE ISSUE

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
13 AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Mumbai – 400 072
Tel: +91-22-61915402/5404
Fax: +91-22-61915444
E-mail: ipo@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Subhash Dhingreja
SEBI Regn. No: INR000001476

BANKERS TO OUR COMPANY

STATE BANK OF INDIA
Mittal Court, "B" Wing,
Ground Floor, Nariman Point,
Mumbai- 400 021.
Tel: +91-22-22024391
Fax: +91-22-22023508
E-mail: sbi.11688@sbi.co.in
Website: www.sbi.co.in

SELF CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount ("**ASBA**") Process are provided on http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the Bid cum Application Form, please refer to the above-mentioned SEBI link.

STATUTORY AUDITORS

M/S. RAJESH RAMESH SHAH & CO.
Chartered Accountants
302, Chanakyapuri CHS Limited,
9th Garden Lane, Lallubhai Park,
Andheri (West),
Mumbai- 400 058.
Tel: +91-22-26129147
Fax: +91-22-26129147
E-mail: rrshahco@gmail.com
Contact Person: Mr. Rajesh Shah

ESCROW COLLECTION BANKERS TO THE ISSUE

[●]

SYNDICATE MEMBER(S)

[●]

IPO GRADING

[●]

We have appointed above-mentioned IPO Grading Agency for grading of proposed Initial Public Offering of our Company. This IPO Grading Agency has assigned [•] Grade to the Initial Public Offering of our Company. The rationale of the IPO Grading Agency for assigning [•] Grade is enclosed on page [•] of the Red Herring Prospectus.

Investors should carefully consider all of the information provided in this Draft Red Herring Prospectus including IPO Grading Information and should make their own judgment prior to making any investment in this Issue. This IPO Grading does not take cognizance of the Issue Price of our Equity Shares and it is not a recommendation to buy, sell or hold our Equity Shares.

CREDIT RATING

As the Issue is of Equity shares, credit rating is not mandatory.

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

BROKERS TO THE ISSUE

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

MONITORING AGENCY

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

INTER-SE ALLOCATION OF RESPONSIBILITIES

Comfort Securities Limited being the sole Book Running Lead Manager shall be responsible for the following:

1. Capital structuring with the relative components and formalities such as type of instruments.
2. Due diligence of our Company including our operations, management and business plans. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus and statutory advertisement including memorandum containing salient features of the Prospectus. (The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalization of Prospectus and the RoC filing of the same.)
3. Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, road show presentations, FAQs and corporate films.
4. Appointment of other intermediaries namely, Registrar, printers, advertising agency and Bankers to the Issue.
5. Institutional marketing of the Issue, which will cover, inter alia,
    a. Finalizing the list and division of investors for one to one meetings and
    b. Finalizing road show schedule and investor meeting schedules
    c. Selection of Underwriters
    d. Holding Conferences and Brokers Meetings
6. Non-Institutional and retail marketing of the Issue, which will cover, inter alia,
    a. Formulating marketing strategies, preparation of publicity budget;
    b. Finalizing media and public relations strategy;

c. Finalizing centres for holding conferences of stock brokers, investors etc;
d. Finalizing collection centres;
e. Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material;
f. Co-ordination with Stock Exchanges for book building software, bidding terminals and mock trading;
g. Selection of Underwriters;
h. Holding Conferences and Brokers Meetings;

7. Follow – up with the bankers to the issue to get quick estimates of collection and advising the issuer about closure of the issue, based on the correct figures.
8. The post bidding activities including management of escrow accounts, coordination of non-institutional allocation, intimation of allocation and dispatch of refunds to Bidders etc.
9. The post issue activities will involve essential follow up steps, which include the finalization of listing of instruments, dispatch of certificates and demat delivery of shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.
10. Underwriting arrangements involving invoking underwriting obligations in case of under-subscription.

EXPERTS

The Issue has been graded by [•]. The report of [•] in respect of the IPO Grading of the Issue will be annexed with the Draft Red Herring Prospectus.

In accordance with the Companies Act and the SEBI ICDR Regulations, M/s. Rajesh Ramesh Shah& Co., Chartered Accountants have agreed to provide their written consent to the inclusion of their report in respect of the information contained in section titled "*Financial Information*" and "*Statement of Tax benefits*" beginning on pages 145 and 76 in the form and context in which it will appear in the Draft Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus to RoC.

BOOK BUILDING PROCESS

The 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 finalized after the Bid/Issue Closing Date.

The principal parties involved in the Book Building Process are:

- The Company;
- The Book Running Lead Manager, in this case being Comfort Securities Limited.;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the Book Running Lead Manager;
- Registrar to the Issue;
- Escrow Collection Banks and
- Self Certified Syndicate Banks

This Issue is being made through a 100% Book Building Process wherein upto 50% of the Issue shall be allotted on a proportionate basis to eligible Qualified Institutional Buyers ("QIBs"), provided that our Company in consultation with the BRLMs may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis, out of which at least one third will be available for allocation to domestic mutual funds only ("Anchor Investor Portion"). In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all eligible Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders. If the aggregate demand for mutual funds is greater than 5% of the QIB Portion, allocation shall be made to the Mutual Funds proportionately to the extent of Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. Further, not less than 15% of the Issue shall be made available for Allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall made available for Allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

The Company shall comply with the SEBI Regulations and any other directions issued by SEBI for this Issue. In this regard, we have appointed Comfort Securities Limited as the Book Running Lead Manager to manage the Issue.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue. In accordance with the SEBI ICDR Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Allocation to the Anchor Investors will be on a discretionary basis. For further details, please refer to section titled "*Issue Procedure"* on page 218.

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, assuming a Price Band of Rs. 40/- to Rs. 48/- per share, issue size of 6,000 equity shares and receipt of nine Bids from Bidders, details of which are shown in the table below, the illustrative book would be as below. 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 indicates the demand for the shares of the Company at various prices and is collated from Bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	48	500	8.33%
700	47	1200	20.00 %
1,000	46	2200	36.67%
400	45	2600	43.33%
500	44	3100	51.67%
200	43	3300	55.00%
2,700	42	6000	100.00%
800	41	6800	113.33%
1,200	40	8000	133.33%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 42/- in the above example. The Issuer, in consultation with the BRLM will finalize the Issue Price at or below such Cut-Off Price i.e. at or below Rs. 42/-. All Bids at or above this issue price and cut-off bids are valid Bids and are considered for Allocation in respective category.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (for further details, please refer to the section titled "*Issue Procedure*" on page 218). Specific attention of ASBA Bidders is invited to the section titled "*Issue Procedure*" on page 218;

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 the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

4. Ensure that you have mentioned your PAN in the Bid cum Application Form (for further details, see the section titled "*Issue Procedure*" on page 218). Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

5. Ensure the correctness of your Demographic Details (as defined under the paragraph titled "*Bidder's Depository Account & Bank Account Details*", in the section titled "*Issue Procedure*" on page 236), given in the Bid cum Application Form, and the details recorded with your Depository Participant; and

6. Bids by ASBA Bidders have to be submitted to the SCSBs at the Designated Branches or Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their Bid cum Application Form is not rejected.

Bid/Issue Programme

Bidding Period/Issue Period

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

**Our Company may consider participation by Anchor Investors in terms of the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors may be submitted to the Members of the Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor shall be made available in the public domain by the BRLM, before the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional Bidders where the Bid Amount is in excess of Rs. 200,000 and (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-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.

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 is Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate members will not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

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

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 and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For further details, please see the section titled "*Issue Procedure*" on page 218.

Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated 29th April, 2011 all non- retail Investors i.e. QIBs (other than Anchor Investors) and Non Institutional Investors are mandatorily required to utilize the ASBA facility to submit their Bids and participate in this Issue. For further details please see the section titled "*Issue Procedure*" on page 218.

Attention of all QIBs is specifically drawn to the fact that all QIBs (including Anchor Investors) are required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid / Issue Period. In accordance with the SEBI ICDR Regulations, QIBs Bidding in the Net QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date. Further, allocation to QIBs will be on a proportionate basis.

For further details, see the section titled "*Terms of the Issue*" and "*Issue Procedure*" on pages 209 and 218 respectively. Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage this Issue and procure subscriptions to this Issue.

The Book Building Process is subject to change from time to time and investors are advised to make their own judgment about an investment through this process prior to submitting a Bid in the Issue.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the BRLM, 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. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

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

In the event of withdrawal of this Issue anytime after the Bid/Issue Opening Date, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of withdrawal, then our Company, on and from the expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money.

UNDERWRITING AGREEMENT

After the determination of the Issue Price but prior to filing of the Prospectus with Registrar of Companies, Mumbai, Maharashtra, Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint, and are subject to certain conditions as specified in such agreement.

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

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with Registrar of Companies, Mumbai, Maharashtra)

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rupees In Lacs)
COMFORT SECURITIES LIMITED A-301, Hetal Arch, Opposite Natraj Market, S.V.Road, Malad (West), Mumbai- 400 064. Tel : 022 28449765 Fax: 022 28892527 Email: mbdivision@comfortsecurities.co.in Website: www.comfortsecurities.co.in Contact Person: Mr. Deepak Mor / Ms. Shruti Banka SEBI Regn. No: INM 000011328	[•]	[•]
[•]	[•]	[•]
Total	[•]	[•]

The above-mentioned amount is an indicative underwriting and would be finalized after pricing and actual Allocation. The above Underwriting Agreement is dated [•]. In the opinion of the Board of Directors of the Company (based on a certificate given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI and are eligible to underwrite as per applicable guideline.

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

CAPITAL STRUCTURE

Our Equity Share capital before the Issue and after giving effect to the Issue, as at the date of this Draft Red Herring Prospectus with SEBI, is set forth below:

(Rs. In Lacs)

	Aggregate Nominal Value	Aggregate Value at Issue Price
(A) Authorized Share Capital		
20,000,000 Equity Shares of Rs. 10/- each	**2,000.00**	
(B) Issued, Subscribed and Paid-up Equity Capital		
9,965,908 Equity Shares of Rs. 10/- each	**996.59**	
(C) Present Issue in terms of this Draft Red Herring Prospectus[1]		
[●] Equity Shares of Rs. 10/- each	[●]	**[●]**
Of which		
Qualified Institutional Buyers Portion of up to [●] Equity Shares[2]	[●]	**[●]**
Non Institutional Portion of at least [●] Equity Shares	[●]	**[●]**
Retail Portion of at least [●] Equity Shares	[●]	**[●]**
(D) Issued, Subscribed and Paid-up Equity Capital after the Issue		
[●] Equity Shares of Rs. 10/- each (fully paid up)	[●]	
(E) Share Premium Account		
Before the Issue	20.56	
After the Issue[3]	**[●]**	

[1]This Issue has been authorized by the Board of Directors pursuant to a board resolution dated 14/11/2011 and by the shareholders of our Company pursuant to a special resolution dated 19/12/2011 passed at the EGM of shareholders under section 81 (1A) of the Companies Act.

Under-subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories. Such inter-se spillover, if any, will be at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price. Investors may note that in case of over-subscription in the Issue, allotment to QIB Bidders, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis.

[2]Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on discretionary basis in accordance with applicable SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. Further attention of all **QIBs** (except Anchor Investors) is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid-cum-Application Forms after the Bid/Issue Closing Date [for QIB Bidders]; and (b) each QIB, including a Mutual Fund, is required to deposit an amount of 100% with its Bid-cum-Application Form. Anchor Investors are required to note that (a)the Bidding for Anchor Investors shall open one Working Day prior to the Bid/ Issue Opening Date and shall be completed the same day; (b) All Anchor Investors are required to deposit an amount of 100% with its Bid-cum-Application Form; and (c) In the event the Issue Price is greater than Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and such price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the said price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price. For further details, please refer to the section titled *"Issue Procedure"* on page 218 of this Draft Red Herring Prospectus.

[3]The Securities Premium Account shall be determined after the Book Building Process.

DETAILS OF CHANGES IN AUTHORISED CAPITAL

Sr. No.	Date of shareholders meeting	Authorised Capital (Rs.)	Face Value (Rs.)	No. of Shares	Particulars	Meeting AGM/EGM
1	---	Rs. 100 Lacs	10/-	1,000,000	Incorporation	Incorporation
2	27/10/2003	From Rs. 100 Lacs to Rs. 200 Lacs	10/-	2,000,000	Increase	EGM
3	19/04/2005	From Rs. 200 Lacs to Rs. 350 Lacs	10/-	3,500,000	Increase	EGM
4	31/05/2010	From Rs. 350 Lacs to Rs. 1000 Lacs	10/-	10,000,000	Increase	EGM
5	10/05/2011	From Rs. 1000 Lacs to Rs. 2000 Lacs	10/-	20,000,000	Increase	EGM

NOTES FORMING PART OF THE CAPITAL STRUCTURE

1. Equity share capital history of our Company

Date of Issue/ Allotment	Number of Equity Shares allotted	Cumulative no. of shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, bonus, consideration other than cash*)	Nature for allotment (bonus, swap etc.)	Securities Premium Account (Rs.)	Cumulative Share Premium (Rs.)
26/11/1999	200	200	10	10	Cash	Subscription to MOA (i)	Nil	Nil
26/11/1999	100	300	10	10	Cash	Further Allotment (ii)	Nil	Nil
31/03/2001	956,260	956,560	10	10	Cash	Further Allotment (iii)	Nil	Nil
25/03/2005	964,917	1,921,477	10	10	Cash	Further Allotment (iv)	Nil	Nil
31/03/2009	400,000	2,321,477	10	100	Cash	Further Allotment (v)	36,000,000	36,000,000
31/03/2010	170,000	2,491,477	10	250	Cash	Further Allotment (vi)	40,800,000	76,800,000
15/06/2010	7,474,431	9,965,908	10	Nil	Nil	Shares issued as Bonus @ 3:1 (vii)	Nil	2,055,690

**Other than bonus issue as above, none of the Equity Shares have been issued for consideration other than cash.*

(i) Initial allotment of 200 Equity Shares to the subscribers of the MOA of the Company being Mr. Daulat Hariram Fulwadhya and Mr. Ashok Hariram Fulwadhya.

(ii) Further allotment of 100 Equity Shares to Mr. Manish Daulatram Fulwadhya

(iii) Further allotment of 40,960 Equity Shares to Mr. Ankush Ashok Fulwadhya, 220,000 Equity Shares to Mr. Daulat Hariram Fulwadhya, 166,500 Equity Shares to Mr. Ashok Hariram Fulwadhya, 105,000 Equity Shares to Mr. Manish Daulatram Fulwadhya, 60,000 Equity Shares to Mr. Purshuttom Fulwadhya, 60,000 Equity Shares to Mr. Amit Fulwadhya, 122,800 Equity Shares to Ms. Kavita

Fulwadhya, 31,000 Equity Shares to Ms. Kanchan Fulwadhya and 150,000 Equity Shares to Ms. Geeta Fulwadhya.

(iv) Further allotment of 70,000 Equity Shares to Ms. Kanchan Fulwadhya, 38,356 Equity Shares to Mr. Ankush Ashok Fulwadhya, 191,561 Equity Shares to Mr. Daulat Hariram Fulwadhya, 327,500 Equity Shares to Mr. Ashok Hariram Fulwadhya, 327,500 Equity Shares to Mr. Manish Daulatram Fulwadhya and 10,000 Equity Shares to Ms. Kavita Fulwadhya.

(v) Further allotment of 75,000 Equity Shares to M/s. Tristar Agencies Private Limited, 75,000 Equity Shares to M/s. MSV Fiscal Services Private Limited, 75,000 Equity Shares to M/s. Galore Suppliers Private Limited, 75,000 Equity Shares to M/s. Echolac Vinimay Private Limited and 100,000 Equity Shares to M/s. S.K. Stock Dealers Private Limited.

(vi) Further allotment of 60,000 Equity Shares to Terry Towel Industries Limited and 110,000 Equity Shares to Khushi Industries Limited.

(vii) Our Company vide Board resolution dated 15th June, 2010 allotted 7,474,431 Equity Shares of Rs. 10 each as bonus to the existing shareholders in the ratio of three (3) Equity Shares for every one (1) Equity Share held.

2. Issue of Equity Shares in the last one year

We have not issued any Equity Shares in the preceding one year.

3. Issue of Equity Shares for consideration other than cash

Date of Allotment	Number of Equity Shares Issued	Face Value (In Rs.)	Issue Price (In Rs.)	Person to whom shares are issued	Reason for Issue	Benefits accrued to our Company
15/06/2010	7,474,431	10	Nil	To all the shareholders holding shares as on the record date i.e. 08/06/2010	Issue of bonus Equity Shares in the ratio of 3:1	Nil

4. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under Sections 391- 394 of the Companies Act, 1956.

5. Shareholding of our Promoters

Following is the built-up of Promoters' shareholdings:

Mr. Daulat Hariram Fulwadhya

Date of Allotment / Transfer	Consideration (Cash/ other than Cash etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Remarks	Pre-Issue Shareholding %	Post Issue Shareholding %
26/11/1999	Cash	100	10	10	Allotment due to subscription to MOA	-	-
31/03/2001	Cash	220,000	10	10	Further Allotment	-	-
25/03/2005	Cash	191,561	10	10	Further Allotment	-	-
25/03/2008	Cash	(116,531)	10	4	Transfer to Ms. Sejal Shah	-	-
25/03/2008	Cash	(108,499)	10	4	Transfer to Ms. Anju	-	-

Date of Allotment / Transfer	Consideration (Cash/ other than Cash etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Remarks	Pre-Issue Shareholding %	Post Issue Shareholding %
					Choudhary		
15/05/2009	Cash	116,531	10	4	Transfer from Ms. Sejal Shah	-	-
15/05/2009	Cash	108,499	10	4	Transfer from Ms. Anju Choudhary	-	-
15/06/2010	NIL	1,234,983	10	Nil	Allotment of Bonus Shares	-	-
	TOTAL (A)	**1,646,644**				**16.52%**	**[●]**

Mr. Ashok Hariram Fulwadhya

Date of Allotment / Transfer	Consideration (Cash/ other than Cash etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Remarks	Pre-Issue Shareholding %	Post Issue Shareholding %
26/11/1999	Cash	100	10	10	Allotment due to subscription to MOA	-	-
31/03/2001	Cash	166,500	10	10	Further Allotment	-	-
25/03/2005	Cash	327,500	10	10	Further Allotment	-	-
25/03/2008	Cash	(236,840)	10	4	Transfer to Mr. Shantilal Shah	-	-
15/05/2009	Cash	236,840	10	4	Transfer from Mr. Shantilal Shah	-	-
15/06/2010	NIL	1,482,300	10	Nil	Allotment of Bonus Shares	-	-
	TOTAL (B)	**1,976,400**				**19.83%**	**[●]**

Mr. Manish Daulatram Fulwadhya

Date of Allotment / Transfer	Consideration (Cash/ other than Cash etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Remarks	Pre-Issue Shareholding %	Post Issue Shareholding %
26/11/1999	Cash	100	10	10	Further Allotment	-	-
31/03/2001	Cash	105,000	10	10	Further Allotment	-	-
25/03/2005	Cash	327,500	10	10	Further Allotment	-	-
25/03/2008	Cash	(125,030)	10	4	Transfer to Ms. Sudha Shah	-	-
25/03/2008	Cash	(100,000)	10	4	Transfer to Ms. Ruchita Shah		
15/05/2009	Cash	125,030	10	4	Transfer from Ms. Sudha Shah	-	-
15/05/2009	Cash	100,000	10	4	Transfer from Ms. Ruchita Shah		
15/06/2010	NIL	1,297,800	10	Nil	Allotment of Bonus Shares	-	-
	TOTAL (C)	**1,730,400**				**17.37%**	**[●]**

Mr. Ankush Ashok Fulwadhya

Date of Allotment / Transfer	Consideration (Cash/ other than Cash etc.)	No. of shares	Face Value (Rs.)	Issue Price/ Purchase Price (Rs.)	Remarks	Pre-Issue Shareholding %	Post Issue Shareholding %
31/03/2001	Cash	40,960	10	10	Further Allotment	-	-
25/03/2005	Cash	38,356	10	10	Further Allotment	-	-
21/08/2007	Cash	60,000	10	10	Transfer from Mr. Purshuttom Fulwadhya		
21/08/2007	Cash	150,000	10	10	Transfer from Ms. Geeta Fulwadhya	-	-
21/08/2007	Cash	60,000	10	10	Transfer from Mr. Amit Fulwadhya		
25/03/2008	Cash	(177,630)	10	4	Transfer toMr. Jay Shah	-	-
15/05/2009	Cash	177,630	10	4	Transfer from Mr. Jay Shah		
15/06/2010	NIL	1,047,948	10	Nil	Allotment of Bonus Shares	-	-
	TOTAL (C)	**1,397,264**				**14.02%**	**[●]**

6. Details of Promoters contribution locked-in for three years

Pursuant to the SEBI ICDR Regulations, an aggregate of 20% of the post-Issue paid-up Equity Share Capital of our Company held by our Promoters shall be locked in for a period of three (3) years from the date of Allotment. The lock-in of the Promoters contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.None of the Shares held by our Promoters are held in dematerialized form.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters contribution from the date of filing of this DRHP until the commencement of the lock-in period specified above.

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations, and in terms of the aforementioned table of Promoters share capital built-up, the below mentioned Equity Shares, held by our Promoters, as per sub-regulation (a) of Regulation 36 of SEBI ICDR Regulations shall be locked in for a period of three (3) years from the date of Allotment:

Name of Promoters	No. of shares locked in	Face value (Rs.)	Date of allotment/ transfer	Issue Price / Purchase Price (Rs. per share)	% of Pre Issue Paid up Equity capital	% of Post Issue Paid up Equity capital
Mr. Daulat Hariram Fulwadhya	[●]	10	[●]	[●]	[●]	[●]
Mr. Ashok Hariram Fulwadhya	[●]	10	[●]	[●]	[●]	[●]
Mr. Manish Daulatram	[●]	10	[●]	[●]	[●]	[●]

Fulwadhya						
Mr. Ankush Ashok Fulwadhya	[●]	10	[●]	[●]	[●]	[●]
Total	[●]		[●]	[●]	[●]	[●]

(The aforesaid table will be finalized after the issue price and the number of shares to be issued is finalized in prospectus.)

The above Equity Shares are eligible for computation of Promoter's contribution and lock-in in terms of Regulation 33 (1) of the SEBI Regulations as discussed below:

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

In terms of undertaking executed by our Promoter, Equity Shares forming part of Promoter's contribution subject to lock-in will not be disposed/ sold/ transferred by our Promoters during the period starting from the date of filing of the Draft Red Herring Prospectus with SEBI till the date of commencement of lock in period as stated in the Draft Red Herring Prospectus.

We further confirm that the minimum Promoter's contribution of 20% which is subject to lock-in for three years does not consist of:

• Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.

• Equity Shares acquired by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.

• Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

• The Equity Shares held by the Promoters and offered for minimum 20% Promoter's contribution are not subject to any pledge.

• Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

• Equity shares issued to our Promoters on conversion of partnership firms into limited companies.

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post –issue paid-up Equity Share Capital from the date of allotment in the proposed public issue.

Shares held by the person other than the Promoters, prior to this Issue, which are subject to lock in as per Regulation 37 of SEBI (ICDR) Regulations, 2009 may be transferred to any other person holding shares which are locked in, subject to continuation of lock –in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as applicable.

Shares held by Promoters which are locked in as per the relevant provisions of Regulation 36 of the SEBI Regulations, may be transferred to and amongst Promoter/Promoter group or to a new promoter or persons in control of the Company, subject to continuation of lock –in in the hands of transferees for the remaining period and compliance of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, as applicable. As per

Regulation 39 of SEBI (ICDR) Regulations, 2009, the locked-in Equity Shares held by the Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan.

Provided that if securities are locked in as minimum Promoter's contribution under Regulation 36 of the SEBI Regulations, the same may be pledged, only if, in addition to fulfilling the requirements of this clause, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue. Other than those shares that are locked in as Promoter's contribution for three years, the entire pre-issue share capital will be locked in for a period of one year from the date of allotment in this public issue.

Details of Equity Shares locked in for one year

In terms of regulation 37 of the SEBI ICDR Regulations, other than the above Equity Shares that are locked in for a period of three (3) years, the entire pre-Issue Equity Share Capital of our Company would be locked-in for a period of one (1) year from the date of Allotment of Equity Shares in the Issue.

Lock-in of Equity Shares allotted to Anchor Investors

Further, if our Company decides to issue Equity Shares to Anchor Investors, these Equity Shares Allotted, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

7. Shareholding pattern of our Company

[A] The following table presents the Shareholding pattern of our Company:

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shareholding of Promoters and Promoter group							
INDIAN							
Individuals/HUFs Directors/Relatives	6	7,685,908	77.12%	7,685,908	[●]	---	---
Central Govt. / State Govts.	---	---	---	---	---	---	---
Bodies Corporate	1	1,600,000	16.06%	1,600,000	[●]	---	---
Financial Institutions/Banks	---	---	---	---	---	---	---
Sub Total A (1)	**7**	**9,285,908**	**93.18%**	**9,285,908**	[●]	---	---
FOREIGN							
Bodies Corporate	---	---	---	---	---	---	---
Individual	---	---	---	---	---	---	---
Institutions	---	---	---	---	---	---	---
Any Others (specify)	---	---	---	---	---	---	---
Sub Total A (2)	---	---	---	---	---	---	---

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Total Shareholding of Promoter group A (1) + A (2)	**7**	**9,285,908**	**93.18%**	**9,285,908**	[●]	---	---
PUBLIC SHAREHOLDING							
Institutions							
Central Govt./ State Govts.	---	---	---	**[●]**	**[●]**	---	---
Financial Institutions/Banks	---	---	---	**[●]**	**[●]**	---	---
Mutual Funds/UTI	---	---	---	**[●]**	**[●]**	---	---
Venture Capital Funds	---	---	---	**[●]**	**[●]**	---	---
Insurance Companies	---	---	---	**[●]**	**[●]**	---	---
Foreign Institutions Investors	---	---	---	**[●]**	**[●]**	---	---
Foreign Venture Capital Investors	---	---	---	**[●]**	**[●]**	---	---
Any Others (Specify)	---	---	---	**[●]**	**[●]**	---	---
Sub Total B (1)	**---**	**---**	**---**	**[●]**	**[●]**	**---**	**---**
Non Institutions							
Bodies Corporate	**---**	**---**	**---**	**[●]**	**[●]**	**---**	**---**
Individuals- shareholders holding normal share capital upto Rs. 2 lacs	---	---	---	**[●]**	**[●]**	---	---
Individuals- shareholders holding normal Share capital in excess of Rs.2 lacs	1	680,000	6.82%	**[●]**	**[●]**	---	---
Trust	---	---	---	**[●]**	**[●]**	---	---
Any Other (i) Clearing Member	**---**	---	---	**[●]**	**[●]**	---	---
Directors/Relatives		---	---	**[●]**	**[●]**	---	---
Employees	**---**	---	---	**[●]**	**[●]**	---	---
Foreign Nationals	---	---	---	**[●]**	**[●]**	---	---
NRIs	---	---	---	**[●]**	**[●]**	---	---
OCB'S	---	---	---	**[●]**	**[●]**	---	---
Person Acting in Concert	**---**	---	---	**[●]**	**[●]**	---	---
Sub Total B(2)	**1**	**680,000**	**6.82%**	**[●]**	**[●]**	**---**	**---**
Total Public Shareholding B(1) + B(2)	**1**	**680,000**	**6.82%**	**[●]**	**[●]**	**---**	**---**
Total A+B	**8**	**9,965,908**	**100%**	**[●]**	**100%**	**---**	**---**

Category of Shareholder	No. of Shareholders	Pre-Issue		Post-Issue		Shares Pledged or otherwise encumbered	
		No. of Equity Shares	As a % of Issued Equity	No. of Equity Shares	As a % of Issued Equity	Number of shares	As a %
Shares held by Custodians and against which Depository receipts have been issued	---	---	---	---	---	---	---
Grand Total A+B+C	**8**	**9,965,908**	**100%**	**[●]**	**100%**	---	---

[B] **Shareholding of our Promoters and Promoter Group**

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies) as per clause 35 of the Equity Listing Agreement.

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
A	**Promoters**							
1	Mr. Daulat Hariram Fulwadhya	1,646,644	16.52%	1,646,644	[●]	-	-	-
2	Mr. Ashok Hariram Fulwadhya	1,976,400	19.83%	1,976,400	[●]	-	-	-
3	Mr. Manish Daulatram Fulwadhya	1,730,400	17.37%	1,730,400	[●]	-	-	-
4	Mr. Ankush Ashok Fulwadhya	1,397,264	14.02%	1,397,264	[●]	-	-	-
	Total (A)	**6,750,708**	**67.74%**	**6,750,708**	[●]	-	-	-
B	**Promoter Group, Relatives and other Associates**							
5	Ms. Kavita Daulatram Fulwadhya	531,200	5.33%	531,200	[●]	-	-	-
6	Ms. Kanchan Ashok Fulwadhya	404,000	4.05%	404,000	[●]	-	-	-
7	M/s. Harisons Ferro Alloys (Mumbai) Pvt. Ltd.	1,600,000	16.06%	1,600,000	[●]	-	-	-
	Total (B)	**2,535,200**	**25.44%**	**2,535,200**	[●]	-	-	-
	Total	**9,285,908**	**93.18%**	**9,285,908**	[●]	-	-	-

[C(i)] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
1	Mr. Shyam Sunder Makharia	680,000	6.82%	[●]	[●]	-	-	-
	Total (A)	**680,000**	**6.82%**	[●]	[●]	-	-	-

[C(ii)] Shareholding of persons belonging to the category 'Public' and holding more than 5% of our Equity Shares

Sr. No.	Name of the Shareholder	Pre-Issue		Post-Issue		Shares pledged or otherwise encumbered		
		No. of Equity Shares	As a % of Issued Share Capital	No. of Equity Shares	As a % of Issued Share Capital	Number	As a percentage	As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a)
1	Mr. Shyam Sunder Makharia	680,000	6.82%	[●]	[●]	-	-	-
	Total (A)	**680,000**	**6.82%**	[●]	[●]	-	-	-

8. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoters	No. of Shares held	Average cost of Acquisition (in Rs.)
Mr. Daulat Hariram Fulwadhya	1,646,644	Rs. 2.5
Mr. Ashok Hariram Fulwadhya	1,976,400	Rs. 2.5
Mr. Manish Daulatram Fulwadhya	1,730,400	Rs. 2.5
Mr. Ankush Ashok Fulwadhya	1,397,264	Rs. 2.5

9. Except as stated below none of our Directors or KMP holds Equity Shares of our Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Percentage of Pre Issue capital
1	Mr. Daulat Hariram Fulwadhya	1,646,644	16.52%
2	Mr. Ashok Hariram Fulwadhya	1,976,400	19.83%
3	Mr. Manish Daulatram Fulwadhya	1,730,400	17.37%
4	Mr. Ankush Ashok Fulwadhya	1,397,264	14.02%

10. Details of top ten shareholders of our Company

(a) Top ten shareholders as on the date of filing of the Draft Red Herring Prospectus

No.	Name of Shareholders	No. of Equity shares held	% of pre-issue shareholding
1.	Mr. Daulat Hariram Fulwadhya	1,646,644	16.52%
2.	Mr. Ashok Hariram Fulwadhya	1,976,400	19.83%
3.	Mr. Manish Daulatram Fulwadhya	1,730,400	17.37%
4.	Mr. Ankush Ashok Fulwadhya	1,397,264	14.02%
5.	Ms. Kavita Daulatram Fulwadhya	531,200	5.33%
6.	Ms. Kanchan Ashok Fulwadhya	404,000	4.05%
7.	M/s. Harisons Ferro Alloys (Mumbai) Pvt. Ltd.	1,600,000	16.06%
8.	Mr. Shyam Sunder Makharia	680,000	6.82%
	Total	**9,965,908**	**100.00%**

(b) Top ten shareholders, ten (10) days prior to filing of Draft Red Herring Prospectus

No.	Name of Shareholders	No. of Equity shares held	% of pre-issue shareholding
1.	Mr. Daulat Hariram Fulwadhya	1,646,644	16.52%
2.	Mr. Ashok Hariram Fulwadhya	1,976,400	19.83%
3.	Mr. Manish Daulatram Fulwadhya	1,730,400	17.37%
4.	Mr. Ankush Ashok Fulwadhya	1,397,264	14.02%
5.	Ms. Kavita Daulatram Fulwadhya	531,200	5.33%
6.	Ms. Kanchan Ashok Fulwadhya	404,000	4.05%
7.	M/s. Harisons Ferro Alloys (Mumbai) Pvt. Ltd.	1,600,000	16.06%
8.	Mr. Shyam Sunder Makharia	680,000	6.82%
	Total	**9,965,908**	**100.00%**

(c) Top ten shareholders, two (2) years prior to filing the Draft Red Herring Prospectus

No.	Name of Shareholders	No. of Equity shares held	% of pre-issue shareholding
1.	Mr. Ashok Hariram Fulwadhya	494,100	21.28%
2.	Mr. Manish Daulatram Fulwadhya	432,600	18.64%
3.	Mr. Daulat Hariram Fulwadhya	411,661	17.73%
4.	Mr. Ankush Ashok Fulwadhya	349,316	15.05%
5.	Ms. Kavita Daulatram Fulwadhya	132,800	5.72%
6.	Ms. Kanchan Ashok Fulwadhya	101,000	4.35%
7.	M/s. S.K. Stock Dealers Private Limited	100,000	4.31%
8.	M/s. Echolac Vinimay Private Limited	75,000	3.23%
9.	M/s. Galore Suppliers Private Limited	75,000	3.23%
10.	M/s. MSV Fiscal Services Private Limited	75,000	3.23%
11.	M/s. Tristar Agencies Private Limited	75,000	3.23%
	Total	**2,321,477**	**100.0%**

11. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/BRLM for purchase of Equity Shares offered through the Draft Red Herring Prospectus.

12. Our Company has not raised any bridge loans against the proceeds of this Issue.

13. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on *"Basis of Allotment"* on page 250 of this Draft Red Herring Prospectus.

14. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the Basis of Allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

15. As on date of filing of this Draft Red Herring Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

16. On the date of filing the Draft Red Herring Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

17. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus Shares out of capitalization of revaluation reserves.

18. Lead Manager to the Issue viz. Comfort Securities Limited does not hold any Equity Shares of our Company.

19. Our Company has not revalued its assets since incorporation.

20. Our Company has not made any public issue since incorporation.

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

22. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

23. Except as disclosed in the DRHP, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

24. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.

25. Save and except as disclosed in this Draft Red Herring Prospectus, there have been no transfers of Equity Shares by the Directors, Promoters and the Promoters Group within the last six months from the date of this Draft Red Herring Prospectus.

26. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when,

options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

27. In the Issue, in case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs out of which up to 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds and the balance of the Net QIB portion to QIBs including Mutual Funds, a minimum of 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and a minimum of 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category would be met with spill over from other categories at the sole discretion of our Company in consultation with the BRLM.

28. An investor cannot make a Bid for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

29. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this issue.

30. Our Company has eight (8) members as on the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are to finance our business expansion plans and achieve the benefits of listing on the Stock Exchanges. We believe that listing will enhance our corporate image and brand name of our Group.

The objects of the Issue are as stated below:

1. Setup of rolling mill with a proposed capacity of 30,000 MTs per annum
2. To part-finance incremental working capital requirements
3. General corporate expenses
4. To meet the expenses of the Issue

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

We propose to meet the entire requirement of funds for the objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds does not arise.

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The details of the proceeds of the Issue are summarized in the table below: -

(Rs. In Lacs)

No.	Particulars	Amount
I	Setup of rolling mill with a proposed capacity of 30,000 MTs per annum	4,159.98
II	To part-finance incremental working capital requirements	800.00
III	General corporate purposes	[•]
IV	Issue expenses	[•]
	TOTAL	**[•]**

MEANS OF FINANCE

(Rs. in Lacs)

Particulars	Amount
Initial Public Offering	[•]
Internal accruals	[•]
Total	**[•]**

The entire fund requirement towards the aforesaid objects of the Issue is proposed to be funded through the proceeds from the Issue.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

DETAILS OF THE OBJECTS OF THE ISSUE

I. SETUP OF ROLLING MILL WITH A PROPOSED CAPACITY OF 30,000 MTs PER ANNUM

Currently our Company is manufacturing steel billets at our steel melting shop located at Wada, Thane near Mumbai. The installed capacity of our steel melting shop is 30,000 MTs per annum. The billets being semi-finished product, are used for further processing. It is used as a feedstock to rolling mills for production of long products like wire rods, bars and structures.

At present, we supply the steel billets and ingots to rolling mill for its further processing. Going forward, as a part of our forward integration strategy, we plan to set up a rolling mill having an installed capacity of 30,000 MTs per annum. Stainless steel billets manufactured at our steel melting shop would comprise the key raw material for the proposed rolling mill. Billets of the required stainless steel grades, size and length would be sourced through our existing steel melting shop and shortage if any would be dealt by procuring the requisite steel billets from open market.

Setting up of rolling mill will complete our value chain and give us an advantage to reach the end user of our products which would ultimately boost the bottom line of the Company.

The rolling process involves converting the shape stock viz. ingots/billets to desired finished section in hot condition byway of passing the material between a pair of grooved rolls and providing suitable draft at various stages.

Process involved in rolling of steel billets:

1) Re-Heating in furnace:

The billets are heated to approximately 1100-1200^{0}C in the pusher type re-heating furnace. The re-heating furnace is equipped with low air pressure burners, air blower, recuperator, chimney and oil preheating and pumping unit etc. The billets are discharged out of the furnace through mechanical ejector.

2) Roughing Mill/ Intermediate Mill/ Continuous Mill:

Red-hot billets are then pulled from the furnace on to the conveyor, which transports it to the rolling stand. Rolling process is composed of stage wise rolling of steel. After passing through rolling stands several times (depending upon the type of bar required) they are taken to the cooling bed. Steel rolled in to bars is transported to the cooling bed by conveyor. The temperature at finishing stage is 800/900^{0}C approx. The rolls and guides and fiber bearings in the mill are then transferred to the cooling bed.

3) Natural cooling on cooling bed:

The purpose of the cooling bed is to uniformly air-cool the steel bars conveyed from rolling mill and transporting the same in a phased manner from the entry of the cooling bed to discharge side. Chains carry the bars and transport them at snail's pace to the conveyor. Slow speed of chains allows sufficient time for bars to cool down.

The following table sets forth cost for the setting up rolling mill:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1.	Site development costs	230.00
2.	Construction costs	309.00
3.	Plant, machinery and other equipments	3,000.00
4.	Installation of 22KV express feeder	539.41
5.	Provision for contingencies	81.57
	Total	**4,159.98**

1. Site development costs

We propose to set up the rolling mill at Gut No. 192, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312, which is adjacent to our existing manufacturing plant. The land for the same has already been acquired. However, site leveling and development is the pre-requisite for setting up of rolling mill.

Following table sets forth the break-up of the costs for site development which has been arrived based on the quotation received from M/s. Shah-Jaiswal Associates, Architect & Engineers dated 23rd December, 2011:

Sr. No.	Particulars	Area in Sq. Mtr.	Rate per Sq. Mtr. (In Rs.)	Total cost (Rs. In Lacs)
1.	Construction of compound wall and gate	-	-	34.00
2.	Land development including excavation, leveling and miscellaneous civil works.	6,126	3,200	196.00
	Total			**230.00**

2. Construction costs

Our company will have to undertake the construction of factory and office building along with ancillary civil structures thereon. The cost break-up of construction work is based on the quotation received from M/s. Shah - Jaiswal Associates; Architect & Engineers dated 23rd December, 2011 which is detailed hereunder:

Sr. No.	Particulars	Area in Sq. Mtr	Rate per Sq. Mtr (In Rs.)	Total cost (Rs. In Lacs)
1.	Factory building	1,500	12,000	180.00
2.	Office building (administrative purpose)	300	10,000	30.00
3.	Workers quarter	200	8,000	16.00
4.	Transformer sub-station	150	8,000	12.00
5.	Water tank	100	15,000	15.00
6.	Furniture & fixtures	--	--	46.00
7.	Weigh bridge	--	--	10.00
	Total			**309.00**

3. Plant, machinery and other equipments

We would require to install certain machineries and equipments to set up the rolling mill for further processing of the steel billets. We have estimated the total cost of installation of equipments and machineries for setting up the rolling mill at Rs. 3,000 Lacs. The cost of Rs. 3,000 Lacs has been arrived based on the proposal received from M/s. Avatar Foundry & Workshop dated 18th November, 2011 on turnkey basis. The installation and erection of the rolling mill would require the following equipments and machineries:

Sr. No.	Particulars of machineries & equipments
1.	**20" roughing mill complex (one stand)**
1.1	Flywheel
1.2	Reduction gearbox
1.3	Pinion gear box
1.4	Gear coupling
1.5	1 No- Mill stand
1.6	Base plate for pinion gear box & mill stand
1.7	Reduction gear box base frame
1.8	Universal coupling & spindle
1.9	2 Nos- Lines for motors
2.	**380MM – 1st continuous mill complex (four stands)**
2.1	4 Nos- Reduction cum pinion gear box
2.2	4 Nos- Gear coupling
2.3	4 Nos- Mill Stand 2 Hi
2.4	Full set-Base plate for pinion gear box & mill stand
2.5	Reduction gearbox base frame
2.6	Universal coupling & spindle
2.7	4 Nos- Base for motors
3.	**320MM 2 Hi- 2nd continuous mill complex (four stands)**
3.1	4 Nos- Reduction cum pinion gear box
3.2	3 Nos- Gear coupling
3.3	4 Nos- Mill stands
3.4	8 Nos- Base plate for pinion gear box & mill stand
3.5	Reduction gearbox base frame
3.6	Universal coupling & spindle
3.7	4 Set- Lines for motors base
4.	**280MM- 3rd continuous mill complex (six stands)**
4.1	6 Nos- Reduction cum pinion gearbox
4.2	6 Nos- Gear coupling
4.3	2 Nos- Mill stand
4.4	4 Nos- Mill Stand (multi row bearings stand)
4.5	12 Nos- Base plates for mill stand (6 Nos) & reduction cum pinion gear box (6 Nos)
4.6	8 sets- Cordon shaft & coupling head
4.7	6 Nos- Base for motors
5.	**260MM 2 Hi- 4th continuous mill complex (four stands)**
5.1	4 Nos- Reduction cum pinion gearbox
5.2	4 Nos- Gear coupling
5.3	4 Nos- Mill Stand (multi row bearings stand)
	8 Nos- Base plates for mill stand (4 Nos) & reduction cum pinion gear box (4 Nos)
	8 sets- Cordon shaft & coupling head
	6 Nos- Base for motors
6.	Lubrication oil system (consisting of oil tank, gear pump & motors, oil filters, heat exchanges and connected valves etc)
7.	One (1) set of foundation bolts
8.	One (1) set of guiding equipments

Sr. No.	Particulars of machineries & equipments
9.	Three (3) Nos of vertical loopers
10.	Two (2) Nos of crop cum cobbler
11.	Two (2) Nos of pinch roll pneumatic
12.	Coil laying head with pinch roll
13.	Two (2) Nos of garret coiler

4. Installation of 22KV express feeder

To effectively utilize the capacity of the rolling mill, we need to implement un-interrupted power supply in our factory premises. We propose to set up 22KV express feeder which will provide with uninterrupted power supply and no voltage fluctuations resulting into savings in DG set operations and low maintenance on machines. Setting up of express feeder would involve installation of breakers, transformers, electricity sub-station, overhead lines and underground caballing and other electrification works.

For setting up the 22KV express feeder we have received a proposal of Rs. 539.41 Lacs (inclusive of taxes) from M/s C. K. Electrical dated 15th November, 2011. Following table bifurcates the costs for setting up the express feeder:

Sr. No.	Particulars	Quantity	Unit	Rate/Unit		Total cost (Rs. In Lacs)
				Cost	Installation Charges	
A.	**Installation of 22KV/1250A/40KA breaker**					
1.	22KV/1250A/40KA breaker	1	No.	2,700,000	270,000	29.70
2.	Control panel with battery and charger	1	No.	210,000	110,000	3.20
3.	22KV/50/5 ampere current transformer	1	Set	195,000	50,000	2.45
4.	Control cables	--	--	180,000	80,000	2.60
5.	22KV/800 ampere horizontal type isolator with structure	2	No.	90,000	30,000	2.40
6.	22KV lightening arrestor with structure	1	Set	210,000	20,000	2.30
7.	Bay with structure	1	No.	330,000	110,000	4.40
8.	Gantry with structure	1	No.	230,000	70,000	3.00
9.	Civil material	960	Cft	160	30	1.82
10.	Earthling station	16	No.	9,000	5,000	2.24
11.	Earthling strip	300	Kgs	120	30	0.45
	Sub Total (A)					**54.56**
B.	**Deposit with state electricity board and electrical inspector charges**					
1.	Deposit	--	--	--	--	50.00
2.	Electrical Inspector charges	--	--	--	--	10.00
	Sub Total (B)					**60.00**
C.	**Installation of overhead line**					
1.	M.S. beam	180	No.	43,000	7,000	90.00
2.	Strut pole	15	No.	28,000	5,400	5.00

Sr. No.	Particulars	Quantity	Unit	Rate/Unit		Total cost (Rs. In Lacs)
				Cost	Installation Charges	
3.	ACSR conductor	31.5	Km	184,000	43,000	71.51
4.	11KV disc insulator	1,440	No.	1,050	120	16.85
5.	22KV insulator with pin	180	No.	850	70	1.66
6.	Suspension and tension hardware	720	No.	840	60	6.48
7.	Suspension channels	120	Set	8,000	240	9.89
8.	Cut point channels	60	Set	6,200	260	3.88
9.	HT stay set	180	Set	3,600	2,400	10.80
10.	Pole pipe earthing	180	No.	600	108	1.27
11.	Guarding channels	50	No.	3600	230	1.92
12.	Pole stay ground concreting	7200	Cft.	160	30	13.68
13.	Pole muffing	2880	Cft.	160	30	5.47
14.	Miscellaneous (including electrical and safety tools)	--	--	--	--	15.81
	Sub Total (C)					**254.22**
D.	**Underground cable work**					
1.	Cable	4	Km	1,350,000	320,000	66.80
2.	Termination kit for cable	16	No.	18,000	2,500	3.28
3.	Miscellaneous(pipes, support channels etc)	--	--	--	--	2.66
	Sub Total (D)					**72.74**
E.	**Installation of Factory 2500 KVA substation**					
1.	22/440KV/2500KVA transformer	1	No.	5,000,000	250,000	52.50
2.	22KV/1250A/40KA breaker	1	No.	2,700,000	270,000	29.70
3.	22KV/800 ampere load break switch	1	No.	900,000	90,000	9.90
4.	Control panel with battery and charger	1	No.	210,000	110,000	3.20
5.	Miscellaneous (including electrical tools)	--	--	--	--	2.59
	Sub Total (D)					**97.89**
	Total (A+B+C+D)					**539.41**

5. Provision for contingencies

In the event of any cost overruns due to any changes in quoted prices of plant & machinery for which orders have not yet been placed, or on account of time variation, transportation cost, unexpected price rise due to factors beyond our control, contingencies have been provided to cover any such eventuality which may occur. Contingencies of Rs. 81.57 Lacs have been estimated, which is approximately 2% of the cost of setting up rolling mill.

Utilities for the proposed rolling mill

Rolling mill unit will be installed on the plot adjacent to the existing manufacturing plant i.e. in Wada, Thane near Mumbai, which is a well developed industrial belt for industry where the utilities like power and manpower are easily available.

Power

Total sanction load of power as on date is 4260 KW for our existing manufacturing unit. We have applied to MSEB for addition power supply of 740 KW. Therefore, there would be adequate power

supply for the present as well as estimated future requirements of our existing manufacturing plant and rolling mill.

Water

Water is required mainly for the manufacturing process and is adequately available from the bore wells in the factory premises.

Raw material

Stainless steel billets are the main raw material for the rolling mill project. Billets of the required stainless steel grades, size and length will be readily available from the existing manufacturing plant, shortage, if any, would be sourced from the open market.

Manpower

The Company's existing staff of administration covering the personnel, finance, sales & purchase functions is considered adequate to additionally look after the requirements of the rolling mill. In addition, production, mechanical & electrical managers, quality assurance manager, stores in-charge, dispatch in-charge and supervisory staff will be employed.

II. TO PART-FINANCE INCREMENTAL WORKING CAPITAL REQUIREMENTS

Our Company is currently engaged in the manufacturing of stainless steel ingots and billets of various grades and sizes. In order to complete the value chain by providing the synergy of forward integration, we propose to set up a rolling mill wherein these billets will be utilized for captive consumption. The proposed expansion would entail the requirements for additional working capital in the Company.

In the usual course of our business, we have availed working capital limits from State Bank of India, Mumbai. As on 30th September, 2011, Our Company's working capital facility consisted of sanctioned cash credit limit of Rs. 2,100.00 Lacs from State Bank of India.

The working capital requirement of the Company as per the latest restated financial statements i.e. 31st March, 2011 is Rs. 3,583.01 Lacs excluding cash. The working capital of Fiscal 2013 and 2014 has been assessed at Rs. 4,233.10 Lacs and Rs. 5,335.26 Lacs respectively. The funding pattern of the requirement for the working capital is as below:

(A) Cash credit facility: We have a cash credit facility sanctioned by State Bank of India. We estimate that Rs. 2,100.00 Lacs will be utilized to meet the working capital requirement for fiscal 2013 and 2014.

(B) Issue Proceeds: We intend to utilize Rs. 300 Lacs and Rs. 500 Lacs towards the total working capital requirements for Fiscal 2013 and 2014 respectively.

(C) Internal accruals (including funds already into the system): We intend to utilize Rs. 1,833.10 Lacs and Rs. 2,435.26 Lacs towards the total working capital requirements for Fiscal 2013 and 2014 respectively.

We have estimated the working capital requirement, which is as under:

(Rs. In Lacs)

Particulars	Basis (days)	Amount (Fiscal 2013) Estimated	Basis (days)	Amount (Fiscal 2014) Estimated
Inventories				
Existing plant				
(A) Raw material	22	1,945.03	22	2,064.52
(B) Finished goods	13	1,235.84	13	1,311.77
Rolling mill plant (proposed plant)				
(A) Raw material	15	599.80	15	1,299.37
(B) Finished goods	7	271.74	7	596.97
Debtors				
Of existing plant	21	1,254.53	21	414.74
Of rolling mill plant	20	779.75	20	1,722.30
Total (A)		**6,086.69**		**7,409.68**
Less:				
Creditors	18	1,786.23	18	2,000.58
Expenses payable	30	67.36	30	73.85
Total (B)		**1,853.59**		**2,074.43**
Net Working Capital (A-B)		**4,233.10**		**5,335.26**

Particulars of capacity utilization of proposed rolling mill is as follows:

Particulars	2012-13		2013-14		2014-15	
Volume in MT (per annum)	Installed Capacity	Capacity Utilisation	Installed Capacity	Capacity Utilisation	Installed Capacity	Capacity Utilisation
	30,000	9,000	30,000	19,500	30,000	21,000

The working capital requirement of the company as per the latest restated annual accounts i.e. fiscal 2011 is 3,583.01 Lacs. The working capital of Fiscal 2013 has been assessed at Rs. 4,233.10 Lacs and Rs. 5,335.26 Lacs in fiscal 2014. This would entail the requirement to infuse additional working capital in the fiscal 2013 and 2014 to the tune of Rs. 650.09 Lacs and Rs. 1,102.15 Lacs respectively. The funding pattern of the incremental working capital is tabled as below:

(Rs. In Lacs)

Particulars	Fiscal 2013	Fiscal 2014
Incremental working capital	650.09	1,102.15
Incremental funding pattern :		
Proceeds from the public Issue	300.00	500.00
Proceeds from fund based facility	Nil	Nil
Own funds including internal accruals already in the system	350.09	602.15

Justification of Holding Level

- Inventory

Existing plant

The level of raw material and finished goods is at 22days and 13days for Fiscal 2011 for our existing business i.e. manufacturing of S.S ingots and billets. It is estimated to be maintained at the same level for Fiscal 2013 and 2014.

Rolling mill plant (proposed plant)

The level of raw material and finished goods is estimated to be maintained at 15 days and 7 days for Fiscal 2013 and 2014 for our proposed business i.e. manufacturing of rolled products from our rolling mill plant.

- Receivables (Sales):

Existing plant

The level of receivables as at 31.03.2011 is 21 days. The receivables levels for subsequent financial years are estimated at the same level.

Rolling mill plant (proposed plant)

The level of receivables is estimated at 20 days for Fiscal 2013 and 2014.

- *Creditors*

Actual level of creditors as at 31.03.2011 is 18 days. The payable levels for subsequent financial years are estimated at 18 days.

III. GENERAL CORPORATE EXPENSES

Our Company in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this issue aggregating [•] Lacs, for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, brand building exercise and strengthening our marketing capabilities.

IV. TO MEET THE EXPENSES OF THE ISSUE

The total estimated expenses are Rs. [•] Lacs which is [•] % of Issue Size. The details of Issue expenses are tabulated below:

(Rs. In Lacs)

No.	Particulars	Amount	% of Total Issue size	% of Issue Expenses
1	Issue management fees	[•]	[•]	[•]
2	Registrars fees	[•]	[•]	[•]
3	IPO Grading expenses	[•]	[•]	[•]
3	Fee for legal counsel	[•]	[•]	[•]
4	Printing and distribution of issue stationery	[•]	[•]	[•]
5	Advertising and marketing expenses	[•]	[•]	[•]
6	Other expenses (stamp duty, initial listing fees, depository fees, charges for using the book building software of the exchanges and other related expenses)	[•]	[•]	[•]
7	Contingencies	[•]	[•]	[•]
	Total	[•]	[•]	[•]

PROPOSED YEAR-WISE DEPLOYMENT OF FUNDS

The overall cost of the proposed Project and the proposed quarter wise break up of deployment of funds are as under:

(Rs. In Lacs)

Particulars	Already Incurred	FY 2012 – 13	FY 2013 – 14	TOTAL
A. Setup of rolling mill with a proposed capacity of 30,000 MTs per annum	Nil	4,159.98	Nil	**4,159.98**
B. To part-finance incremental working capital requirements	Nil	300.00	500.00	**800.00**
C. General Corporate Purposes	Nil	[•]	[•]	**[•]**
D. Issue Expenses	34.10	[•]	Nil	**[•]**

DETAILS OF FUNDS ALREADY DEPLOYED TILL DATE AND SOURCES OF FUNDS DEPLOYED

The funds deployed up to 31st January, 2012 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. Rajesh Ramesh Shah & Co., Chartered Accountants pursuant to their certificate dated 5th March, 2012 is given below:

(Rs. in Lacs)

Deployment of Funds	Amount
Project related	Nil
Issue Related Expenses	34.10
Total	**34.10**

(Rs. in Lacs)

Sources of Funds	Amount
Internal accruals	34.10
Bank finance	Nil
Total	**34.10**

APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals and / or through additional funding by banks and/ or unsecured loans.

INTERIM USE OF FUNDS

The Company in accordance with compliance of section 61 of The Companies Act, 1956 and with the policies established by the Board, will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial

products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

MONITORING OF UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

Our Company undertakes to disclose the utilization of proceeds in its financial statements. We will disclose the utilization of Issue proceeds under a separate head in our Company's financial statement for fiscal 2013 & 2014 clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreement with the Stock Exchanges.

According to clause 43A of the Listing Agreement, we shall furnish to Stock Exchanges on a quarterly basis along with the quarterly results under clause 41 of the listing agreement, a statement indicating the material deviations in the use of proceeds of the Issue from the object of Issue as indicated on page 61 of this DRHP. The information shall be published in the newspapers and also be available for publicly dissemination on the website of the Stock Exchanges & our Company.

According to Clause 49 of the Listing Agreement, Our Company shall on a quarterly basis along with the quarterly results under clause 41 of the listing agreement disclose to our Audit Committee the statement of uses / application of funds (bifurcating in to major category heads) raised through this Issue and also a statement indicating the material deviations in the use of proceeds of the Issue from the object of Issue as indicated on page 61 of this DRHP. Audit Committee shall review these statements and shall accordingly make the appropriate recommendations to our Board.

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.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM based on assessment of market demand for the Equity Shares offered by way of book building.

Investors should read the following summary with the Risk Factors included from page number 14 and the details about our Company and its financial statements included on page 87 and 145 respectively 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

Leveraging the experience of our Promoters

Our Promoters Mr. Daulat Hariram Fulwadhya and Mr. Ashok Hariram Fulwadhya have experience in the manufacturing industry for over two decades, and have developed good clientele base, technical expertise & contributed substantially in the growth of our Company.

Experienced management team and a motivated & efficient work force

Our Company is managed by a team of experienced personnel having knowledge of the material, machinery, marketing and finance. We believe that our qualified and experienced management has considerably contributed to the growth of our business operations. We believe that the experience of our senior management team has resulted into improved product quality and increased profitability which give us a competitive edge.

Location advantage of the unit

The unit is well connected by road and rail and is in close proximity to ports at Mumbai and Nhava Sheva. This facilitates efficient movement of raw material and our products. This provides us with efficient logistics thereby reducing our transportation and raw material cost.

Cordial relations with our customers

Our record of consistent performance has helped us to build strong relations over a number of years with our customers in India including SKM Steels Limited, Goodluck Traders amongst others.

Emphasis on product quality

We have always focused on maintaining the quality of our products. We have a well equipped chemical laboratory for testing the raw materials prior to utilizing them in the manufacturing process. We have recently installed a spectrometer which tests our products composition during the stage of manufacturing process to ensure that the final product is as per the composition desired.

Growth driven

Our Company has witnessed substantial growth in past few years. Turnover of our Company have increased from Rs. 3116.97 Lacs in the fiscal 2006-07 to Rs. 31213.51 Lacs in the fiscal 2010-11 resulting in the increase of 901.41% over the past 5 years. Profit after tax of our Company have increased from Rs. 4.52 Lacs in the fiscal 2006-07 to Rs. 354.72 Lacs in the fiscal 2010-11 resulting in the increase of 7747.79% over the past 5 years.

QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

1. Basic Earning Per Equity Share (EPS) (on Rs. 10 per share)

Year	Earnings per Share (Rs.)	Weight
FY 2008-09	0.05	1
FY 2009-10	2.11	2
FY 2010-11	3.56	3
Weighted Average	**2.49**	
Half year ended 30th September, 2011 (Annualised)	**4.68**	

- EPS Calculations have been done in accordance with Accounting Standard 20-"Earning per Share" issued by the Institute of Chartered Accountants of India.

- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.

- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

2. Price / Earnings Ratio (P/E) in relation to the Issue Price [•]

a) Based on fiscal year as on 31st March, 2011; at EPS of Rs. 3.56as per Restated Financial Statements, the P/E ratio is [●] at the Floor Price
b) Based on fiscal year as on 31st March, 2011; at EPS of Rs. 3.56as per Restated Financial Statements, the P/E ratio is [●] at the Cap Price
c) Based on weighted average EPS of Rs. 2.49 as per Restated Financial Statements, the P/E ratio is [●] at the Floor Price
d) Based on weighted average EPS of Rs. 2.49 as per Restated Financial Statements, the P/E ratio is [●] at the Cap Price

Industry PE *

Particulars	P/E
i) Highest	48.5
ii) Lowest	1.7
iii) Industry Composite	9.9

*** PE based on 12 months for the entire steel (medium/small) industry**
(Source- Capital Market Vol-XXVI/26, dated February 20, 2012 to March 04, 2012)

3. **Return on Net Worth**

Year	RONW (%)	Weight
FY 2008-09	0.60	1
FY 2009-10	14.77	2
FY 2010-11	20.60	3
Weighted Average	**15.32**	
Half year ended 30th September, 2011 (Annualised)	**24.06**	

4. **Minimum RONW to maintain the Pre-issue EPS is [●]**

Based on Basic and Diluted EPS

a) At the Floor price of Rs. [●] per share - [●] % and [●]% based on restated financial Statements respectively
b) At the Cap price of Rs. [●] per share - [●] % and [●]% based on restated financial Statements respectively

5. **Net Asset Value per Equity Share**

Sr. No.	Particulars	(Rs.)
a)	As on 31st March, 2011	17.29
b)	As on 30th September, 2011	19.46
c)	After Issue	**[●]**
d)	Issue Price	**[●]**

6. **Peer group comparison of accounting ratios**

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

Name of the Company	Face Value (Rs.)	Sales (Rs. in Crores)	PAT (Rs. in Crores)	EPS (Rs.)	P/E Multiple	RONW (%)	Book Value per share (Rs.)
Harisons Steel Limited (F.Y.2010-11)	10	312.14	3.55	3.56	**[●]**	20.60	17.29
Peer Group*							
Bajaj Steel Industries Ltd	10	203.5	0.5	1.7	5.1	0.9	217.8
Good Luck Steel Tubes Ltd	2	560.8	16.5	8.8	1.7	23.1	41.9
OCL Iron & Steel Ltd	1	223.6	11.8	0.8	48.5	3.5	41.9
Kanishk Steel Industries Ltd	10	422.0	3.4	1.2	12.5	4.4	26.5

**** On the basis of standalone financials***

(Source- Capital Market Vol - XXVI/26, dated February 20, 2012 to March 04, 2012 for the Category titled 'Steel - Medium / Small')

7. The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. [●] per share is [•] times of the face value.

8. The Issue Price of Rs. [●] has been determined by our Company in consultation with the BRLM and on the basis of assessment of market demand for the Equity Shares through the Book Building Process. BRLM believes that the Issue Price of Rs. [•] is justified in view of the above qualitative and quantitative parameters. The investors may also want to peruse the *"Risk Factors"* and *"Financial Information"* as set out in the Auditors Report in the Draft Red Herring Prospectus to have a more informed view about the investment proposition.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Harisons Steel Limited,
Plot No.1, Survey Gut No. 194 (Part of Village),
Nehroli, Taluka Wada, Dist. Thane,
Maharashtra, India – 421 312;

Dear Sirs,

Sub. : Statement of possible Tax Benefits in connection with Initial Public Offering by HARISONS STEEL LIMITED ("the Company") under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "SEBI Regulations")

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

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the Investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

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

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

This report is intended solely for your information and for inclusion in the Offer Document 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 without our prior written consent.

For Rajesh Ramesh Shah & Co.
Firm Registration No.: 130830W
Chartered Accountants
Sd/-
CA. Rajesh R. Shah
(Proprietor)
Membership No. 047669

Date:05.03.2012
Place: Mumbai

STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ("THE ACT") AVAILABLE TO HARISONS STEEL LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

A. TO COMPANY

I. SPECIAL TAX BENEFITS

There are no special benefits accruing to the company.

II. GENERAL TAX BENEFITS AVAILABLE TO COMPANY UNDER THE INCOME TAX ACT, 1961("ACT")

General Tax Benefits available to the Company under the Income Tax Act, 1961 ('Act') Subject to fulfillment of conditions, the Company will be eligible, inter alia, for the following specified deductions in computing its business income:-

1. As per Section 10(34) of the Act, income earned by the Company by way of dividend income from another domestic company referred to in section 115-O of the act is exempt from tax.

2. As per section 10(35) of the Acts, the following income will be exempt from tax in the hands of the Company:

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

    or

    b. Income received in respect of units from the Administrator of the specified undertaking;

    or

    c. Income received in respect of units from the specified company.

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

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

3. **Long term capital gains on listed securities under Section 10 (38) of the Act**

    Long term capital gain arising from sale of listed Equity Shares or units of an equity oriented fund through a recognized stock exchange will not be subject to capital gains tax, provided the applicable Securities Transaction Tax i.e. at the rate of 0.125 % on the transaction value is paid by the Company and the transaction of such sale is entered into on or after June 01, 2006.

4. Under section 32 of the Act, the Company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.

    As per provisions of Section 32(1)(iia) of the Act, the company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfillment of conditions prescribed therein.

5. Deduction of preliminary expenses under section 35D of the Act - The Company will be entitled to a deduction of one fifth of the preliminary expenses incurred for the issue of shares for a period of five years beginning with the year in which the Company expands its current industrial undertaking. The amount of deduction is limited to five percent of the cost of the project/ capital employed in the business.

6. In accordance with and subject to the condition specified in Section 54EC of the Act, long term capital gain [other than those exempt U/S 10(38)] shall not be chargeable to tax to the extent such capital gain is invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisitions, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gain in the year in which the bonds are transferred or converted into money. Investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year should not exceed Rs. 50 lacs.

7. **Short term capital gains on Equity Shares under section 111A of the Act.**

   As per the provisions of section 111A of the Act, any short term capital gains arising to the company from the sale of equity share in a company or unit of an equity oriented fund on a recognized stock exchange will be subject to tax only at a rate of 15% (plus applicable surcharge & education cess) provided the applicable Securities Transaction Tax i.e. at the rate of 0.125 % on the transaction value is paid by the Company. Other short term capital gains would be taxed at the rate of 30 % (plus applicable surcharge & education cess).

8. **Long term capital gains under section 112 of the Act.**

   According to the provisions of Section 112 (1) of the Act, Long term capital gains arising from the sale of an asset of the Company other than those exempt u/s 10(38) of the Act, is subject to tax @ 20 % (plus applicable surcharge/ education cess). In case of long term capital gains on transfer of listed securities outside the stock exchange, tax shall be calculated @ 20 % (plus applicable Surcharge & education cess) on gain after indexation benefit as provided in the second proviso to Section 48. The amount of such tax should however be limited to 10 %(plus applicable Surcharge & education cess) without indexation, at the option of the Share holder. For this purpose, Indexation Benefit would mean the substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

9. It is pertinent to note that section 14A of the Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation to such exempt income."

10. Deduction shall be allowed of an amount equal to the securities transaction tax paid by the assess in respect of the taxable securities transactions entered into in the course of business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and gains of business or profession”.

11. As per section 70 read with section 74, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gain arising in that year. Balance loss if any is allowed to should be carried forward and available for set-off against subsequent year's short term or long term capital gains for subsequent 8 assessment years.

12. As per section 70 read with section 74 long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss if any is allowed to be carried

forward and available for set-off against subsequent year's long term capital gains for subsequent 8 assessment years.

13. As per Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations subject to the fulfillment of the conditions specified in that section as per provisions of Chapter XVII-B of the Income Tax Act.

14. As per Section 115JB, while calculating —book profits, the Company will not be able to reduce the long term capital gains to which the provisions of Section 10(38) of the Act apply and will be required to pay Minimum Alternate Tax @ 18.5% (plus applicable surcharge and education cess) of the book profits.

15. **Entitlement of MAT Credit u/s. 115JAA**

    Under Section 115JAA(1A) of the Act, credit is allowed in respect of any tax paid (MAT) under Section 115JB of the Act for any assessment year commencing on or after April 1, 2006. 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 be available for set-off upto 10 years succeeding the year in which the MAT credit becomes allowable.

B. TO MEMBERS

I. SPECIAL TAX BENEFITS

There are no special benefits accruing to the members.

II. GENERAL TAX BENEFITS

(A) Resident Members

1. **Dividends exempt under Section 10(34)**

   Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act read with Section 115-O of the Act.

2. **Long term capital gains on listed securities under Section 10 (38) of the Act**

   As per section 10(38) of the Act, long term capital gains arising to the resident member from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.

   It is pertinent to note that section 14A of the Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation to such exempt income."

3. **Short term capital gains on Equity Shares under section 111A**

   Any short term capital gains arising to the resident member from the sale of equity share in a company or unit of an equity oriented fund on a recognized stock exchange will be subject to tax only at a rate of 15% (plus applicable surcharge & education cess) provided the applicable Securities Transaction Tax i.e. at the rate of 0.125 % on the transaction value is paid by the Company. Other short term capital gains would be taxed at the rate as applicable.(plus applicable surcharge & education cess).

4. According to the provisions of Section 112(1) of the Act, Long Term Capital Gains arising from the sale of an asset of the Company other than those exempt u/s 10(38) of the Act, is subject to tax@20% (plus applicable surcharge/education cess). In case of long term capital gains on transfer of listed securities outside the stock exchange, tax shall be calculated @20%(plus applicable surcharge & education cess) on gain after indexation benefit as provided in the second proviso to Section 48. The amount of such tax should however be limited to 10% (plus applicable surcharge & education cess) without indexation, at the option of the shareholder. For this purpose, Indexation benefit would mean the substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

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

6. As per the provisions of section 54F of the Act, long term capital gains [in cases not covered under section 10(38)] arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three year.

7. **Deduction u/s 36(1)(xv)**

   Deduction shall be allowed of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

8. Under Section 10(32) of the IT Act, any income of minor children who is a shareholder of the Company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of Rs 1,500 per minor child whose income is so included in the income of the parent.

9. As per section 56 (2) (vii) where an individual or a Hindu undivided family receives from any person on or after the 1st day of October, 2009, any property, (moveable/immovable property includes shares & securities [being capital asset of the assessee],

   (i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;

   (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

   Provided that this clause shall not apply to any property received:

   a) from any relative;

   b) on the occasion of the marriage of the individual;

c) under a will or by way of inheritance;

d) in contemplation of death of the payer or donor, as the case may be;

e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the Act;

f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the Act; or

g) from any trust or institution registered under Section 12AA of the Act.

10. As per section 70 read with section 74, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gain arising in that year. Balance loss if any is allowed to should be carried forward and available for set-off against subsequent year's short term or long term capital gains for subsequent 8 assessment years.

11. As per section 70 read with section 74 long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss if any is allowed to be carried forward and available for set-off against subsequent year's long term capital gains for subsequent 8 assessment years.

(B) Non-Resident Indian Members

1. Dividends exempt under Section 10(34)

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act read with Section 115-O of the Act.

2. Long term capital gains on listed securities under Section 10 (38) of the Act

As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

It is pertinent to note that section 14A of the Act provides that no deduction shall be allowed in respect of any expenditure incurred in relation to such exempt income."

3. Short term capital gains on Equity Shares under section 111A

As per provisions of section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

4. Capital Gains Tax-options available under the Act –

A non resident has the option to be governed by the special provisions of Chapter XII-A of the Act or the normal provisions of the Act. The normal provisions of the Act for the capital gains in relation to sections 111A, 112 and 10(38) as discussed in clause (3), (7) & (8) under section A of "Company" apply to the non residents also. Further, proviso to section 48 of the Act provides that where a non resident purchases shares or debentures of an Indian Company in foreign currency, the capital gains would be computed in such foreign currency and will then be

reconverted into Indian currency and be taxed @ 10% (plus applicable surcharge & education cess).

As mentioned above a non resident may opt for the special provisions described in chapter XII-A (sections 115C to 115H) of the Act for computing his/her capital gains tax liability. These provisions are discretionary for the non resident and a non resident may elect not to be governed by them. The benefits available under this chapter to a non resident are set out below:

a. As per the provision of Section 115D read with Section 115E of the Act, long term capital gains arising on transfer of an Indian company's shares will be subject to tax at the rate of 10% (plus applicable surcharge & education cess), without indexation benefit.

b. As per the provisions of Section 115F of the Act, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within six months in any specified asset or savings certificates referred to in Section 10 (4B) of the Act. However, the specified asset or the savings certificate in which the investment has been made should not be transferred for a period of three years from the date of investment otherwise the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

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

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

e. As per provisions of Section 115-I of the Act, in case of non resident Indian opts not be governed by the provisions of Chapter XII-A for an assessment year, his/her total income for that assessment year (including income arising from investment in the Company) will be computed and tax will be charged according to the other provisions of the Income Tax Act.

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

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

7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual

or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three year.

8. Deduction u/s 36(1)(xv)

Deduction shall be allowed of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

9. Under Section 10(32) of the IT Act, any income of minor children who is a shareholder of the Company clubbed in the total income of the parent under Section 64(1A) of the IT Act, will be exempt from tax to the extent of ` 1,500 per minor child whose income is so included in the income of the parent.

10. As per section 56 (2) (vii) Where an individual or a Hindu undivided family receives from any person on or after the 1st day of October, 2009, any property, (moveable/immovable property includes shares & securities [being capital asset of the assessee],

    (i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property shall be chargeable to income-tax under the head Income from other sources;

    (ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration shall be chargeable to income-tax under the head Income from other sources.

    Provided that this clause shall not apply to any property received:

    a) from any relative;

    b) on the occasion of the marriage of the individual;

    c) under a will or by way of inheritance;

    d) in contemplation of death of the payer or donor, as the case may be;

    e) from any local authority as defined in the Explanation to clause (20) of Section 10 of the Act;

    f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of Section 10 of the Act; or

    g) from any trust or institution registered under Section 12AA of the Act.

11. As per section 70 read with section 74, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gain arising in that year. Balance loss if any is allowed to should be carried forward and available for set-off against subsequent year's short term or long term capital gains for subsequent 8 assessment years.

12. As per section 70 read with section 74 long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss if any is allowed to be carried forward and available for set-off against subsequent year's long term capital gains for subsequent 8 assessment years.

13. Tax Treaty benefits

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

(C) Foreign Institutional Investors (FII's)

1. **Dividends exempt under Section 10(34)**

Dividends (whether interim or final) declared, distributed or paid by the Company are exempt in the hands of shareholders as per the provisions of Section 10(34) of the Act read with Section 115-O of the Act.

2. **Long term capital gains on listed securities under Section 10 (38) of the Act**

As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.

3. **Short term capital gains on Equity Shares under section 115AD read with section 111A**

As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of equity shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.

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

Nature Of Income	Rate of tax (%)
Long Term Capital Gains	10
Short Term Capital Gains (other than referred to in section 111A)	30

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

5. **Deduction u/s 36(1)(xv)**

Deduction shall be allowed of an amount equal to the securities transaction tax paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising

on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty lacs in a year.

7. **Tax Treaty benefits**

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

(D) Mutual Funds

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

(E) Venture Capital Companies / Funds

As per section 10(23FB) of the Act, all Venture Capital Companies/Funds registered with the Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their entire income, including income from sale of shares of the company. However, under section 115U of the Act, income received by a person out of investment made in a venture capital company or in a venture capital fund will be chargeable to tax in the hands of such person.

UNDER THE WEALTH TAX ACT, 1957

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

UNDER THE GIFT TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

NOTES:

I. In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.

II. 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.

III. 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 presently in force in India and are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendment in the law or relevant regulations would necessitate a review of the above.

IV. Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.

V. This statement is only extended 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 tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the Company.

VI. 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

All the above tax benefits will be available only to the sole / first named holder in case the shares are held by joint holders.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the BRLM or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled "Risk Factors" on page 14 of this Draft Red Herring Prospectus. Accordingly, investment decisions should not be based on such information)

THE INDIAN ECONOMY

India is the world's largest democracy in terms of population with Gross Domestic Production (GDP) of US$ 4,060 billion in 2010 in purchasing power parity (PPP) terms. This makes India the fifth largest economy in the world after the European Union, the United States of America, China and Japan in PPP terms, *(Source: CIA World Factbook)*. India is also amongst the fastest growing economies globally and its real GDP has grown at an average compounded rate of 8.4% per annum during the last five years upto FY 2011. *(Source- Central Statistics Office, Government of India)*

GDP growth moderated to 6.9 per cent in Q2 of 2011-12 from 7.7 per cent in Q1 and 8.8 per cent in the corresponding quarter a year ago. The deceleration in economic activity in Q2 was mainly on account of a sharp moderation in industrial growth. On the expenditure side, investment showed a significant slowdown. Overall, during the first half (April-September) of 2011-12, GDP growth slowed down to 7.3 per cent from 8.6 per cent last year.

On a y-o-y basis, headline WPI inflation moderated to 9.1 per cent in November from 9.7 per cent in October, driven largely by decline in primary food articles inflation. Fuel group inflation went up marginally. Notably, non-food manufactured products inflation remains elevated, actually increasing to 7.9 per cent in November from 7.6 per cent in October, reflecting rising input costs. The new combined (rural and urban) consumer price index (base: 2010=100) rose further to 114.2 in October from 113.1 in September. Inflation in terms of other consumer price indices was in the range of 9.4 to 9.7 per cent in October 2011. Reassuringly, headline momentum indicators, such as the seasonally adjusted month-on-month and 3-month moving average rolling quarterly inflation rate, show continuing signs of moderation. *(Source: RBI Mid-Quarter Monetary Policy Review: December 2011)*

INDIAN STEEL INDUSTRY

Overview

Steel is a uniquely versatile material. It is involved in virtually every phase of our lives from housing, food supply and transport to energy delivery, machinery and healthcare. In fact, it is so versatile that pretty well everything people use every day is either made from steel or is provided by steel.

Steel has facilitated our quality of life, underpinned humankind's development and even helped us to understand our planet and the eco-systems it supports. Without being aware of it, society now depends on steel. Human kind's future success in meeting challenges such as climate change, poverty, population growth, water distribution and energy limited by a lower carbon world depends on applications of steel.

Steel's claim to be right for these times is not solely based on its claim as the most versatile man-made material. Recyclability is another of its key performance characteristics. Steel can be recycled again and again without loss of quality. This differentiates steel from many other materials where there is a loss in performance at each recycling.

India's rapid economic growth is being built on a frame of steel. Soaring demand by sectors like infrastructure, real estate and automobiles, at home and abroad, has put India's steel industry on the world map.

Development of Indian Steel Sector since 1991

The Indian steel industry has witnessed steady growth, on the back of various initiatives taken by the Government of India. Economic reforms initiated by the government in 1991 have assisted in the growth of steel industry and have added new dimensions to industrial growth in general and steel industry in particular. Following are the highlights of same:

- Licensing requirement for capacity creation has been abolished, except for certain locational restrictions
- Steel industry removed from the list of industries reserved for the public sector
- Automatic approval of foreign equity investment up to 100%
- Price and distribution controls removed from January 1992
- Restrictions on external trade, both in import and export have been removed
- Import duty rates have been reduced drastically
- Certain other policy measures such as - reduction in import duty of capital goods, convertibility of rupee on trade account, permission to mobilize resources from overseas financial markets and rationalization of existing tax structure for a period of time have also benefited the Indian steel industry.

Prior to these reforms, the steel industry was dominated by the public sector. However, after the reforms this sector became open to private investments and foreign investments. A lot of new steel plants have been set up in the country due to huge foreign investments and state-of-the-art technology. Tata Steel was the first steel plant established in 1907 in India.

The Tenth Five Year Plan has seen robust growth of the steel industry with significant increases in both production and consumption. Crude steel production grew at the rate of 9.8% annually from 34.83million tonnes in 2002–03 to 50.88 million tonnes in2006–07 (provisional). This growth was driven by both capacity expansion (from 40.41 million tonnes in 2002–03 to 56.84 million tonnes in 2006–07) and improved capacity utilization (from 86% in 2002–03 to 89% in 2006–07). *(Source: Eleventh five year plan 2007-12, Volume III)*

The average increase in production during the Tenth Five Year Plan was 3.7 million tonnes per annum compared to just 1.1 million tonnes per annum in the Ninth Five Year Plan (1997–2002), and the annual growth rate of steel consumption doubled to 9.8% in the Tenth Five Year Plan compared to only 3.8% in the Ninth Five Year Plan. Capacity creation during the last decade after deregulation has taken place entirely in the private sector. As a result, there has been a noticeable shift towards the private sector both at the crude and finished steel stages. Private sector during 2006–07 accounted for 67% of the total crude steel output compared to 41% in 1992–93 and 74% of the total finished steel output compared to 54% in 1992–93.*(Source: Eleventh five year plan 2007-12, Volume III)*

The National Steel Policy 2005 has projected consumption to grow at 7% based on GDP growth of7%–7.5% and production capacity of 110 million tonnes by 2019–20. The estimates have been revised upward by the Working Group. In the 'Most Likely' scenario of 9% GDP growth, demand for steel is projected to be 70 million tonnes by 2011–12. Therefore, it is envisaged that in the next five years, the demand will grow at a considerably higher annual average rate of 10.2% as compared to around 7% growth achieved between 1991–92 and 2005–06.*(Source: Eleventh five year plan 2007-12, Volume III)*

Several existing steel mills have planned expansion of capacity and there are new investments including foreign investment in the pipeline. The public sector units, namely, SAIL and RINL, are planning to increase production of crude steel from a level of 16 million tonnes per annum in 2006–07 to 30 million tonnes per annum by 2011–12. The Eleventh Five Year Plan Working Group on the steel

industry has estimated that the capacity that will actually come up by the terminal year will be 80 million tonnes per annum of crude steel.*(Source: Eleventh five year plan 2007-12, Volume III)*

The Indian steel industry has withstood international competition despite the reduction of basic customs duty on steel from 25%–30% in 2002–03 to 5% in 2006–07. By the end of the Tenth Five Year Plan the industry was fully geared to operate in an open economy where exports and imports respond to increases or decreases in the domestic demand driven primarily by market signals. *(Source: Eleventh five year plan 2007-12, Volume III)*

Market Size

Steel industry is of great significance to the economic growth of the country.

India has been ranked the world's fifth largest producer of crude steel in the world and is projected to become the world's second largest producer by 2015–2016.

Various states have signed around 222 memorandums of understanding (MoUs), with a projected capacity of about 275.7 million tonnes per annum as detailed below:

State	No. of MOU's signed	Approx. capacity (in million tonnes per annum)
Orissa	49	75.66
Jharkhand	65	104.23
Chattisgarh	74	56.61
West Bengal	12	21.00
Other States	22	18.20 (estimated)
Total	**222**	**275.70**

(*Source: Annual Report 2010-11, Ministry of Steel)*

Steel production processes

Blast furnace/basic oxygen furnace (BF/BOF): BF basically converts iron ore into liquid form of iron. Iron produced by BF contains high amount of carbon and other impurities, this iron is called pig iron. Pig iron due to its high carbon content has limited end use application such as covers of manholes. To make steel products out of pig iron it is further processed into BOF where its carbon content and other impurities are burnt or removed through slag separation. Main inputs to BF are iron ore and coal/coke. BOF is also called oxygen furnace because oxygen is the only fuel used in the process. Generally, integrated milling use BF/BOF routes to produce finished steel.

Electric Arc Furnace (EAF): Basic purpose of the EAF is remelting sponge iron, melting scrap, its main inputs, to produce finished steel. It uses electricity as much as 400-500 kWh/ton.

COREX or Cipcor Process: COREX is an advance process of making steel. Though few use this process, it is possible to use non-coking coal directly in smelting work and it also makes it possible to use lump ore and pellets as inputs. These two advantages allow steel producers to eliminated coking plants and sinter plants. Purpose of coking plant is to convert non-coking coal into more efficient fuel and purpose of sinter plant is purify lump ore or pellets for further 5 processing. Basic inputs to COREX are iron-ore and coal.

Induction Arc Furnace (IAF): is one of the most advance processes of making steel. Like EAF it uses electricity as its main fuel. IAF is most environment friendly and efficient way of producing steel. However, its lack of refining capacity requires clean products as its inputs. Large numbers of small steel companies use this technology.

The high weight of the product significantly pushes up transport and movement costs. Therefore large integrated plants are the norm for cost efficient production. For specialized steel and alloys efficient production by smaller plants is possible.

Steel Producers

Broadly there are two types of producers in India viz. integrated producers and secondary producers. Integrated steel producers have traditionally integrated steel units have captive plants for iron ore and coke, which are main inputs to these units.

Secondary producers use steel scrap or sponge iron/direct reduced iron (DRI) or hot briquetted iron (HBI). It comprises mainly of Electric Arc Furnace (EAF) and Induction Furnace (IF) units, apart from other manufacturing units like the independent hot and cold rolling units, rerolling units, galvanizing and tin plating units, sponge iron producers, pig iron producers, etc

Categories of steel

Based on its composition, steel is classified as plain carbon steel and alloy steel.

The vast majority of steel produced in the world is carbon and alloy steel, with the more expensive stainless steels representing a small, but valuable niche market.

Carbon steel is basically an alloy of iron and carbon and used to produce a number of products which are described below:

• Semi-Finished Steel Products (Semis):

Intermediate solid steel products obtained by hot rolling/forging of ingots (in conventional process) or by continuous casting of liquid steel are known as Semis. These are called so since they are intended for further rolling/forging to produce finished steel products.

Various types of semis are as under:

- **Blooms**: A semi-finished product, usually in square (at times in rectangular) section of cross sectional size exceeding 5”x5” (125mm X 125mm). In some of the modern mills, the term bloom is used to cover such products of cross sectional size exceeding 8”x8”. These are inputs for producing heavy sections and sheet piling section normally by hot rolling. At times, blooms are used to produce billets by hot rolling in the billet mill.

- **Billets:** A semi-finished product which are similar to blooms but of smaller cross sectional size(usually less than or 5’’x5’’/7’’x7’’. These are used as input material for production of finished steel long products viz bars & rods, light sections etc.

- **Slabs:** A semi-finished rectangular, wide, semi-finished steel product intended for production of finished hot rolled flat products viz plates, sheets, strips etc. They are normally of width 150- 250mm wherein width is at-least 3 or 4 times of thickness.

- **Thin Slabs:** In modern thin slab casting machine, liquid steel is continuously cast into much thinner slabs of 35-50mm directly which are used for production of finished hot rolled flat products upon heating on-line.

• Finished Steel:

Products obtained upon hot rolling/forging of semi-finished steel (blooms/billets/slabs). These cover 2 broad categories of products, namely **Long Products** and **Flat Products**:

a) **Long Products:**

Finished steel products produced normally by hot rolling/forging of bloom/billets/pencil ingots into useable shape/sizes. These are normally supplied in straight length/ cut length except Wire rods which are supplied in irregularly wound coils.

Different types of long products are:

- **Bars & Rods:** Long steel products obtained normally by hot rolling/forging of billets/ blooms. They include rounds, flats (flat bars), squares, hexagons, octagons etc. which find direct use in a wide variety of products in engineering, & agricultural, household, furniture sector etc. with/without further processing.

- **CTD (Cold-worked Twisted & Deformed)/ TMT (Thermo Mechanically Treated) Bar & Rods :** Hot rolled round bars/rods with indentations/ribs normally supplied in straight length or in folded bundles. Used directly in civil construction.

- **Wire Rod:** Hot rolled plain bar/rods (i.e. without indentation) in coil form, normally used to produce steel wires and at times steel bright bars.

- **Angles, Shapes & Section:** Hot rolled structural sections obtained by hot rolling of blooms/billets. They include angles, channels, girders, joist, I beams, H beams etc used in civil/mechanical construction.

- **Rails:** Hot rolled rail sections obtained upon hot rolling of blooms/billets. Used in rail ways/tram ways, on which rail/tram moves.

- **Wires:** Wires are produced by cold drawing of wire rod through a die. They are normally supplied in coils.

- **Bright Bars:** There are cold drawn/ ground/ peeled plain bars produced from hot rolled plain bars/wire rods.

Different types of flat products are:

- **Plate:** Thick flat finished product of width : +500mm & thickness : (+)5mm which are supplied in cut/straight length. Plates are normally produced/supplied in hot rolled condition with or without specific heat treatments.

- **Sheet:** Thin flat finished steel products, Width : +500MM, Thickness : (-) 5mm, supplied in cut/straight length. Sheets are produced/ supplied in hot rolled /cold rolled/coated condition and accordingly, known as Hot Rolled (HR) Sheets or Cold Rolled (CR) Sheets or Coated Sheets.

- **Strips:** Hot/cold/coated flat rolled products, supplied in regularly wound coils of super imposed layers. Accordingly, known as HR Strips or CR Strips or Coated Strips.

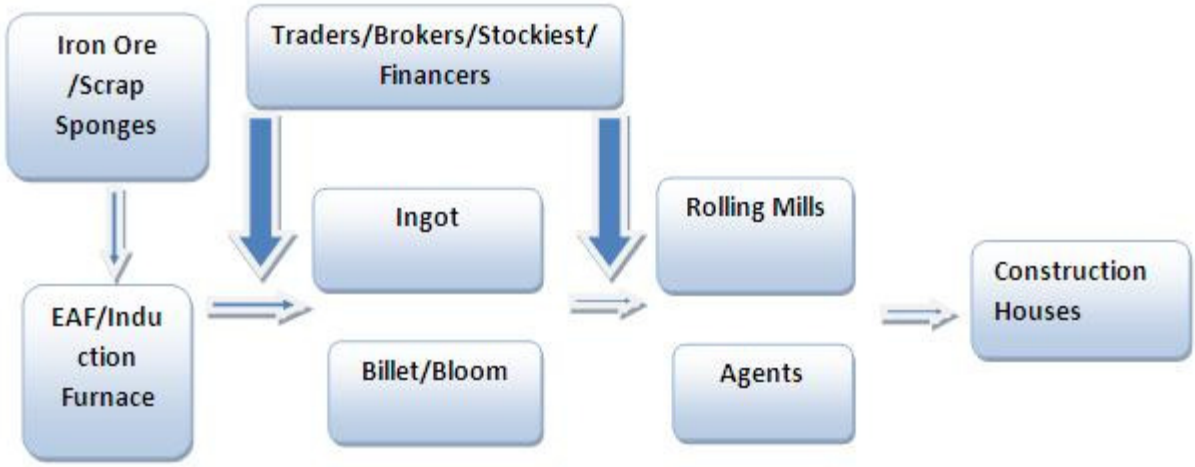
- **Hot Rolled (HR) flat products** are produced by re-rolling of slabs/thin slabs at high temperature (above 1000 Degree C) in plate mills (which produce plates) or in hot strip mills (which produce strips). Hot rolled strips are cut into straight length to produce HR Sheets or Thin Plates.

- **Cold Rolled(CR) Strips** are produced by cold rolling of HR Strips in cold rolling mills (normally at room temperature). CR Strips are cut to produce CR sheet. CR Strips/sheets are characterized by lower thickness, better/bright finish, closer dimensional tolerance and specific mechanical/metallurgical properties. They are directly used in automobiles (cars/ scooters, motorcycles etc.), white goods, consumer durable etc. or for production of coated sheet products. Cold rolled sheets/strips are supplied in as rolled condition (CRFH- Cold Rolled Full Hard) or in closed annealed (CRCA –Cold Rolled Close Annealed) condition or in closed annealed & skin passed/temper passed condition, depending upon the requirement of the end users.

(Source: www.steel.nic.in, Ministry of Steel)

The other category of steel is alloy steel, which further consists of various types with stainless steel being one of these. Though metals like iron, brass, copper, gold and silver are familiar to human beings from the beginning of civilizations, stainless steel is too young a discovery, which has just completed its maiden century. Stainless steel is the generic name for a number of different steels used primarily for their resistance to corrosion. The one key element they all share is a certain minimum percentage (by mass) of chromium: 10.5%. Although other elements, particularly nickel and molybdenum, are added to improve corrosion resistance, chromium is always the deciding factor.

Steel Value Chain



Stainless steel began its journey in the house as it was mostly used for producing household articles and kitchenwares. Throughout the world, brass and copper utensils were being replaced by stainless steel kitchenware products. The cause of this attraction was because cleaning stainless steel products was easier and they did not require recurring tinning (process of thinly coating sheets of steel with tin with the resulting product known as tinplate and is most often done to prevent rust) and were also more durable. Slowly, but steadily, it entered other engineering industries because of its anti-corrosion properties. It soon captured the attention of marine, chemicals, petroleum and dairy plant manufacturers. Later on it entered the automobile, construction and furniture segment.

Key attributes of stainless steel

The key attributes of stainless steel may be summarized as follows:

- Excellent corrosion resistance does not require coatings.
- Strength elongation and formability properties.

- Availability in wide range of surface finishes.
- Can be readily clad on carbon steel.
- Excellent fatigue resistance.
- Easy to clean and suitable for hygienic uses.
- It is 100 percent recyclable.
- It has very good energy absorbing properties.
- High tensile strength.
- Low thermal conductivity.
- Easily formed and welded with conventional equipment.
- Goal resistance to high temperatures.
- High strength to weight ratio.

INDIAN STAINLESS STEEL INDUSTRY

India's production of stainless steel began in the late sixties of the last century at SAIL's Alloy Steel Plant at Durgapur, West Bengal. During the eighties of the last century, the Government changed its policies allowing the production of all types of steel in the secondary sector. New capacities for the production of stainless steel came up and the country's production reached about 170,000 tons in 1984-85. The eighties of the last century also saw the installation of AOD/VOD processes by some major Electric Arc Furnace (EAF) units resulting in the use of high carbon ferro-chrome for the first time in India which brought down the cost of production. Some smaller units started production through the Induction Furnace (IF) route by melting stainless steel scrap and recycling it into usable stainless steel.

With the down of the 21st Century, India has emerged as a net exporter of stainless steel products as well as fabricated and value- added components and kitchenware. Presently, the Indian stainless steel industry is capable of meeting all the critical requirement of the nuclear power installations and other process industries by supplying higher grades of stainless steel containing nickel and molybdenum.

Domestic Demand

The apparent consumption of stainless steel for the period from 1998-99 to 2010-11 is furnished herein below:

(In 000 tonnes)

Year	Production	Imports	Exports	Apparent Consumption
1998-99	628	68	62	634
1999-00	665	62	61	666
2000-01	780	70	62	788
2001-02	760	71	145	686
2002-03	1200	76	191	1085
2003-04	1450	106	513	1043
2004-05	1706	112	378	1440
2005-06	1870	162	432	1600
2006-07	2050	180	632	598
2007-08	2082	207	427	1862
2008-09	2144	202	322	2024
2009-10	2311	206	317	2200
2010-11	2600	200	300	2500

It is revealed that there is a growth of about 12% per annum in demand for stainless steels during the period 1998-99 to 2010-11. It has recorded an annual growth rate of about 13% during 2003-04 to 2010-11.

Literature surveys reveal that about 70% of total demand is consumed by metal products and kitchenware industries. The second largest share in demand is in process industry (about 10%) followed by transportation, construction and engineering industries (about 5% each) which are having very high demand due to higher growth.

(Source: http://www.steelworld.com)

India's stainless steel consumption is likely by to grow up from 1,154,000 tons in 2004-05 to a level of estimated 4,084,000 tons in 2015-16.

(Source: http://www.steelworld.com)

INDIAN RE- ROLLED PRODUCTS INDUSTRY

There are approximately 2600 re-rolling mills throughout India, out of which approximately 1800 units are working inclusive of scrap re-roller in India. Out of total 1800, 1167 re-rolling mills are on the list of Government. The first Re-rolling Mill in the Country was installed in the year 1928 at Kanpur mainly for salvaging scrap materials.

The TOR steel, the flats, special squares window section, thinner size HR strips, thinner gaze HR strips, hexagons, wire rods, angles, channels, H-Beams, I-Beams, tele-channels etc. are the products of this sector.

The substantial quantities of steel rolled products are being exported to the various parts of the world in addition to all neighbouring Country like Bangladesh, Nepal and Bhutan. Various fabricated and steel items, which are produced out of the rolled products, are export to the most developed countries of the world like USA, Canada etc.

The estimated demand of the re-rolled products has been estimated at about eight million tonnes. The share of the secondary steel producers in India out of the total production of finished steel has been assessed at 59 percent which itself proves the achievement of this sector. The Steel re-rolling industry caters to the needs of the domestic field up to the tune of 68 percent of the total requirement. 80 percent of the total exports of rounds and bars have been recorded from the secondary steel producers.

(Source:http://www.msmefoundation.org)

OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Harisons Steel Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 14 and "Industry Overview" on page 87 of the Draft Red Herring Prospectus.

BUSINESS OVERVIEW

Our Company was originally incorporated as "Harisons Steel Private Limited" on 26th November, 1999 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. For further details in relation to the changes to the name of our Company, please refer to the section titled *"Our History and Corporate Structure"* beginning on page 118 of this Draft Red Herring Prospectus.

We are currently engaged in the manufacturing of stainless steel ingots and billets of various grades and sizes. However in the recent past, manufacturing of stainless steel billets comprise the main thrust of our business. In order to complete the value chain by providing the synergy of forward integration, we plan to set up a rolling mill wherein these billets will be utilized for captive consumption.

Our manufacturing unit is located at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312. Our unit is equipped with state –of – art infrastructure facilities & technology.

We started our commercial production in 2001 with an installed capacity of 30,000 MTs per annum of mild steel ingots/billet/slabs. In the year 2007, we have expanded our operations by venturing in to production of stainless steel ingots/billets/blooms/slabs/runners/risers.

We are an ISO 9001: 2008 Company certified for all areas of operation and have been awarded the "TUV" Certification.

Our core competencies are our in-house technical knowledge, skilled workforce and well-equipped manufacturing facility which enable us to manufacture S.S. ingots and billets in diverse variations to meet varied client requirements.

OUR COMPETITIVE STRENGTHS

Leveraging the experience of our Promoters

Our Promoters Mr. Daulat Hariram Fulwadhya and Mr. Ashok Hariram Fulwadhya have experience in the manufacturing industry for over two decades, and have developed good clientele base, technical expertise & contributed substantially in the growth of our Company.

Experienced management team and a motivated & efficient work force

Our Company is managed by a team of experienced personnel having knowledge of the material, machinery, marketing and finance. We believe that our qualified and experienced management has considerably contributed to the growth of our business operations. We believe that the experience of our senior management team has resulted into improved product quality and increased profitability which give us a competitive edge.

Location advantage of the unit

The unit is well connected by road and rail and is in close proximity to ports at Mumbai and Nhava Sheva. This facilitates efficient movement of raw material and our products. This provides us with efficient logistics thereby reducing our transportation and raw material cost.

Cordial relations with our customers

Our record of consistent performance has helped us to build strong relations over a number of years with our customers in India including SKM Steels Limited, Goodluck Traders amongst others.

Emphasis on product quality

We have always focused on maintaining the quality of our products. We have a well equipped chemical laboratory for testing the raw materials prior to utilizing them in the manufacturing process. We have recently installed a spectrometer which tests our products composition during the stage of manufacturing process to ensure that the final product is as per the composition desired.

Growth driven

Our Company has witnessed substantial growth in past few years. Turnover of our Company have increased from Rs. 3116.97 Lacs in the fiscal 2006-07 to Rs. 31213.51 Lacs in the fiscal 2010-11 resulting in the increase of 901.41% over the past 5 years. Profit after tax of our Company have increased from Rs. 4.52 Lacs in the fiscal 2006-07 to Rs. 354.72 Lacs in the fiscal 2010-11 resulting in the increase of 7747.79% over the past 5 years.

OUR MANUFACTURING UNIT

We produced 19,599 MTs in the financial year 2010-11 whereas we have an installed capacity of 30,000 MTs per annum. The manufacturing unit is located at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312. Our unit is equipped with state –of – art infrastructure facilities & technology.

Stated below are the brief details of some of the major equipments utilized at our manufacturing unit.

Name of Equipment	Capacity	Number	Utility
Crucible Induction Furnace	10 MTs each	2	To melt scrap
A.O.D vessel	➢ 12MTs with manual & auto gas mixing station ➢ 20 MTs with auto gas mixing station	2	To carry out three steps of refining: decarburization, reduction and desulphurization
Oxygen and nitrogen gas plant	400 m^3/hr	1	To produce oxygen gas and nitrogen gas
Continuous casting machine including Tundish, Mold Jacket, oscillator, manual gas cutting, manual water cooling system etc.	---	1	To crystallize liquid steel into billets
Spectrometer	---	2	To test product composition
Ladle hanger	➢ One-22 MTs ➢ Two-15MTs each	3	To lift ladles

Name of Equipment	Capacity	Number	Utility
Pollution control system	---	---	To control pollution by eliminating dust particles from pollutant gases prior to discharging these gases in the atmosphere

Other equipments utilized at our manufacturing unit are transformers, generator, air tank, cooling tower, cranes, casting ladles, transfer ladle, slag ladle, centre columns, furnace oil storage tank amongst others.

IMAGES OF OUR MACHINERIES

MANUFACTURING PROCESS OF OUR PRODUCTS

The process of manufacturing stainless steel ingots and billets involves two steps broadly i.e.

Step 1: Production of molten stainless steel
Step 2: Casting into stainless steel ingots and billets

Step 1: Production of stainless steel in liquid form

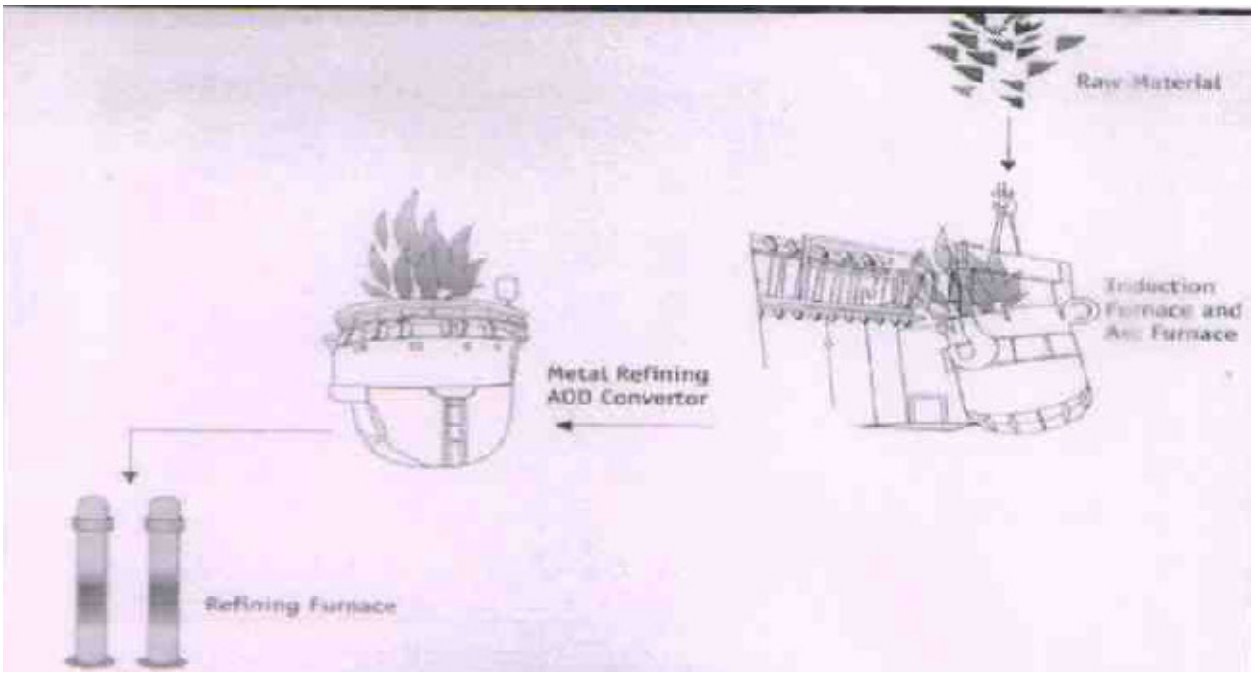
The principal raw material for producing molten stainless steel is metallic iron in the form of stainless steel scrap and ferro alloys of chromium, nickel and manganese.

The stainless steel charge containing stainless steel scrap of graded quality and sponge iron is melted in the induction furnace. The liquid metal is tapped in ladle, and after temperature adjustment and slagging off the liquid metal, is transferred to the Argon Oxygen Decarburisation (AOD) vessel.

Refining in the AOD vessel with blowing of gases like oxygen, nitrogen and argon is done to drop the carbon sulphur level of the liquid metal.

During the decarburizing stage, ferro alloys and coolant metallic materials and fluxes are added as per the required composition and to maintain the temperature and homogeneity of liquid steel.

After secondary refining, the molten stainless steel is tapped into teeming ladle for casting.



Step 2: Casting into stainless steel ingots and billets

Billet Casting:

From the teeming ladle, the hot metal is transferred via a refractory shroud (pipe) to a holding bath called a tundish. Metal is drained from the tundish through another shroud into the top of an open-base copper mold.

The mold is water-cooled to solidify the hot metal directly in contact with it. Often, the shroud is set so the hot metal exits it below the surface of the slag layer in the mold and is thus called a submerged entry nozzle (SEN). In the mold, a thin shell of metal next to the mold walls solidifies before the middle section, now called a strand, exits the base of the mold into a spray chamber. The bulk of metal within the walls of the strand is still molten.

The strand is immediately supported by closely spaced, water cooled rollers which support the walls of the strand against the ferrostatic pressure of the still-solidifying liquid within the strand. To increase the rate of solidification, the strand is sprayed with large amounts of water as it passes through the spray-chamber; this is the secondary cooling process.

After exiting the spray-chamber, the strand passes through straightening rolls for final solidification. Finally, the strand is cut into predetermined lengths and is marked for identification.

Ingot casting:

The teeming ladle is tapped from the bottom by lifting the internal stopper-rod, permitting the flow of molten metal into the centre column from where it reaches to series of ingot molds wherein it begins to cool and solidify. After the ingots solidify, the ingot molds are stripped and the ingots are placed in soaking pits for heating and to equalize the internal and external temperature.

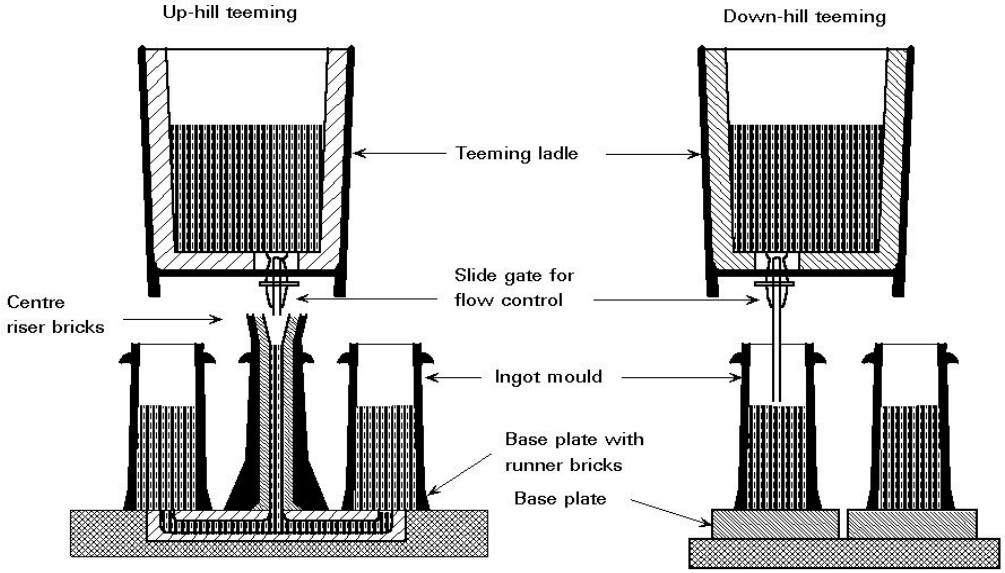


Figure 6 Ingot casting

COLLABORATIONS

The Company has so far not entered into any technical or financial collaboration agreement.

RAW MATERIAL & OTHER UTILITIES

Raw Material

The principal raw material for making stainless steel are metallic iron in the form of stainless steel scrap and ferro alloys. The following is the list of primary raw material required for manufacturing stainless steel ingots and billets:

Raw Material	Quantity required per ton of stainless steel (Approximately)	Imported/ Indigenous
Stainless steel scrap	900-950 Kg	Imported & Indigenous
Ferro Alloys (ferro chrome, ferro manganese, ferro silicon etc.)	90-100 Kg	Imported & Indigenous
Fluxes (lime, dolomite etc.)	150-160 Kg	Indigenous

Our Company has not entered into long term contracts with the suppliers of these raw materials, but has a tacit understanding with its regular suppliers.

Utilities

Our manufacturing unit is located in Wada, Thane near Mumbai, which is a well developed industrial belt where the utilities like power and manpower are easily available.

Power

Total sanction load of power as on date is 4260 KW. The power is made available by the MSEB. This would be adequate for the present as well as estimated future requirements of our manufacturing facility.

In addition to above, the unit has a power back-up through its in-house installed 2 diesel generator sets having aggregate capacity of 625 KVA which is used in case of exigencies.

Water

Water is required mainly for the manufacturing process and is adequately available from the bore wells in the factory premises.

Manpower

The details of manpower (at works) employed as on date of filing of the DRHP are as under:

Sr. No.	Category	No. of employees
1.	Managers & above	6
3.	Technical staff	8
4.	Supervisors	8
5.	General staff	46
	TOTAL	**68**

The details of manpower (other than works) employed as on date of filing of the DRHP are as under:

Sr. no	Category	No. of employees
1.	Company Secretary	1
2.	Administration & Finance	2
3.	Marketing	2
5.	Purchase and Sales Manager	2
6.	Logistics	1
8.	Office staff	3
	TOTAL	**11**

MAJOR CUSTOMERS

Our customer base is spread all over the country. The following are our major customers:

- SKM Steels Limited
- Goodluck Traders

COMPETITION

We face substantial competition for our products from other manufacturers in domestic market. We compete with other manufacturers on the basis of product range, product quality, and product price including factors based on reputation, regional needs, and customer convenience.

Our competition varies for our products and regions. We have to compete with different players in different regions.

The billets manufactured by us are semi finished products. They are used for feedstock to rolling mills for production of wire rods, rods, bars etc. At present, we get rolling of billets manufactured by us on job work basis. There are several manufactures who offer value chain solutions in this Industry, from manufacturing of billets till its final application in the form of wire rods, bars, rods etc., thereby providing them with a competitive advantage that enable them to compete with us on more than price alone.

For an indicative list of our closest peers please refer to the section titled *"Basis for Issue Price"* beginning on page 72 of the DRHP.

MARKETING ARRANGEMENT

Our Company has been selling stainless steel ingots and billets and has seen sales growth of 105.25% between 2009 to 2011. Our Company has developed distribution network for its current products and will have the advantage of utilizing its network and relations with its existing customers to promote & sell the end products from the proposed rolling mill.

Further, our Company proposes to market the products of the proposed Project to the major users of stainless steel viz. infrastructure industry, construction industry, transportation and process engineering industry etc. Our Company will seek to grow its marketing reach domestically to explore hitherto untapped markets and segments as part of its strategy to mitigate market risk and widen growth prospects. Our Company will continue to explore opportunities in various countries where it can supply its products to enhance its geographical reach.

QUALITY

At Harisons, success is measured in terms of customer satisfaction and quality that is built into our product. We have a well equipped chemical laboratory for testing the raw materials prior to utilizing them in the manufacturing process. We have recently installed a spectrometer which tests our products composition during the stage of manufacturing process to ensure that the final product is as per the composition desired.

Our maximum attention is paid to upgrade our skills, quality system and manufacturing facility to achieve consistent product quality and customer satisfaction. With the help of a systematic process, focus and commitment enables us to turn out products with a guarantee of absolute quality.

QUALITY CONTROL

Our Company has met quality standards and has received ISO 9001: 2008 certification for our products. We are also awarded with TUV certificate for quality assurance as per European Directive 97/23/EC by TUV Rheinland. Since our Company is dedicated toward quality of products, processes and inputs, we get repetitive orders from our customers.

OUR EXISTING PRODUCTS

We are principally engaged in the manufacturing of stainless steel ingots and billets. These products have wide industrial applications.

Ingot: It is widely used in various industrial applications since it is the basic raw material for stainless steel sheet, strips, and stainless steel casting.

Billet: It is semi-finished product used for further processing into suitable products. It is used for feedstock to rolling mills for production of products like wire rods, rods, bars etc. Billet is also used extensively in forge shops and machine shops for production of engineering goods and also as feedstock for seamless tubes.

CAPACITY & CAPACITY UTILIZATION

Existing plant

Existing

Particulars	2010-11		2009-10		2008-09	
Volume in MTs (per annum)	Installed Capacity	Capacity Utilisation	Installed Capacity	Capacity Utilisation	Installed Capacity	Capacity Utilisation
	30,000	19,599	30,000	12,492	30,000	9,462

Proposed

Particulars	2011-12		2012-13		2013-14	
Volume in MTs (per annum)	**Installed Capacity**	**Capacity Utilisation**	**Installed Capacity**	**Capacity Utilisation**	**Installed Capacity**	**Capacity Utilisation**
	30,000	21,000	30,000	22,500	30,000	24,000

Capacity utilisation is increasing by more than 25% of average capacity utilisation of last three years, since we believe that our efforts will enable us to exploit additional capacities by leveraging relationship with existing and new customers.

Further, proposed capacity utilization is also planned based on requirements of our proposed rolling mill. At present, we get rolling of billets manufactured by us on job work basis outside. There are several manufactures who offer value chain solutions in this Industry, from manufacturing of billets till its final application in the form of wire rods, bars, rods etc., thereby providing them with a competitive advantage that enable them to compete with us on more than price alone.

Therefore, in order to complete the value chain by providing the synergy of forward integration, we propose to set up a rolling mill wherein stainless steel billets manufactured by us will be used as the main raw material for this rolling mill.

Particulars of capacity utilization of proposed rolling mill is as follows:

Particulars	2012-13		2013-14		2014-15	
Volume in MT (per annum)	**Installed Capacity**	**Capacity Utilisation**	**Installed Capacity**	**Capacity Utilisation**	**Installed Capacity**	**Capacity Utilisation**
	30,000	9,000	30,000	19,500	30,000	21,000

EXPORT POSSIBILITY AND OBLIGATION

At present, we do not have any export obligation.

OUR BUSINESS STRATEGY

Availability of comprehensive value chain in-house

In order to complete the value chain by providing the synergy of forward integration, we propose to set up a rolling mill to manufacture stainless steel products of varied sizes and shapes such as rounds, flats, angle, hexagon etc, more detailed in the section titled *"Objects of the Issue"* on page 61 of the DRHP. Stainless steel billets are the main raw material for the rolling mill project. Billets of the required stainless steel grades, size and length will be readily available from the existing manufacturing plant. And, if there is a shortage of billets, the same will be sourced from other stainless steel making units.

Expansion of our existing product portfolio

We currently produce stainless steel ingot and billets. We propose to complete the value chain by setting up rolling mill which will be capable of producing stainless steel products of varied sizes and shapes such as rounds, flats, angle, hexagon etc .These proposed products have a wide application in infrastructure industry, construction industry, transportation and process engineering industry etc. This forward integration is likely to improve our profitability margins going forward.

Diversify our customer base

We propose to expand our client base by appointing selling agents/distributors and so as to lower our dependence on a particular client or a region. This will also assist us in stabilizing our cash flows.

Diversifying and increasing penetration in markets

The domestic market offers opportunities in terms of sub geographic penetration and product/market diversification. Our Company will seek to grow its marketing reach domestically to explore hitherto untapped markets and segments as part of its strategy to mitigate market risk and widen growth prospects.

Make optimal utilization of resources

Our Company constantly endeavors to improve its productivity levels by optimum resource utilization, improvement in manufacturing process, skill up-gradation of our workers, modernization of machineries to achieve better asset turnover. We will continue to further improve our manufacturing processes to identify the areas of bottlenecks and correct them. This would help us in improving efficiency and putting resources to optimal use.

Constant technology upgradation

Our Company has focused on constant upgradation of its machineries and equipments used in our business and will continue to do so to improve our productivity.

SWOT

Strengths

- Existing customer base
- In depth knowledge of Industry-commercial & technical
- Established manufacturing facility
- Experienced Promoters, skilled and dedicated manpower

Weaknesses

- Lack of comprehensive value chain in-house
- Inadequate international exposure
- Dependent upon few customers for our business

Opportunities

- Benefits of economies of scale by installation of oxygen & nitrogen gas plant
- Explore untapped markets and segments
- Expand our existing customer base through expansion of our existing product portfolio

Threats

- Industry is prone to changes in government policies, any material changes in the duty or international raw material prices may adversely impact our financials.
- There are no entry barriers in our industry which puts us to the threat of competition from new entrants.
- Sluggish industrial growth
- Threats of substitute

INTELLECTUAL PROPERTY

We have applied for registration of our corporate logo in the name of "Harisons Steel Limited" under Class 19 with the Registrar of Trademarks. For further details of approvals relating to intellectual property, please refer to section titled *"Government & Other Approvals"* beginning on page 194 of the DRHP.

OUR PROPERTIES

Our Registered Office and manufacturing facility is located at Plot No. 1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra.

(1) The details of property occupied and owned by our Company are as under:

Sr. No.	Location	Date of Acquisition	Name of the Vendor	Total Consideration (Rs.)
1.	Gut No. 192, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.	29/05/2008	Note (i)	630,000/-
2.	Gut No. 194, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.	20/10/1999	Note (ii)	490,000/-
3.	Gut No. 195, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.	30/04/2001	Note (iii)	60,000/-
4.	Gut No. 197, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.	21/06/2001	Note (iv)	30,000/-
5.	Gut No. 198, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.	21/06/2001	Note (v)	65,000/-
6.	Gut No. 118, Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.	15/07/2002	Note (vi)	12,000/-

Note:

i. Purchased from Mr. Maruti Kamble.
ii. Purchased from Mr. Shankar Rodge and Mr. Kiran Thakre.
iii. Purchased from Mr. Rohida Thakre, Mr. Ramal Thakre, Ms. Vijaya Patil and Mr. Shewanti Thakre.
iv. Purchased from Ms. Sita Kamble, Ms. Manda Jadhav, Mr. Vimal Mohne, Mr. Fashi Jadhav, Mr. Maruti Kamble, Mr. Pandurang Kamble, Mr. Chandrakant Kamble, Mr. Rajubhai Jadhav, Mr. Kamal Jadhav, Mr. Suresh Kamble, Ms. Premila Sonavne, Ms. Jhipri Jadhav.
v. Purchased from Ms. Sita Kamble, Ms. Manda Jadhav, Mr. Vimal Mohne, Mr. Fashi Jadhav, Mr. Maruti Kamble, Mr. Pandurang Kamble, Mr. Chandrakant Kamble, Mr. Rajubhai Jadhav, Mr. Kamal Jadhav, Mr. Suresh Kamble, Ms. Premila Sonavne, Ms. Jhipri Jadhav.
vi. Purchased from Mr. Ramdas Kamble

All land acquired by the Company has a clear title, is duly registered in the name of the Company and has no pending approvals. The aforesaid property is offered as security to SBI for availing various credit facilities. SBI have, vide their letter dated 12th November, 2011 conveyed their no objection for our Company's proposed public issue.

Our Company does not propose to acquire any land from the IPO Proceeds.

The entities/persons from which our Company has acquired the land are not related to any of the Promoters / Directors of our company.

(2) The details of property occupied by our Company is as under:

(a) Our Corporate Office is situated at 11, Shree Pant Niketan, 33 Road, Khar (West), Mumbai, Maharashtra, India- 400 052. This property is taken on lease from our Promoter, Mr. Daulat Hariram Fulwadhya. The said premise is offered as security to SBI for availing various credit facilities.

(b) The godown utilized by our Company is situated at Gala No. 26, B.N.A. Mankholis, Anjur Taluka, Bhiwandi, Thane is taken on rent for a monthly rental of Rs. 5,500/-.The said agreement is renewed and valid for 36 months w.e.f 01/02/2012 till 31/01/2015.

Note 1: Interest in property by our Promoter

Our Corporate Office situated at 11, Shree Pant Niketan, 33 Road, Khar (West), Mumbai, Maharashtra, India- 400 052 is on lease for three (3) years starting from 17/10/2011. The office is taken on lease from Mr. Daulat Hariram Fulwadhya, our Promoter for a monthly rental of Rs. 13,000/- who is deemed to be interested to the extent of lease rent received by him from our Company.

Note 2: Purchase of property

We have not entered into any agreement to buy/sell any property with the Promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

INSURANCE POLICIES

We have taken different insurance policies covering the following:

Insured	Harisons Steel Limited
Policy type	Standard Fire and Special Perils Policy
Property insured	Building (with plinth & foundation), plant & machinery, stocks held at properties owned by the Company located at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.
Coverage	Standard Fire and Special Perils &Earthquake (fire and shock)
Policy no.	1001/64522272/00/000
Agency	ICICI Lombard General Insurance Company Limited
Sum insured (Rs.)	226,595,000
Total premium (Rs.)	109,345
From	01/04/2011
Valid up to	31/03/2012

Insured	Harisons Steel Limited
Policy type	Commercial Vehicle Package Policy
Property insured	Vehicle No. MH-04-CG-3967
Policy no.	14070031100100014289
Agency	The New India Assurance Company Limited
Claim (Rs.)	Upto Rs. 750,000 for one claim arising out of one accident
Total premium (Rs.)	10,144
From	25/02/2011
Valid up to	24/02/2012 (Applied for renewal on 15/02/2012)

Insured	Harisons Steel Limited
Policy type	Commercial Vehicle Package Policy
Property insured	Vehicle No. MH-04-CG-3966
Policy no.	14070031100100014290
Agency	The New India Assurance Company Limited
Claim (Rs.)	Upto Rs. 750,000 for one claim arising out of one accident
Total premium (Rs.)	10,144
From	25/02/2011
Valid up to	24/02/2012 (Applied for renewal on 15/02/2012)

Insured	Harisons Steel Limited
Policy type	Workmens Compensation
Insured	Employees working at the manufacturing unit
Policy no.	131401/48/2011/5157
Agency	The Oriental Insurance Company Limited
Sum insured (Rs.)	Total annual wages of all employees*120 times
Total premium (Rs.)	43,166
From	27/01/2011
Valid up to	26/01/2012 (Applied for renewal on 15/02/2012)

Policy type	Keyman Insurance Policy
Insured	Mr. Daulat Hariram Fulwadhya
Policy no.	Applied on 15/02/2012
Agency	ICICI Prudential
Sum insured (Rs.)	350,000
Total premium (Rs.)	50,000

Policy type	Keyman Insurance Policy
Insured	Mr. Ashok Hariram Fulwadhya
Policy no.	Applied on 15/02/2012
Agency	ICICI prudential
Sum insured (Rs.)	2,000,000
Total premium (Rs.)	24,456

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Central/State Governments that are applicable to our Company in India. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

Regulation of Foreign Investment in India

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

TRANSFER OF PROPERTY

Transfer of Property Act, 1882

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the

Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

The Easements Act, 1882

The law relating to easements is governed by the Easements Act, 1882 ("Easements Act").The right of easement is derived from the ownership of property and has been defined under the Easements Act to mean a right which the owner or occupier of land possesses for the beneficial enjoyment of that land and which permits him to do or to prevent something from being done in respect of certain other land not his own. Under this law an easement may be acquired by the owner of immovable property, i.e. the "dominant owner", or on his behalf by the person in possession of the property. Such a right may also arise out of necessity or by virtue of a local custom.

ENVIRONMENT REGULATIONS

We are subject to laws and regulations concerning environmental protection, in particular, the discharge of effluent water and solid particulate matter during our manufacturing processes. The principal environmental regulations applicable to industries in India are the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control of Pollution) Act, 1974 and the Environment Protection Act, 1986.

Air (Prevention and Control of Pollution) Act, 1981

Air (Prevention and Control of Pollution) Act, 1981 which aims for the prevention, control and abatement of air pollution. It is mandated under Air (Prevention and Control of Pollution) Act, 1981 that no person can, without the previous consent of the concerned State Board, establish or operate any industrial plant in an air pollution control area.

Consent for operation of the plant under the Air (Prevention and Control of Pollution) Act 1981 ("Air Act")

The Air (Prevention and Control of Pollution) Act 1981 has been enacted to provide for the prevention, control and abatement of air pollution. The statute was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding Pollution Control Boards in the state.

Water (Prevention and Control of Pollution) Act, 1974,

Water (Prevention and Control of Pollution) Act, 1974, which provides for the prevention and control of pollution and for maintaining or restoring the wholesomeness of water in streams or wells. This legislation also provides for the constitution of a Central Pollution Control Board and respective 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. 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

Water Pollution Act are also to perform functions as per the Air Pollution Act for the prevention and control of air pollution.

Consent for operation of the plant under the Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted in 1974 in order to provide for the prevention and control of water pollution by factories and manufacturing industries and for maintaining or restoring the wholesomeness of water. In respect to an Industrial Undertaking it applies to the (i) Occupier (the owner and management of the undertaking) (ii) Outlet (iii) Pollution and (iv) Trade effluents. The Act requires that approvals be obtained from the corresponding Pollution Control Boards in the state.

Water (Prevention and Control of Pollution) Cess Act, 1977

The Water Cess Act is a legislation providing for the levy and collection of a Cess on local authorities and industries based on the consumption of water by such local authorities and industries so as to enable implementation of the Water Act by the regulatory agencies concerned.

Environment (Protection) Act, 1986 and Environment (Protection) Rules, 1986

Environment (Protection) Act, 1986 which has been enacted for the protection and improvement of the environment. The Act empowers the central government to take measures to protect and improve the environment such as by laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and so on. The central government may make rules for regulating environmental pollution.

The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989

The Rules are applicable on every industry which is carrying the activity which involves or likely to involve one or more of hazardous chemicals and includes on-site storage or on-site transport which is associated with that operation or process or isolated storage or pipeline. As per the said rules, an occupier of the industry shall undertake to identify the major accident hazards and also specify the steps initiated to prevent such major accidents and limit their consequences to persons and the environment.

Hazardous Waste (Management and Handling) Rules, 1989

The Hazardous Waste (Management and Handling) Rules, 1989, as amended, impose an obligation on each occupier and operator of any facility generating hazardous waste to dispose of such hazardous wastes properly and also imposes obligations in respect of the collection, treatment and storage of hazardous wastes. Each occupier and operator of any facility generating hazardous waste is required to obtain an approval from the relevant state pollution control board for collecting, storing and treating the hazardous waste.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008, as amended (the "**Hazardous Wastes Rules**"), which superseded the Hazardous Wastes (Management and Handling) Rules, 1989, state that the occupier will be responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment. The hazardous wastes generated in the establishment of the occupier should be sent or sold to a recycler or re-processor or re-user registered or authorized under the Hazardous Wastes Rules or should be disposed of in an authorized disposal facility. The MOEF has been empowered to deal with the trans-boundary movement of hazardous wastes and to grant permission for transit of hazardous wastes through any part of India. No import of hazardous waste is permitted in India. The State Government, occupier, operator of a facility or any association of the

occupier will be individually or jointly or severally responsible for, and identify sites for, establishing the facility for treatment, storage and disposal of hazardous wastes for the State.

Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of "hazardous substances" covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation.

FACTORY RELATED ACT(S)/REGULATION(S):

The Factories Act, 1948

The Factories Act, 1948 is a social legislation which has been enacted to regulate the occupational safety, health and welfare of workers at work places. This legislation is being enforced by the Government through officers appointed under the Act i.e. Inspectors of Factories, Deputy Chief Inspectors of Factories who work under the control of the Chief Inspector of Factories and overall control of the Labour Commissioner. The ambit of operation of this Act includes the approval of Factory Building Plans before construction/extension, investigation of complaints with regard to health, safety, welfare and working conditions of the workers employed in a factory, the maintenance of registers and the submission of yearly and half-yearly returns.

Industrial (Development and Regulation) Act, 1955

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings are exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

LABOUR RELATED LAWS

Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957

Industrial Dispute Act, 1947 provides for the investigation and settlement of industrial disputes. It also contains various provisions to prohibit strikes and lock-outs, declaration of strikes and lock outs as illegal and provisions relating to lay-off and retrenchment and closure, Conciliation and adjudication of industrial disputes by; Conciliation Officers, a Board of Conciliation, Courts of Inquiry, Labour Courts, Industrial Tribunals and a National Industrial Tribunal.

Workmen Compensation Act, 1923

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

Payment of Wages Act, 1936 ("Wages Act")

Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs 10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

The Minimum Wages Act, 1948 ("Minimum Wages Act")

Minimum Wages Act was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also require for the submission of Annual Return in the prescribed form (FORM D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

Employees (Provident Fund and Miscellaneous Provisions) Act, 1952

The Act is applicable to factories employing more than 20 employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. All the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. Also, in accordance with the provisions of the Act the employers are required to contribute to the Employees' Provident Fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. As per the provision of the Act, employers are to contribute 12% of the basic wages, dearness allowances and remaining allowances (if any) payable for the time being to the employees. A monthly return in Form 12 A is required to be submitted to the commissioner in addition to the maintenance of registers by the employers.

Employees State Insurance Act, 1948

All the establishments to which the Employees State Insurance (ESI) Act applies are required to be registered under the Act with the Employees State Insurance Corporation. The Act applies to those establishments where 20 or more persons are employed. The Act requires all the employees of the factories and establishments to which the Act applies to be insured in the manner provided under the Act. Further, employer and employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the ESI department.

Payment of Gratuity Act, 1972

A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years is referred to as "gratuity". The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any

change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the Act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

Contract Labour (Regulation and Abolition) Act, 1970

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

To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, washing facilities, first aid facilities, and provision of drinking water and payment of wages. In the event that the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

Employment (Standing Orders) Act, 1950

The Industrial Employment (standing orders) Act requires employers in industrial establishments to formally define conditions of employment under them. It applies to every industrial establishment wherein 100 (reduced to 50 by the Central Government in respect of the establishments for which it is the Appropriate Government) or more workmen are employed. The Act calls for the submission of such conditions of work to the relevant authorities for their approval.

The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides that no discrimination shall be shown on the basis of sex for performing similar works and that equal remuneration shall be paid to both men and women when the same work is being done.

The Maternity Benefit Act, 1961 ("Maternity Act")

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc.

OTHERS

The Competition Act, 2002

The Competition Act, 2002 (the "**Competition Act**") prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates "combinations" in India. The Competition Act also established the Competition Commission of India (the "**CCI**") as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to

cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as 'Individuals' and 'Group'. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

Indian Stamp Act, 1899

The Indian Stamp Act, 1899 ("Stamp Act") and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

Income-tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses.

Central Excise Act, 1944

Excise duty is levied on production of goods but the liability of excise duty arises only on removal of goods from the place of storage, i.e., factory or warehouse. Unless specifically exempted, excise duty is levied even if the duty was paid on the raw material used in production.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get itself registered and obtain an IEC (Importer Exporter Code) Our Company has obtained an IEC.

Service Tax

Chapter V of the Finance Act 1994 (as amended), and Chapter V-A of the Finance Act 2003 requires that where provision of certain listed services, whole taxable services exceeds Rs. 10,00,000, a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

Central Sales Tax Act (CST)

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

Value Added Tax ("VAT")

VAT is a system of multi-point levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

State laws governing entry tax

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It is levied at such rate as may be specified by the State Government and different rates may be specified for different goods. The tax leviable under this Act shall be paid by every dealer in scheduled goods or any other person who brings or causes to be brought into a local area such scheduled goods whether on his own account or on account of his principal or customer or takes delivery or is entitled to take delivery of such goods on such entry.

Approvals from Local Authorities

Setting up of a Factory or Manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

Foreign Trade (Development and Regulation) Act, 1992

This statute seeks to increase foreign trade by regulating the imports and exports to and from India. This legislation read with the Indian Foreign Trade Policy provides that no export or import can be made by a person or company without an importer exporter code number unless such person or company is specifically exempt. An application for an importer exporter code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories.

State laws governing Labour Welfare Funds

The concept of Labour Welfare Fund has been evolved in order to extend a measure of social assistance to workers in the unorganized sector. Towards this end, separate legislations have been enacted by Parliament to set up five Welfare Funds to be administered by Ministry of Labour. The Government is

authorized to constitute the Labour Welfare Fund and all unpaid accumulations owed to the workers shall be paid, at such intervals as may be prescribed, to the State Board, and be credited to the Fund and the Board has to maintain account of the same and settle worker claims.

Registrations under the applicable Shops & Commercial Establishments Acts of the respective States in which Our Company has an established place of business/ office ("Shops Act")

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.

INTELLECTUAL PROPERTY

Trade Marks Act, 1999

The Indian law on trademarks is enshrined in the Trade Marks Act, 1999. Under the existing legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The trademark once applied for, is advertised in the trademarks journal, oppositions, if any are invited and after satisfactory adjudications of the same, a certificate of registration is issued. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

Copyright Act, 1957

The Copyright Act, 1957 came into effect from January 1958. Copyright is an exclusive right. The statutory definition of Copyright is the exclusive right to do or authorizes others to do certain acts in relation to Literary, dramatic or musical works, Artistic work Cinematograph film; and Sound recording. The purpose of recognizing & protecting the copyright of an author is to statutorily protect his work & inspire him to exercise his creative faculties. Copyright is granted for a specific period of time. Whether an act is an infringement or not would depend on the fact whether copyright is subsisting in the work or not. In case the copyright has expired, the work falls in the public domain & any act of reproduction of the work by any person other than then the author would not amount to infringement.

OUR HISTORY AND CORPORATE STRUCTURE

Our Company was originally incorporated as "Harisons Steel Private Limited" on 26th November, 1999 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. Our Company was converted into a public limited company and the word "Private" was deleted from its name and a fresh certificate of incorporation consequent to change in name was obtained on 6th April, 2011 from the Registrar of Companies, Mumbai, Maharashtra.

Our Company commenced its commercial production in the year 2001. We currently operate through our manufacturing unit located at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312 having installed capacity of 30,000 MTs p.a. of M.S. ingots/billets/slabs and S.S. ingots/ billets/ blooms/ slabs/ runners/ risers etc. Our unit is equipped with state-of-art infrastructure facilities & technology.

We are currently engaged in the manufacturing of stainless steel ingots and billets of various grades and sizes. However, in the recent past, manufacturing of stainless steel billets comprise the main thrust of our business. Going forward, as a part of our forward integration strategy, we plan to set up a rolling mill having an installed capacity of 30,000 MTs per annum. For further details of the business of our Company, please refer to the section titled "*Our Business*" on page 95 in this Draft Red Herring Prospectus.

Our Company is registered under the Companies Act, 1956 with registration no U27100MH1999PLC122789.

Our Promoters are Mr. Daulat Hariram Fulwadhya, Mr. Ashok Hariram Fulwadhya, Mr. Manish Daulatram Fulwadhya and Mr. Ankush Ashok Fulwadhya.

The Registered Office of our Company is situated at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.

MAJOR EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

Year	Major Events
1999	Incorporation of our Company as "Harisons Steel Private Limited"
2001	Commencement of commercial production of M.S. ingots/billets/slabs with an installed capacity of 30,000 MTs
2007	Commenced production of S.S. ingots/billets/blooms/slabs/ runners/risers.
2011	Conversion of Private Limited Company into Public Limited Company.
2011	Awarded the ISO 9001: 2008 from BSCIC Certifications Private Limited.
2011	Awarded the TUV certificate for quality assurance as per European Directive 97/23/EC by TUV Rheinland
2011	Company installs oxygen & nitrogen plant for captive use to save cost and increase contribution.

CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY

Pursuant to a resolution passed at the EGM of the Company held on 18th March, 2011 we have shifted our Registered Office from 11 Shree Pant Niketan, 33rd Road, Khar (West), Mumbai-400 052 to Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312.

MAIN OBJECTS OF OUR COMPANY

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present issue. Furthermore, the activities of our

Company which we have been carrying out until now are in accordance with the objects of the Memorandum.

Our main objects as contained in our Memorandum of Association are as under:

1. To carry on the business of manufacturers, of iron and steel, ingots, tin plates, ferrous and non ferrous metals, blooms, structural engineers and steel fabricators, drawers, rollers and re – rolling and processing of all kinds of steels, ferrous and non ferrous, ingots, billets and of all articles and things used in the manufacture, maintenance and working thereof.

2. To establish, own or acquire or take on lease basis electric steel scrap melting furnaces and steel rolling mills, and to carry on the business as manufacturers of and dealers in M.S.bars, light and heavy steel structural and other special section of steel ingots and billets, steel castings, and steel of fabrication of all kinds.

3. To set up steel furnaces and continuous casting and rolling mill plant for producing and alloy steels, billets and all kinds, sizes of the rerolled sections i.e. flats, angles, rounds, squares, hexagons, octagons, rails, josts, channels, strips, sheets, plates, deformed, bars, plains and cold twisted bars, bright bars, shaftings and steel structurals.

AMENDMENTS TO OUR MEMORANDUM OF ASSOCIATION

The following changes have been made to the Memorandum of Association of our Company since inception:

Date	Amendment
27th October, 2003	Increase in Authorized Share Capital from Rs. 10,000,000 divided into 1,000,000 Equity Shares of Rs. 10/- each to Rs. 20,000,000 divided into 2,000,000 Equity Shares of Rs. 10/- each.
19th April, 2005	Increase in Authorized Share Capital from Rs. 20,000,000 divided into 2,000,000 Equity Shares of Rs. 10/- each to Rs. 35,000,000 divided into 3,500,000 Equity Shares of Rs. 10/- each.
31st May, 2010	Increase in Authorized Share Capital from Rs. 35,000,000 divided into 3,500,000 Equity Shares of Rs. 10/- each to Rs. 100,000,000 divided into 10,000,000 Equity Shares of Rs. 10/- each.
11th March, 2011	➢ Change of name from "Harisons Steel Private Limited" to "Harisons Steel Limited". ➢ Change in minimum paid up capital of the Company to Rs. 500,000 pursuant to conversion into public limited company.
10th May, 2011	➢ Increase in Authorized Share Capital from Rs. 100,000,000 divided into 10,000,000 Equity Shares of Rs. 10/- each to Rs. 200,000,000 divided into 20,000,000 Equity Shares of Rs. 10/- each. ➢ Insertion of new clause in the incidental objects clause of the Memorandum of Association relating to manufacturing and compressing gases, selling or applying such gases as the Company from time to time think desirable.

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding Company as on the date of filing of the DRHP.

SUBSIDIARY OF OUR COMPANY

There is no subsidiary of our Company as on date of filing of the DRHP.

TIME OR COST OVERRUN IN SETTING UP PROJECTS

There have been no time and cost overruns with respect to any projects undertaken by our Company.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholders agreement as on date of filing of the DRHP.

OTHER MATERIAL AGREEMENTS

Our Company has not entered into any specific or special agreements except that have been entered into in the ordinary course of business as on the date of filing of the DRHP.

NON COMPETE AGREEMENT

A non-compete agreement has been executed on 28th February, 2012 with M/s. Harisons Ferro Alloys (Mumbai) Private Limited wherein as per the terms of the agreement, M/s. Harisons Ferro Alloys (Mumbai) Private Limited would not enter into similar kind of business with that of ours in the western zone of India covering the States of Maharashtra, Gujarat, Rajasthan, Goa and Daman & Diu. The said agreement is valid for a period of fifteen years from the date of execution.

COLLABORATION

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B(1)(c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

STRATEGIC PARTNER

Our Company does not have any strategic partner as on the date of filing of the DRHP.

FINANCIAL PARTNER

Our Company does not have any financial partner as on the date of filing of the DRHP.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this DRHP.

LOCK-OUT OR STRIKES

There have been no lock-outs or strikes in our Company since the date of its incorporation.

NUMBER OF SHAREHOLDERS

Our Company has 8 (Eight) shareholders as on the date of filing of the DRHP.

OUR MANAGEMENT

BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has five (5) Directors on Board. The following table sets forth current details regarding our Board of Directors:

Name, Father's name, Address, Occupation, Nationality, Tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
1. Mr. Daulat Hariram Fulwadhya **S/o** Mr. Hariram Fulwadhya 1002, Moru Mahal, Dr. Ambedkar Road, Bandra (West), Mumbai, Maharashtra, India- 400 050 **Occupation:** Industrialist **Nationality:** Indian **Tenure:** Three years w.e.f. 1st April, 2011 **DIN:**02440861	62 Yrs	Managing Director	Harisons Ferro Alloys (Mumbai) Private Limited
2. Mr. Ashok Hariram Fulwadhya **S/o** Mr. Hariram Fulwadhya 602, Moru Mahal, Dr. Ambedkar Road, Bandra (West), Mumbai, Maharashtra, India- 400 050 **Occupation:** Industrialist **Nationality:** Indian **Tenure:** Three years w.e.f. 1st April, 2011 **DIN:** 01526151	51 Yrs	Whole Time Director	Harisons Ferro Alloys (Mumbai) Private Limited
3. Ms. Swati Hemraj Gosher **D/o** Mr. Hemraj Gosher 257/65, Narshi Natha Street, Newanantbhuvan,Block - A / 7, Bhat Bazar, Mumbai, Maharashtra, India- 400 009. **Occupation:** Professional **Nationality:** Indian **Tenure:** Retire by rotation **DIN:**03506521	34Yrs	Independent Director	Nil
4. Mr. Deepesh Lalitchandra Mehta **S/o** Mr. Lalitchandra Mehta A-202, Kinjal Apartment, Sanghani Estate, L.B.S. Marg, Ghatkopar (West), Mumbai, Maharashtra, India -400 086 **Occupation:** Business **Nationality:** Indian **Tenure:** Retire by rotation **DIN:**03309603	30 Yrs	Independent Director	Nil

Name, Father's name, Address, Occupation, Nationality, Tenure & DIN	Age	Status of Directorship in our Company	Other Directorships
5. Mr. Lalitchandra Jayantilal Mehta **S/o** Mr. Jayantilal Mehta A-202, Kinjal Apartment, Sanghani Estate, L.B.S. Marg, Ghatkopar (West), Mumbai, Maharashtra, India -400 086 **Occupation:** Business **Nationality:** Indian **Tenure:** Retire by rotation **DIN:**05115367	67 Yrs	Independent Director	Nil

Note:

As on the date of the Draft Red Herring Prospectus:

1. None of the above mentioned Directors are on the RBI List of willful defaulters as on date.

2. Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by Stock Exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Red Herring Prospectus or (b) delisted from the stock exchanges.

3. None of the Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

DETAILS OF DIRECTORS

Mr. Daulat Hariram Fulwadhya aged 62 years, is the founder Promoter & Managing Director of our Company. He has an overall business experience of more than 40 years. He promoted our Company in the year 1999. He is responsible for overall planning & management of our Company. He has been on the Board of Directors of our Company since incorporation and has been designated as Managing Director of our Company on 1st April, 2011.

Mr. Ashok Hariram Fulwadhya aged 51 years, is the founder Promoter &Whole Time Director of our Company. He is a commerce graduate and has an overall business experience of more than 26 years. He is actively involved in framing business policies and business development of our Company. He has been on the Board of Directors of our Company since incorporation and has been designated as Whole Time Director of our Company on 1st April, 2011.

Ms. Swati Hemraj Gosher aged 34 years, is the Independent Director of our Company. She has completed her Masters in Commerce and is also a qualified Chartered Accountant. She has also completed a Diploma in Information and System Audit conducted by ICAI. She is a practicing Chartered Accountant since 9 years and during this tenure she has gained experience in the field of audit and

taxation. As an Independent Director of our Company and Chartered Accountant by profession, she brings value addition to our Company.

Mr. Deepesh Lalitchandra Mehta aged 30 years, is the Independent Director of our Company. He has completed his Masters in Commerce. He is currently engaged into professional consultancy services.

Mr. Lalitchandra Jayantilal Mehta aged 67 years, is the Independent Director of our Company. He is working as an independent project consultant since 39 years and during this tenure he has gained experience in various industries.

CONFIRMATIONS

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Name of the Director	Designation	Relatives
Mr. Daulat Hariram Fulwadhya	Managing Director	Brother of Mr. Ashok Hariram Fulwadhya
Mr. Ashok Hariram Fulwadhya	Whole Time Director	Brother of Mr. Daulat Hariram Fulwadhya
Mr. Deepesh Lalitchandra Mehta	Independent Director	Son of Mr. Lalitchandra Jayantilal Mehta
Mr. Lalitchandra Jayantilal Mehta	Independent Director	Father of Mr. Deepesh Lalitchandra Mehta

BORROWING POWERS OF THE DIRECTORS

Pursuant to an ordinary resolution passed at Extra Ordinary General Meeting of our Company held on 10th May, 2011 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 10,000 Lacs.

TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

Name	Mr. Daulat Hariram Fulwadhya
Designation	Managing Director
Period	With effect from 1st April, 2011 for the period of three years
Date of Appointment	Board meeting dated 22nd April, 2011
Remuneration	**Particular** — **Amount (in Rs.) (p.a.)** Salary — 1,200,000 **Total** — **1,200,000** In the event of absence or inadequacy of net profits in any financial year of the Company during the tenure, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof.

Remuneration paid in FY 31st March, 2011	Rs. 600,000/-

Name	Mr. Ashok Hariram Fulwadhya
Designation	Whole Time Director
Period	With effect from 1st April, 2011 for the period of three years
Date of Appointment	Board meeting dated 22nd April, 2011
Remuneration	**Particular** — **Amount (in Rs.) (p.a.)** Salary — 1,200,000 **Total** — **1,200,000** In the event of absence or inadequacy of net profits in any financial year of the Company during the tenure, the remuneration shall be governed by Section II of Part II of Schedule XIII of the Companies Act, 1956 or any statutory modification thereof.
Remuneration paid in FY 31st March, 2011	Rs. 600,000/-

There is no definitive and /or service agreement that has been entered into between our Company and the Directors in relation to their appointment.

NON – EXECUTIVE DIRECTORS

All our Independent Directors are entitled to receive sitting fees for attending the Board/committee meetings within the limits laid down in the Companies Act and as decided by our Board.

CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our board has five (5) Directors. We have two executive non independent directors and three independent non executive directors. The constitution of our Board is in compliance with the requirements of Clause 49 of the Listing Agreement.

COMMITTEES OF THE BOARD

Our Board functions through the following committees:

A) Audit Committee
B) Shareholders/Investors Grievance Committee
C) Remuneration Committee
D) Selection Committee
E) IPO Committee

AUDIT COMMITTEE

Our Company has constituted an Audit Committee, as per the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement to be entered with Stock Exchanges. The Audit Committee was initially constituted on 22nd April, 2011 and was reconstituted by the Board of Directors held on 1st January, 2012.

The terms of reference of Audit Committee complies with the requirements of Clause 49 of the Listing Agreement, proposed to be entered into with the Stock Exchanges in due course. The committee presently comprises of following three (3) Directors. Ms. Swati Hemraj Gosher is the Chairman of the Audit Committee. The Company Secretary is the Secretary of our Audit Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Swati Hemraj Gosher	Chairman	Independent Director
2.	Mr. Deepesh Lalitchandra Mehta	Member	Independent Director
3.	Mr. Lalitchandra Jayantilal Mehta	Member	Independent Director
4.	Ms. Anubhuti Shukla	Secretary	N.A.

Role of Audit Committee

The role of the Audit Committee shall be as follows:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.

3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

5. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.

6. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

7. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

8. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

   (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

   (b) Changes, if any, in accounting policies and practices and reasons for the same

(c) Major accounting entries involving estimates based on the exercise of judgment by management

(d) Significant adjustments made in the financial statements arising out of audit findings

(e) Compliance with listing and other legal requirements relating to financial statements

(f) Disclosure of any related party transactions

(g) Qualifications in the draft audit report

9. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

11. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

12. 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.

13. Discussion with internal auditors any significant findings and follow up there on.

14. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

15. 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.

16. 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.

17. To review the functioning of the Whistle Blower mechanism, in case if the same is existing.

18. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

20. Mandatorily reviews the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

(c) Management letters / letters of internal control weaknesses issued by the statutory auditors;

(d) Internal audit reports relating to internal control weaknesses; and

(e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

21. Review the Financial Statements of its Subsidiary company, if any.

22. Review the composition of the Board of Directors of its Subsidiary company, if any.

23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has initially constituted a Shareholders/Investors Grievance Committee on 22nd April, 2011 and was reconstituted to redress the complaints of the shareholders vide resolution passed at the meeting of the Board of Directors held on 1st January, 2012. The committee currently comprises of three (3) Directors. Mr. Lalitchandra Jayantilal Mehta is the Chairman of the Shareholders/ Investors Grievance Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Lalitchandra Jayantilal Mehta	Chairman	Independent Director
2.	Mr. Deepesh Lalitchandra Mehta	Member	Independent Director
3.	Ms. Swati Hemraj Gosher	Member	Independent Director
4.	Ms. Anubhuti Shukla	Secretary	N.A.

Role of Shareholders/Investors Grievance Committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

REMUNERATION COMMITTEE

Our Company has initially constituted a Remuneration Committee on 22nd April, 2011 and was reconstituted vide resolution passed at the meeting of the Board of Directors held on 1st January, 2012. The Committee currently comprises of three (3) Directors. Ms. Swati Hemraj Gosher is the Chairman of the Remuneration Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Ms. Swati Hemraj Gosher	Chairman	Independent Director
2.	Mr. Lalitchandra Jayantilal Mehta	Member	Independent Director
3.	Mr. Deepesh Lalitchandra Mehta	Member	Independent Director
4.	Ms. Anubhuti Shukla	Secretary	N.A.

The Remuneration Committee is vested with all necessary powers and authority to ensure appropriate disclosure on the remuneration of the directors and to deal with all elements of the remuneration package of all the directors including but not restricted to the following:

- To review, assess and recommend the appointment and remuneration of Whole Time Directors.
- To review the remuneration package including the retirement benefits, payable to the Directors periodically and recommend suitable revision / increments, whenever required, to the Board of Directors.

SELECTION COMMITTEE

Our Company has initially constituted a Selection Committee on 22nd April, 2011 and was reconstituted vide resolution passed at the meeting of the Board of Directors held on 1st January, 2012. The Committee currently comprises of three (3) Directors. Mr. Deepesh Lalitchandra Mehta is the Chairman of the Selection Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Deepesh Lalitchandra Mehta	Chairman	Independent Director
2.	Mr. Lalitchandra Jayantilal Mehta	Member	Independent Director
3.	Ms. Swati Hemraj Gosher	Member	Independent Director
4.	Ms. Anubhuti Shukla	Secretary	N.A.

The committee may appoint any such person from outside the Company who shall have a proficiency in the respective field in which the respective relative of the Director (s) is proposed to be appointed as an employee of the Company.

The Selection Committee shall select, decide and recommend to the Board the remuneration payable to such employees of the Company who are relatives of non executive and executive directors (including the Managing Director and Whole Time Directors), and consequently hold office or place of profit in the Company.

IPO COMMITTEE

Our Company has constituted an IPO Committee on 26th May, 2011 and was reconstituted vide resolution passed at the meeting of the Board of Directors held on 1st January, 2012. The Committee currently comprises of three (3) Directors. Mr. Daulat Hariram Fulwadhya is the Chairman of the IPO Committee.

No.	Name of the Director	Status	Nature of Directorship
1.	Mr. Daulat Hariram Fulwadhya	Chairman	Managing Director
2.	Mr. Ashok Hariram Fulwadhya	Member	Whole Time Director
3.	Ms. Swati Hemraj Gosher	Member	Independent Director
4.	Ms. Anubhuti Shukla	Secretary	N.A.

The IPO Committee has been vested with powers and authority to take all decisions relating to the issue and do all such acts and things as may be necessary and expedient for, incident and ancillary to the issue.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchanges. Our Company Secretary and Compliance Officer, Ms. Anubhuti Shukla is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Draft Red Herring Prospectus:

Name of Director	Number of Equity Shares	% of Pre-Issue Paid up Share Capital
Mr. Daulat Hariram Fulwadhya	1,646,644	16.52%
Mr. Ashok Hariram Fulwadhya	1,976,400	19.83%
Total	**3,623,044**	**36.35%**

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses if any payable to them under the Articles of Association. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distributions in respect of the Equity Shares, if any, held by them or by the companies / firms / ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

PROPERTY INTEREST

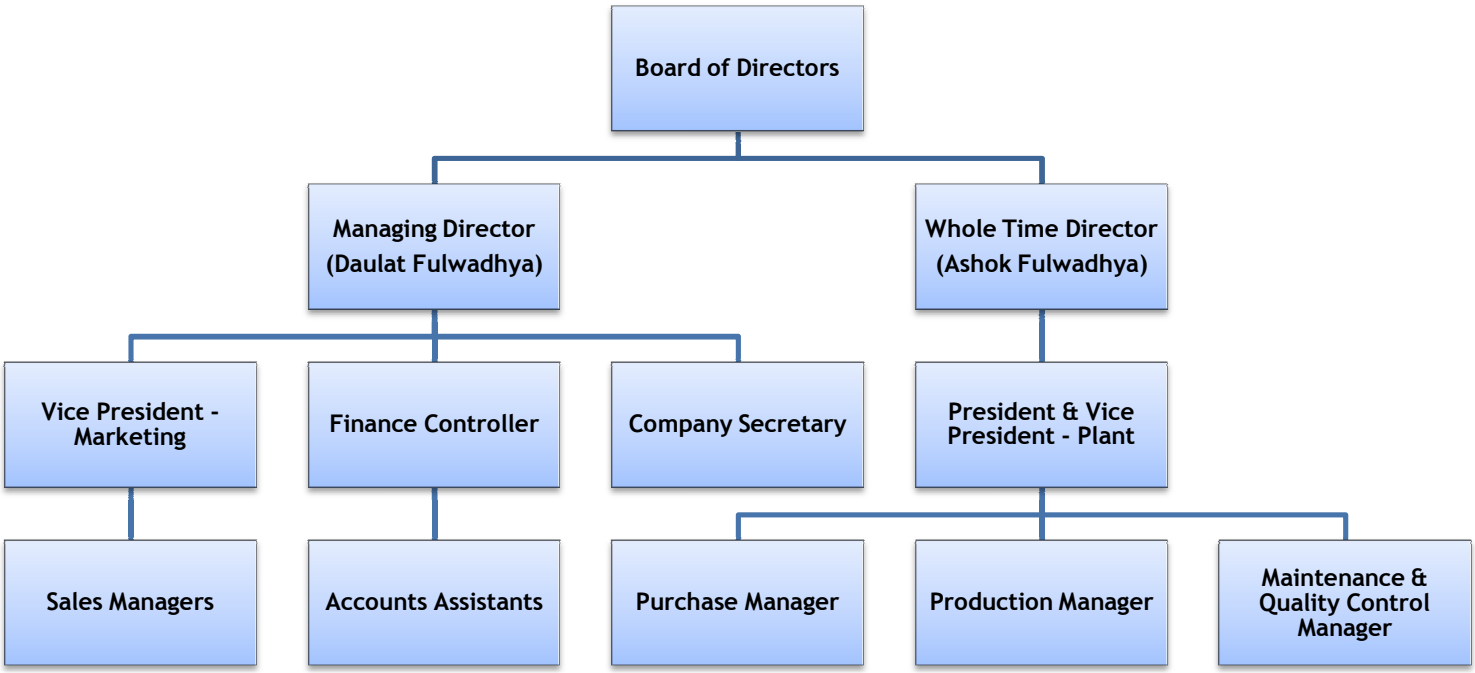
Except as stated under the Related Party Transaction on page 143 of the Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangement during the preceding two (2) years from the date of this Draft Red Herring Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Jay Shah	-	09/03/2009	Resignation
Mr. Shantilal Shah	-	09/03/2009	Resignation
Mr. Deepesh Lalitchandra Mehta	04/03/2011	-	Appointment
Ms. Swati Hemraj Gosher	22/04/2011	-	Appointment
Mr. Nayan Jayantilal Balu	22/04/2011	-	Appointment
Mr. Nayan Jayantilal Balu	-	22/04/2011	Resignation
Mr. Lalitchandra Jayantilal Mehta	09/11/2011	-	Appointment

ORGANISATION STRUCTURE



KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, with adequate experience in the field of production/finance/ distribution/marketing and corporate laws.

The following key personnel assist the management:

Sr. No.	Name	Date of Joining	Designation	Functional Responsibilities	Salary for the fiscal 2011	Qualification	Previous Employment
1.	Mr. Manish Daulatram Fulwadhya	01/04/2010	President-Plant	Overall supervision and administration of plant	300,000/-	H.S.E	N.A.
2.	Mr. Ankush Ashok Fulwadhya	01/04/2010	Vice President-Marketing	Marketing and sales, product and business development	300,000/-	B. Com	N.A.
3.	Mr. Dinesh Vandre	07/01/2010	Vice President-Plant	Project purchases, budgeting, inventory management, material & production planning	420,000/-	B. Sc	- 21st Century Wire Rods Limited
4.	Mr. Harikishan Yadav	17/09/2002	Production Manager	Overall in-charge of the production	151,200/-	S.S.C	-SRJ Peety Steel Private Limited
5.	Mr. Vinay Sharma	25/06/2007	Finance Controller	Management of finance, income tax matters, finalization of accounts	146,400/-	M.Com	- Laxcon Steels Limited
6.	Mr. Vinod Varma	06/06/2004	Maintenance Manager	Maintenance of manufacturing facility and manufacturing process with supply chain management, waste management & inventory management	151,200/-	B.Com	-Kamper Concast Limited
7.	Mr. Brijendra Mishra	27/06/2007	Manager-Quality Control	Quality check and control	57,960/-	M.A	-Vipras Casting Limited

Sr. No.	Name	Date of Joining	Designation	Functional Responsibilities	Salary for the fiscal 2011	Qualification	Previous Employment
8.	Mr. Bhalchandra Loke	16/06/2006	Purchase Manager	Overall in-charge of purchase activities	119,460/-	B.A	- Sunil Chemicals
9.	Ms. Anubhuti Shukla	01/01/2012	Company Secretary	Drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act, 1956.	N.A.	B. Com, C.S	- Abhitech Energycon Limited

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. Mr. Manish Daulatram Fulwadhya, aged 38 years, is the President - Plant of our Company. He is associated with our Company from last 12 years. He has completed his higher secondary education and is responsible for the overall supervision and administration of the manufacturing plant.

2. Mr. Ankush Ashok Fulwadhya aged 28 years, is the Vice President – Marketing of our Company. He is associated with our Company from last 4 years. He holds Bachelor's degree in Commerce from Commercial University Limited. He is responsible for marketing and sales, product and business development.

3. Mr. Dinesh Vandre aged 55 years, is the Vice President – Plant of our Company. He has joined the Company in January, 2010. He holds Bachelor's degree in Science in Physics (specialization in heat and thermodynamic) from Gujarat University. He has approximately 33 years of experience in steel industry. His responsibilities in our Company include project purchases, budgeting, inventory management, material & production planning. Prior to joining our Company he has worked with 21st Century Wire Rods Limited and prior to that he has working independently as a technical consultant for steel industries for almost a decade.

4. Mr. Harikishan Yadav aged 57 years, is the Production Manager of our Company. He has joined the Company in September, 2002. He is a matriculate and has over 25 years of experience in operating steel melting furnace, AOD units at steel manufacturing plants. He is overall in-charge of the production of our Company. Prior to joining our company he was employed with SRJ Peety Steel private Limited.

5. Mr. Vinay Sharma aged 31 years, is the Finance Controller of our Company. He has joined the Company in June, 2007. He holds Master's degree in Commerce from Meerut University. He has approximately 11 years of industrial experience. He is responsible for management of finance, income tax matters, finalization of accounts. Prior to joining our Company, he was employed with Laxcon Steels Limited.

6. Mr. Vinod Varma aged 48 years, is the Maintenance Manager of our Company. He has joined the Company in June, 2004. He holds Bachelor's degree in Commerce (Diploma in Electronics) from Delhi University. He has over 28 years of experience in steel industry. He is responsible for maintenance of manufacturing facility and manufacturing process with supply chain management, waste management & inventory management. Prior to joining our Company he was employed with Kamper Concast Limited.

7. Mr. Brijendra Mishra aged 36 years, is the Manager-Quality Control of our Company. He has joined the Company in June, 2007. He holds Bacherlor's degree in Arts (Diploma in Electronics) from Bhopal University. He has approximately 16 years of industrial experience. He is responsible for quality check and control of our products. Prior to joining our Company he was employed with Vipras Casting Limited.

8. Mr. Bhalchandra Loke aged 43 years, is the Purchase Manager of our Company. He has joined the Company in June, 2006. He holds Bachelor's degree in Arts from Mumbai University. He has approximately 22 years of industrial experience. He is looking after entire purchase activities. Prior to joining our company, he has worked with Sunil Chemicals.

9. Ms. Anubhuti Shukla aged 23 years, is the Company Secretary of our Company. She has joined the Company in January, 2012. She holds Bachelor's degree in Commerce and is a qualified Company Secretary from ICSI. Her scope of responsibilities includes drafting of resolutions, preparation of minutes, preparation and maintenance of various statutory registers & compliance of the provisions of the Companies Act, 1956. Prior to joining our Company she has worked with Abhitech Energycon Limited.

FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Except for Mr. Manish Daulatram Fulwadhya and Mr. Ankush Ashok Fulwadhya, none of the Key Managerial Personnel are related to each other.

Mr. Manish Daulatram Fulwadhya is the son of Mr. Daulat Hariram Fulwadhya who is the brother of Mr. Ashok Hariram Fulwadhya.

Mr. Ankush Ashok Fulwadhya is the son of Mr. Ashok Hariram Fulwadhya who is the brother of Mr. Daulat Hariram Fulwadhya.

ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except as specified below, none of our Key Managerial Personnel hold Equity Shares in our Company:

Sr. No	Name of the Shareholder	No. of Shares	% of Shareholding
1.	Mr. Manish Daulatram Fulwadhya	1,730,400	17.37%
2.	Mr. Ankush Ashok Fulwadhya	1,397,264	14.02%
	TOTAL	**3,127,664**	**31.39%**

BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

INTERESTS OF KEY MANAGERIAL PERSONNEL

The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. In addition, some of the key managerial personnel may also be deemed to be interested to the extent of any shareholding and entitlement to dividend thereof.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 30th September, 2011.

CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

The changes in the key managerial Personnel of our Company during the last three (3) years are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Dinesh Vandre	07/01/2010	---	Appointed
Mr. Manish Daulatram Fulwadhya	01/04/2010	---	Appointed
Mr. Ankush Ashok Fulwadhya	01/04/2010	---	Appointed
Ms. Vinita Kulkarni	01/06/2011	---	Appointed
Ms. Vinita Kulkarni	---	31/12/2011	Resignation
Ms. Anubhuti Shukla	01/01/2012	---	Appointed

EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Red Herring Prospectus.

PAYMENT OR BENEFIT TO OUR OFFICERS

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.

OUR PROMOTERS

OUR PROMOTERS

The following are Promoters of our Company:

1. Mr. Daulat Hariram Fulwadhya
2. Mr. Ashok Hariram Fulwadhya
3. Mr. Manish Daulatram Fulwadhya
4. Mr. Ankush Ashok Fulwadhya

Details of our Promoters are as under:

1. Mr. Daulat Hariram Fulwadhya

Identification	Details
Age	62 years
Experience	He is the founder Promoter & Managing Director of our Company. He has an overall business experience of more than 40 years. He promoted our Company in the year 1999. He is responsible for overall planning & management of our Company.
Occupation	Industrialist
PAN	AAFPF1111Q
Passport No.	E2404500
Driving License Number	17444/TH8B
Voter's ID	MT/08/036/204927
Bank Account Number	02160110011737
Name of Bank & Branch	UCO Bank, Khar Branch, Mumbai
% of pre-issue shareholding in the Issuer Company	16.52%
DIN	02440861

2. Mr. Ashok Hariram Fulwadhya

Identification	Details
Age	51 years
Qualification	B.Com
Experience	He is the founder Promoter & Whole Time Director of our Company. He is a commerce graduate and has an overall business experience of more than 26 years. He is actively involved in framing business policies and business development of our Company.
Occupation	Industrialist
PAN	AABPF8385Q
Passport No.	E5938676
Driving License Number	Applied for renewal
Voter's ID	ROL0532188
Bank Account Number	02160110012208
Name of Bank & Branch	UCO Bank, Khar Branch, Mumbai
% of pre-issue shareholding in the Issuer Company	19.83%
DIN	01526151

3. Mr. Manish Daulatram Fulwadhya

Identification	Details
Age	38 years
Qualification	H.S.E
Experience	He has more than 12 years of experience and is responsible for the overall supervision and administration of the manufacturing plant.
Occupation	Business
PAN	AAPPF8381Q
Passport No.	B1632678
Driving License Number	88/W/41714
Voter's ID	MT/08/036/204869
Bank Account Number	31438284097
Name of Bank & Branch	State Bank of India, Bandra (West) Branch, Mumbai
% of pre-issue shareholding in the Issuer Company	17.37%

4. Mr. Ankush Ashok Fulwadhya

Identification	Details
Age	28 years
Qualification	B.Com
Experience	He has more than 4 years of experience and is responsible for marketing and sales, product and business development.
Occupation	Business
PAN	AARPF9760H
Passport No.	E5637758
Driving License Number	MH0220080148731
Voter's ID	ROL2891612
Bank Account Number	10047096862
Name of Bank & Branch	State Bank of India, Bandra (West) Branch, Mumbai
% of pre-issue shareholding in the Issuer Company	14.02%

For detailed profile of each of our individual Promoters please refer to the section titled *"Our Management"* on page 121 of this Draft Red Herring Prospectus.

OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, Bank Account Number and Passport Number of the Promoters will be submitted to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited, where the securities of our Company are proposed to be listed at the time of submission of the Draft Red Herring Prospectus.

The Company and its Promoters have been in the business of manufacturing stainless steel billets and ingots. The Company regularly supplies billets to rolling mills and also gets rolling done on a job work basis. We are aware of its functioning and infrastructure requirements, but have no experience in building and operating a rolling mill completely by itself. The Company would have to rely on its key

managerial personnel and technical staff deployed for effective implementation of this forward integration process.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company.

INTEREST OF THE PROMOTERS

Interest in the Promotion of our Company

Our Company has been promoted by Mr. Daulat Hariram Fulwadhya, Mr. Ashok Hariram Fulwadhya, Mr. Manish Daulatram Fulwadhya and Mr. Ankush Ashok Fulwadhya. At present our Promoters together hold 6,750,708 Equity shares of our Company. Our Promoters may be deemed to be interested in the promotion of the Company to the extent of the Equity Shares held by themselves as well as their relatives and also to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in whom either of them is interested as a director, member or partner. In addition, our Promoters may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, paid for services rendered as an officer or employee of our Company as stated in the section titled *"Our Management"* on page 121 of this DRHP.

INTEREST IN THE PROPERTY OF OUR COMPANY

Except as disclosed in the section titled *"Our Business"* on page 95, our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company since incorporation.

PAYMENT OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS

No payment has been made or benefit given to our Promoters in the two years preceding the date of the DRHP except as mentioned / referred to in this chapter and in the section titled *"Our Management"* , *"Auditors Report on Restated Financial Information"* and *"Capital Structure"* on page nos. 121, 145 and 48 respectively of this DRHP. Further as on the date of the DRHP, there is no bonus or profit sharing plan for our Promoters.

CONFIRMATIONS

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled *"Outstanding Litigations and Material Developments"* on page 186 of the DRHP. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

RELATED PARTY TRANSACTIONS

Except as disclosed in the section titled *"Financial Information "* beginning on page 145, our Company has not entered into any related party transactions with our Promoters.

OUR PROMOTER GROUP / GROUP COMPANIES / ENITITIES

OUR PROMOTER GROUP

Our Promoter Group as defined under Clause 2 (zb) of the SEBI (ICDR) Regulations, 2009, is as under:

i. Natural Persons who form part of our Promoter Group:

The following natural persons (being the immediate relatives of our Promoters in terms of the SEBI ICDR Regulations) form part of our Promoter Group:

Relatives of Promoters:

RELATIONSHIP	MR. DAULAT HARIRAM FULWADHYA	MR. ASHOK HARIRAM FULWADHYA	MR. MANISH DAULATRAM FULWADHYA	MR. ANKUSH ASHOK FULWADHYA
Spouse	Ms. Kavita Fulwadhya	Ms. Kanchan Fulwadhya	Ms. Ria Fulwadhya	---
Father	Mr. Hariram Fulwadhya	Mr. Hariram Fulwadhya	Mr. Daulat Fulwadhya	Mr. Ashok Fulwadhya
Mother	Ms. Nirmala Fulwadhya	Ms. Nirmala Fulwadhya	Ms. Kavita Fulwadhya	Ms. Kanchan Fulwadhya
Brother	Mr. Ashok Fulwadhya Late Mr. Purshuttom Fulwadhya	Mr. Daulat Fulwadhya Late Mr. Purshuttom Fulwadhya	---	---
Sister	Ms. Aarti Nanda Ms. Jyoti Chawla Late Ms. Kanta Sukhuja	Ms. Aarti Nanda Ms. Jyoti Chawla Late Ms. Kanta Sukhuja	Ms. Hema Nanwani Ms. Rachna Jadhwani Ms. Mehak Nancy	Ms. Akruti Fulwadhiya
Son	Mr. Manish Fulwadhya	Mr. Ankush Fulwadhya	Mr. Hriday Fulwadhya	---
Daughter	Ms. Hema Nanwani Ms. Rachna Jadhwani Ms. Mehak Nancy	Ms. Akruti Fulwadhya	Ms. Muskan Fulwadhya	---

ii. Promoter Group Companies and Entities

LISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no Listed Company in our Promoter Group.

UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

1. Harisons Ferro Alloys (Mumbai) Private Limited

PARTNERSHIP FIRMS WITHIN OUR PROMOTER GROUP

1. Dollar Industries
2. Goga Ice & Cold Storage

HUF WITHIN OUR PROMOTER GROUP

There is no HUF in our Promoter Group.

DETAILS OF UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

1. HARISONS FERRO ALLOYS (MUMBAI) PRIVATE LIMITED

Date of Incorporation	19/08/2004
CIN	U27100MH2004PTC148117
Registered Office	Shripant Niketan, Flat No 11, 33rd Road, Khar (West),Mumbai-400052
PAN No.	AACCH6090G
Address of Roc	Registrar of Companies, Mumbai, Maharashtra
Nature of Activities	Manufacturing, exporting, importing, buying & selling steel and alloy steel ingots, billets, M.S. ingots and billets, and all kinds of re-rolled sections.

Nature and extent of interest of the Promoters

Name	Number of shares held in Harisons Ferro Alloys (Mumbai) Private Limited (31st March, 2011)	Percentage
Mr. Daulat Hariram Fulwadhya	5,000	50%
Mr. Ashok Hariram Fulwadhya	5,000	50%

The Promoters of Harisons Steel Limited are interested to the extent of the shareholding in M/s Harisons Ferro Alloys (Mumbai) Private Limited.

Board of Directors as on the date of filing this Draft Red Herring Prospectus

Name	Designation
Mr. Daulat Hariram Fulwadhya	Director
Mr. Ashok Hariram Fulwadhya	Director

Financial performance

The brief financials of Harisons Ferro Alloys (Mumbai) Private Limitedfor the last three (3) years based on audited financial statements are as under:

(Rs. in Lacs except per share data)

Particulars	31 Mar- 11	31-Mar-10	31-Mar-09
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserves)	Nil	Nil	Nil
Net Worth	0.18	0.22	0.75
Sales & Other Income	Nil	Nil	Nil
Profit After Tax	Nil	Nil	Nil
E.P.S. (Rs.)	Nil	Nil	Nil
N.A.V. (Rs.)	1.84	2.16	7.50
Face Value per share (in Rs.)	10.00	10.00	10.00

Shareholding Pattern as on the date of filing this Draft Red Herring Prospectus

No.	Particulars	No of Shares	% of holding
1.	Mr. Daulat Hariram Fulwadhya	5,000	50%
2.	Mr. Ashok Hariram Fulwadhya	5,000	50%
	Total	**10,000**	**100%**

Harisons Ferro Alloys (Mumbai) Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

DETAILS OF PARTNERSHIP FIRMS WITHIN OUR PROMOTER GROUP

1. DOLLAR INDUSTRIES

M/s. Dollar Industries is a partnership firm constituted on 20th January, 1987 and having its registered office at D-183/10, Shirwane, M.I.D.C. Industrial Area, T.T.C., Navi Mumbai, Thane - 400 706. It is currently engaged in the business of manufacturing and sale of ice and cold storage.

PAN Number: AABFD3354M

Financial performance

The brief financials of M/s. Dollar Industries for the last three (3) years based on audited financial statements are as under:

(Rs. in Lacs)

Particulars	31 Mar- 11	31-Mar-10	31-Mar-09
Total Income	101.28	92.05	88.95
Profit/(Loss) after Tax	0.84	0.29	2.71
Partner's Capital	19.18	10.89	14.04

Profit sharing ratio amongst Partners of M/s. Dollar Industries as on the date of filing of this Draft Red Herring Prospectus:

Name of the partners	Profit sharing ratio (%)
Mr. Daulat Hariram Fulwadhya	55%
Mr. Ashok Hariram Fulwadhya	45%

2. GOGA ICE & COLD STORAGE

Goga Ice & Cold Storage is a partnership firm constituted on 1st April, 1999 and having its registered office at D-183/10, Shirwane, M.I.D.C. Industrial Area, T.T.C., Navi Mumbai, Thane - 400 706. It is currently engaged in the business of manufacturing and sale of ice and cold storage.

PAN Number: AADFG1675J

Financial performance

The brief financials of Goga Ice & Cold Storage for the last three (3) years are as under:

(Rs. in Lacs)

Particulars	31 Mar- 11	31-Mar-10	31-Mar-09
Total Income	78.99	84.58	68.19
Profit/(Loss) after Tax	1.90	Nil	1.72
Partners' Capital	3.52	12.58	17.61

Profit sharing ratio amongst Partners of Goga Ice & Cold Storage as on the date of filing of this Draft Red Herring Prospectus:

Name of the partners	Profit sharing ratio (%)
Mr. Daulat Hariram Fulwadhya	55%
Mr. Ashok Hariram Fulwadhya	45%

LITIGATION/ DEFAULTS

For details relating to legal proceedings involving members of the Promoter Group, see the section titled *"Outstanding Litigations and Material Developments"* beginning on page 186 of this Draft Red Herring Prospectus.

DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

There are no Companies/ Firms with which the Promoters of our Company have disassociated themselves during the preceding three (3) years.

INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group Companies are interested parties to the extent of their shareholding in the Company, if any and in any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled *"Related Party Transactions"* beginning on page 143 of the Draft Red Herring Prospectus.

COMMON PURSUITS OF OUR PROMOTERS

M/s. Harisons Ferro Alloys (Mumbai) Private Limited, Promoter Group Company incorporated to carry out activities which are similar to the main objects as set out in the MOA of our Company. However, M/s. Harisons Ferro Alloys (Mumbai) Private Limited has not commenced its business since its incorporation. There could exist conflict of interests arising out of common pursuits between our Promoter Group Entities and our Company in future. Our Company has entered into a non-compete agreement with M/s. Harisons Ferro Alloys (Mumbai) Private Limited wherein as per the terms of the agreement, M/s. Harisons Ferro Alloys (Mumbai) Private Limited would not enter into similar kind of business with that of ours in the western zone of India covering the States of Maharashtra, Gujarat, Rajasthan, Goa and Daman & Diu. The said agreement is valid for a period of fifteen years from the date of execution.

RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There are no business transactions between our Company and the Promoter Group Entities except as stated on page 143 under section titled as *"Related Party Transactions"*.

SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

SICK COMPANIES

There are no Companies in our group listed above have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

CONFIRMATION

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoters or Promoter Group Companies has a negative net worth as of the date of the respective last audited financial statements.

RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure-**XVIII** of restated financial statement under the section titled *"Financial Information"* on page **177** of the Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, and will depend on a number of factors, including but not limited to the profits, cash flows, capital expenditure, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

Our Company has not declared dividend during the last five financial years.

SECTION V: FINANCIAL INFORMATION

FINANCIAL INFORMATION OF OUR COMPANY

AUDITORS REPORT

(As required by Part II of Schedule II of the Companies Act'1956)

To
The Board of Directors
Harisons Steel Limited
Plot No.1, Survey Gut No. 194 (Part of Village),
Nehroli, Taluka Wada, Dist. Thane,
Maharashtra, India – 421 312

Dear Sirs,

We have examined the attached financial information of **HARISONS STEEL LIMITED** ('the Company') (Formerly known as Harisons Steel Private Limited) described below and annexed to this report for the purpose of inclusion in the offer document.

The Financial Information as approved by the Board of Directors of the Company & Audit Committee of Board of Directors, which has been prepared in accordance with requirements of :

a. Paragraph B of Part II of Schedule II to the Companies Act, 1956 ('the Act') and amendments thereof;

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009,and related clarifications and the amendments made thereto from time to time ('the SEBI Guidelines'); and

c. The Guidance Note on the Reports in Company Prospectuses (Revised) and Guidance Note on audit Reports / Certificates on Financial information in Offer Documents Issued by the Institute of Chartered Accountants of India (ICAI) and

d. In terms of our engagement agreed upon with you in accordance with our Engagement letter dated 04th August, 2011.

Financial Information as per audited financial statements:

1) Audit for the financial years ended 31st March 2007 up to 31st March 2011 was conducted by previous auditors M/s Ketan N Shah & Co. Chartered Accountants and Re-audit of financial information for the financial year ended 31st March 2011 and Audit for the six month ended 30th September, 2011 were conducted by us. The Financial information considered for restatement are based on the audited financial statements of the company for the financial year ended 31st March 2007, 2008, 2009 and 2010 as audited by previous auditor M/s Ketan N Shah & Co. Chartered Accountants and for the financial year ended 31st March 2011 (as reaudited by us) and for the period ended 30th September 2011 as audited by us.

2) Without Qualifying our report, attention is drawn to:

   - *Note B-8 of Annexure "V" regarding temporary halt in production process observed due to transformer failure in the month of September, 2011*

3) In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Harisons Steel Limited, we, M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, statutory auditors, of Harisons Steel Limited have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

4) The financial information for the above periods was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Engagement Standards issued by the Institute of Chartered Accountants of India (ICAI). Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement. We have reported on the financial information on the basis information and explanations provided by the management, books and records produced to us and such other tests and procedures, which in our opinion, were necessary for our reporting. These procedures included comparison of the attached financial information of the company with the respective audited financial statements.

We have examined:

a. the attached Statement of Assets and Liabilities, as Restated as at year ended 31st March, 2007, 2008, 2009, 2010, 2011 (as reaudited) and for the six months ended 30th September, 2011 (Refer Annexure I);

b. the attached Statement of Profits and Losses, as Restated for the year ended 31st March, 2007, 2008, 2009, 2010, 2011(as reaudited) and for the six months ended 30th September, 2011 (Refer Annexure II);

c. the attached Statement of Cash Flows, as Restated for the year ended 31st March, 2007, 2008, 2009, 2010, 2011 (as reaudited) and for the six months ended 30th September, 2011 (Refer Annexure III);

d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Refer Annexure IV& V);

(Collectively hereinafter referred as "Restated Financial Statements")

5) These Restated Financial Statements have been extracted by the Management from the audited financial statements for the year ended 31st March 2007, 2008, 2009, 2010, 2011 (as reaudited) and for the period ended 30th September, 2011 which have been approved by the Board of Directors.

6) We did not carry out any validation tests or review procedures on the referred financial statements audited by the other auditor "M/S Ketan N Shah & Co, since we have not carried out any audit of those financial years.

7) In accordance with the requirement of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we further report that:

(a) The Restated Summary Statement of Assets and Liabilities and Cash Flow statement of the Company (Refer Annexure I & III), including as at 31st March, 2007, 2008, 2009, 2010 and 2011 and for the period ended 30th September 2011 are examined by us and set out in Annexure to this report are after adjustments and regrouping as in our opinion were appropriate and more fully described in significant Accounting Policies and Notes on Adjustments (Refer Annexure IV & V).

(b) The Restated Summary Statement of Profit or Loss of the company (refer Annexure II) for the year ended, including for the year ended 31st March, 2007, 2008, 2009, 2010, 2011 and for the period ended 30th September 2011 are examined by us, as set out in Annexure to this report are after making adjustments and regrouping as in our opinion were appropriate and more fully described in significant Accounting Policies and Notes to Adjustments (Refer Annexure IV & V).

(c) Based on the above and as per the reliance placed on the Audited financial statements submitted by the previous auditors, M/s Ketan N Shah & Co. Chartered Accountants, for the financial years ended 31st March 2007, 2008, 2009, 2010, we are of the opinion that the restated financial statements have been made after incorporating:

(i) Adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods.

(ii) Adjustments for the material amounts in the respective financial years to which they relate.

(iii) And there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments

(iv) There are no revaluation reserves, which need to be disclosed separately in the "Restated Financial Statements".

(v) There are no audit qualifications in the "Restated Financial Statements".

(Collectively hereinafter referred as "Restated Financial Statements")

Other Financial Information

8) We have also examined the following other financial information set-out in Annexure prepared by the management and approved by the Board of Directors relating to the Company for the year ended 31st March 2007, 2008, 2009, 2010, 2011 (as reaudited) & for the period ended 30th September, 2011. In respect of the years ended 31st March 2007, 2008, 2009 and 2010, these information have been included based upon the reports submitted by previous auditor M/s Ketan N Shah & Co. Chartered Accountants and relied upon by us.

a. Statement of Dividend paid/proposed included in Annexure VI

b. Summary of Accounting Ratios included in Annexure VII

c. Statement of Capitalization as at 30th September, 2011 included in Annexure VIII

d. Statement of Reserves and Surplus included in Annexure IX

e. Statement of Secured and Unsecured Loans included in Annexure X

f. Statement of Investment included in Annexure XI

g. Statement of Age-wise analysis of Sundry Debtors included in Annexure XII

h. Statement of Loans and Advances included in Annexure XIII

i. Statement of Current Liabilities and Provisions included in Annexure XIV

j. Statement of Other Income exceeding 20 percent of Net Profit before tax included in Annexure XV

k. Statement of Tax Shelters included in Annexure XVI

l. Statement of Segment Reporting included in Annexure XVII

m. Statement of Related Party Transactions included in Annexure XVIII

n. Statement of Deferred Tax Assets and Liabilities included in Annexure XIX

9) In our opinion the Restated Financial Statements and Other financial information contained in Annexure I to XIX of this report read along with the Significant Accounting Policies (Refer Annexure V) and Notes on Adjustments (Refer Annexure IV) have been prepared after making adjustments and regrouping as considered appropriate in accordance with Paragraphs B, Part II of schedule II of the Companies Act, 1956 ("The Act"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations 2009) (SEBI Regulation) and the Guidance Note on the reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

.

Consequently, as result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.

10) This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by M/s Ketan N Shah & Co., Chartered Accountants nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Rajesh Ramesh Shah & Co.
Firm Registration No.: 130830W
Chartered Accountants

Sd/-
CA. Rajesh R. Shah
(Proprietor)
Membership No. 047669

Date: 05/03/2012
Place: Mumbai

ANNEXURE - I
RESTATED SUMMARY STATEMENT OF ASSETS AND LIABLITIES

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Assets						
Fixed Assets-Gross Block	1782.50	1703.99	1217.06	1110.81	1081.61	1144.62
Less: Depreciation	724.93	657.61	564.25	517.41	432.40	410.85
Net Block	**1057.57**	**1046.39**	**652.81**	**593.40**	**649.21**	**733.77**
Capital Work in Progress	283.86	117.00	408.63	19.37	7.04	-
Total (A)	**1341.43**	**1163.39**	**1061.43**	**612.78**	**656.26**	**733.77**
Investments (B)	-	-	7.00	7.00	7.00	7.00
Current Assets, Loans and Advances						
Inventories (as taken, valued and certified by management)	2832.52	2763.75	2537.18	2027.41	2783.82	1722.28
Sundry Debtors	4303.40	1802.97	1254.83	928.62	1065.86	101.14
Cash & Bank Balances	9.99	24.97	46.72	16.66	9.57	72.94
Loans & Advances	1837.23	1114.64	554.82	474.45	649.48	471.82
Total Current Assets (C)	**8983.15**	**5706.33**	**4393.55**	**3447.14**	**4508.73**	**2368.18**
Total Assets (D) = (A) + (B) + (C)	**10324.58**	**6869.72**	**5461.98**	**4066.92**	**5171.99**	**3108.95**
Liabilities & Provisions						
Loan Funds :						
Secured Loans	2468.22	2280.61	1979.51	1747.63	1836.94	1421.57
Unsecured Loans	647.48	718.94	666.97	803.16	720.61	742.37
Current Liabilities & Provisions:						
Current Liabilities	4787.94	1787.78	1279.73	751.11	2257.32	590.74
Provisions	436.20	310.57	104.62	4.70	4.00	2.42
Deferred Tax (Asset) / Liability (net)	45.84	49.46	33.50	24.18	21.41	28.80
Total Liabilities & Provisions (E)	**8385.68**	**5147.35**	**4064.33**	**3330.78**	**4840.28**	**2785.90**
Net Worth (D) - (E)	**1938.90**	**1722.37**	**1397.64**	**736.14**	**331.71**	**323.05**
Represented By:						
Equity Share Capital	996.59	996.59	249.15	232.15	192.15	192.15
Share Application Money	-	-	30.00	-	-	-
Reserves & Surplus	958.98	725.78	1118.50	503.99	139.57	130.90
Less: Miscellaneous Expenditure (to the extent not written off or adjusted)	16.67	-	-	-	-	-
Total Net Worth	**1938.90**	**1722.37**	**1397.64**	**736.14**	**331.71**	**323.05**

Notes: The above statement should be read with the Notes on Adjustments to Restated Financial Statements, Significant Accounting policies and notes to Accounts as appearing in Annexures IV and V.

ANNEXURE-II
RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Income						
Sales of products Manufactured	15906.26	32525.35	17835.36	17136.16	11030.84	3508.84
Less: Excise Duty	1495.91	3009.67	1452.47	1928.52	148.09	493.84
Net Sales of products Manufactured	**14410.36**	**29515.68**	**16382.89**	**15207.64**	**10882.75**	**3015.01**
Sales of products Traded	255.75	1697.83	821.60	-	633.23	101.96
Total Sales	**14666.11**	**31213.51**	**17204.49**	**15207.64**	**11515.98**	**3116.97**
Other Income	2.99	9.79	20.92	23.49	70.14	2.69
Increase/(Decrease) in Inventories	(369.11)	(73.46)	378.16	(491.90)	1081.03	110.20
Total	**14299.99**	**31149.84**	**17603.58**	**14739.24**	**12667.15**	**3229.86**
Expenditure						
Cost of Materials	12910.06	27861.41	15605.29	13761.41	11110.41	2018.57
Cost of Traded Goods	231.00	1140.46	507.91	-	319.60	201.83
Manufacturing Overheads	443.76	932.87	687.60	539.43	838.47	737.90
Personnel Expenses	72.79	130.24	63.52	41.70	53.14	14.70
Administration & Selling Expenses	50.00	126.51	41.12	35.69	29.02	23.45
Total	**13707.6**	**30191.49**	**16905.44**	**14378.23**	**12350.64**	**2996.45**
Profit before Depreciation, Interest and Tax	**592.38**	**958.35**	**698.14**	**361.01**	**316.51**	**233.41**
Depreciation	68.64	93.36	75.40	85.01	101.45	93.58
Profit before Interest & Tax	**523.74**	**864.99**	**622.74**	**276.00**	**215.06**	**139.83**
Financial Expenses	174.91	294.82	302.22	267.10	213.37	132.96
Net Profit before Tax	**348.83**	**570.18**	**320.52**	**8.89**	**1.69**	**6.87**
Less: Taxation -Current Tax	119.25	199.50	104.69	1.10	0.01	1.51
Deferred Tax	(3.62)	15.95	9.33	2.77	(7.39)	0.70
Fringe Benefit Tax	-	-	-	0.59	0.40	0.14
Net Profit After Tax & Before Extra Ordinary Items	**233.20**	**354.72**	**206.50**	**4.43**	**8.67**	**4.52**
Extra Ordinary Items (Net of tax)	-	-	-	-	-	-
Net Profit After Extra Ordinary Items	**233.20**	**354.72**	**206.50**	**4.43**	**8.67**	**4.52**
Add: Balance Brought Forward	**705.22**	**350.50**	**143.99**	**139.57**	**130.90**	**127.22**
Balance available for appropriation	**938.42**	**705.22**	**350.49**	**143.99**	**139.57**	**131.74**
Less: Appropriation						
Capitalisation for issue of bonus shares	-	-	-	-	-	-
Charge on account of transitional provisions under AS-15	-	-	-	-	-	**(0.84)**
Adjusted available surplus carried forward to balance sheet	**938.42**	**705.22**	**350.49**	**143.99**	**139.57**	**130.90**

Notes: The above statement should be read with the Notes on Adjustments to Restated Financial Statements, Significant Accounting policies and notes to Accounts as appearing in Annexures IV and V.

ANNEXURE-III
RESTATED SUMMARY STATEMENT OF CASH FLOW

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before taxation and Extra Ordinary items	348.83	570.18	320.52	8.89	1.69	6.87
Adjustment for:						
Interest Income	(1.73)	(5.01)	(5.51)	(0.75)	(1.08)	(1.45)
Gratuity	6.38	6.45	1.49	(0.38)	1.16	0.32
Depreciation	68.64	93.36	75.40	85.01	101.45	93.58
Loss on sale of Machinery	-	-	3.03	-	-	-
Interest Expenses	179.69	320.18	279.47	264.62	208.02	103.08
Dividend Income	-	(0.75)	(0.75)	(0.75)	(0.19)	-
Operating Profit before Working capital	**601.81**	**984.40**	**673.64**	**356.65**	**311.05**	**202.40**
Adjustments for:						
Decrease / (Increase) in Sundry Debtors	(2500.43)	(548.14)	(326.20)	137.24	(964.73)	(83.93)
Decrease / (Increase) in Loans and Advances	(537.66)	(383.32)	(71.32)	183.66	(174.42)	(84.08)
Decrease / (Increase) in Inventories	(68.77)	(226.57)	(509.77)	756.40	(1003.86)	(761.88)
Increase / (Decrease) in Current Liabilities& Provisions	3000.16	508.05	528.62	(1506.21)	1666.57	187.65
Cash Generated from Operations	**495.11**	**334.42**	**294.97**	**(72.26)**	**(165.38)**	**(539.84)**
Less: Income taxes paid	184.93	176.50	15.30	9.24	3.23	0.43
Cash Flow before Extra Ordinary items	**310.17**	**157.92**	**279.67**	**(81.50)**	**(168.61)**	**(540.28)**
Less: Extra Ordinary Items	**-**	**-**	**-**	**-**	**-**	**-**
Net Cash flow from Operating Activities (A)	**310.17**	**157.92**	**279.67**	**(81.50)**	**(168.61)**	**(540.28)**
CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of Investments	-	-	-	-	-	(5.00)
Sale of Investments	-	7.00	-	-	-	-
Purchase of fixed assets	(249.59)	(195.31)	(528.05)	(41.53)	(81.61)	(148.90)
Sale of Fixed Assets	2.91	-	0.96	-	-	-
Dividend Income	-	0.75	0.75	0.75	0.19	-
Interest Income	1.73	5.01	5.51	0.75	1.08	1.45
Net Cash Flow from Investing Activities (B)	**(244.95)**	**(182.56)**	**(520.83)**	**(40.03)**	**(80.35)**	**(152.44)**
CASH FLOW FROM FINANCING ACTIVITIES						
Borrowings	116.15	353.07	95.69	(6.76)	393.61	819.65
Share Application Money	-	(30.00)	30.00	-	-	-
Increase in share capital (Incl Application Money)	-	-	17.00	40.00	-	-
Securities Premium	-	-	408.00	360.00	-	-
Preliminary Expenses	(16.67)	-	-	-	-	-
Interest paid	(179.69)	(320.18)	(279.47)	(264.62)	(208.02)	(103.08)
Net Cash Flow from Financing Activities (C)	**(80.20)**	**2.90**	**271.22**	**128.62**	**185.59**	**716.56**
Net Increase / (Decrease) in Cash & Cash Equivalents	**(14.98)**	**(21.75)**	**30.06**	**7.08**	**(63.37)**	**23.84**
Cash and cash equivalents at the beginning of the year / Period	24.97	46.72	16.66	9.57	72.94	49.10
Cash and cash equivalents at the end of the year/ Period	**9.99**	**24.97**	**46.72**	**16.66**	**9.57**	**72.94**

Breakup of Cash and Cash Equivalent

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Bank Balances with Schedule Bank						
-In Current Accounts	-	16.41	15.24	-	0.09	0.36
-In Fixed Deposit and Margin Account	-	-	10.62	9.81	8.00	6.18
Cash on Hand	9.99	8.56	20.85	6.85	1.48	66.41
	9.99	**24.97**	**46.72**	**16.66**	**9.57**	**72.94**

Annexure – IV

NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS

1. Consequent to the proposed Initial Public Offer (IPO) of the equity shares, the Company had applied to the Registrar of Companies (ROC) Maharashtra, for conversion from Private Limited Company to Public Limited Company. The Company has changed its name from "Harisons Steel Private Limited" to "Harisons Steel Limited" on 4th March, 2011. The ROC has accorded his approval for the conversion of the Company into a 'Public Limited Company' on 6th April, 2011 and the Company accordingly changed its status from 'Private Limited' to 'Limited' with effect from 6th April, 2011.

2. The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit & losses of the company.

(All amounts Rupees in Lacs)

Particulars	31.03.2011	31.03.2010	31.03.2009	31.03.2008	31.03.2007
Profit after Tax as per Audited Statement of Accounts (A)	326.54	275.38	29.26	7.27	0.23
Adjustments on account of					
i) Change in rate of Depreciation	(0.82)	0.71	2.15	(5.89)	6.82
ii) Loss on Sale of Assets	-	(1.58)	-	-	-
iii) Assets Transfer to Stock	-	-	(28.82)	-	-
iv) Gratuity Provision	(6.45)	(1.49)	0.38	(1.16)	(0.32)
v) Borrowing Cost	48.99	(80.94)	-	-	-
vi) Capitalization of Assets from Stores	3.30	-	-	-	-
vii) Earlier Year Tax Adjustment	12.67	0.09	1.49	-	(1.49)
Impact of Current Tax					
Provision for Tax	(17.55)	30.71	1.84	0.89	(0.71)
Less: MAT Credit	-	-	0.89	0.17	0.69
Impact of Deferred Tax	(11.95)	(16.38)	(2.77)	7.39	(0.70)
Total Adjustments (b)	**28.18**	**(68.88)**	**(24.83)**	**1.40**	**4.29**
Net Adjusted Profit After Tax (A + B)	**354.72**	**206.50**	**4.43**	**8.67**	**4.52**

The explanatory notes for these adjustments are discussed below:

a) State Government Cash Subsidy

Company has received Government Subsidy from State Government under Package Scheme of incentive, 1993 of Rs 20 Lakhs against setting up of manufacturing unit at Wada – Thane in Financial Year 2003-04. The said government grant was appearing in the books of accounts as part of Reserve and Surplus. At the time of restatement, being the subsidy in the nature of Capital, in accordance with AS 12 " Government Grants", the said State Government subsidy have been adjusted against the respective cost of fixed assets in the financial year 2006-2007 itself. Accordingly cost of fixed assets and related depreciation is restated w.e.f 2006-07.

b) AS 15 – Employees Benefit

The Company adopted AS 15 "Employee Benefits" effective April 1, 2006. Consequent to the adoption, an amount of Rs. 0.83 Lakhs (net of deferred tax, Rs.0.38 Lakhs) has been adjusted against General Reserves as at April 1, 2006, in accordance with the transitional provision in the Standard.

c) Depreciation

The Company has been providing depreciation on the Fixed Assets under Written Down Value Method at the rates and manners prescribed under Schedule-XIV of The Companies Act 1956. However there was change in classification of assets and related changes in rate of depreciation. Depreciation has been recomputed and adjusted accordingly in the restated financial statements.

d) Provision for Deferred Tax

The deferred tax liability has also been recomputed taking into consideration the effect of rectification in provision of depreciation as detailed above and disallowances/ adjustments as referred to in computation of income for respective years and accordingly adjustments have been made in the respective years.

e) Provision for Current Tax

The Restated Statement of Profit and Loss has been adjusted for respective years in respect of short/excess provision for income tax as compared to the tax payable as per income tax returns filed by the Company for these years. Advance taxes paid towards current tax liability have been shown under the head 'Loans and Advances' and Provision for taxation have been shown under the head 'Provision for tax'.

f) Fixed Asset Transfer to Stock:

During the financial year 2007-08, company has transferred CI mould from fixed asset to stock in trade amounting to Rs. 28.86 Lakhs. Due to errors in rate of depreciation in earlier years, resultant written down value of assets transferred to the stock was not correct. At the time of restatement, the transfer value has been reworked out as Rs 57.68 Lakhs and corresponding effect of Rs 28.82 lakhs was given in Fixed Assets and Stock accordingly. The said restatement of transfer is having corresponding effect on Depreciation.

g) **Assets Capitalisation:**

The company has purchased certain assets which were written off in financial year 2010-2011. The same have been restated to Asset account and depreciation has been recomputed on same.

h) **Segmental Information**

The company was primarily dealing in two segments i.e. manufacturing of Ingots, Runners, Billets etc of Stainless & Metallic Steel and Trading in Scrap. Annexure XIII includes information required by Accounting Standard 17- "Segment Reporting" as notified by Companies (Accounting Standard Rules) 2006 for the period 2006-07 to period ended 30th September, 2011.

i) **Borrowing Cost:**

The Company has capitalised Rs 91.57 Lakhs during the financial year 2009-10 as Borrowing cost under the head ' Capital Work in Progress'. At the time of restatement, the capitalized value under borrowing cost worked out to Rs 10.63 lakhs and hence Rs 80.94 lakhs effect have been charged to profit and loss account under the head 'Financial Expenses'.

Further to that, during restatement, borrowing cost of Rs 48.99 lakhs have been capitalized under 'Capital Work in Progress' in FY 2010-11 by giving corresponding effect to Profit and Loss Accounts. During financial year 2010-11, borrowing cost of Rs 47.37 lakhs is added to Assets capitalized from 'Capital Work in Progress Account'.

Necessary Adjustment to depreciation have been made on account of addition / deletion of borrowing cost to the assets as stated above.

j) **Closing Stock of Finished Goods:**

The company has not provided for the Excise Duty on closing stock of finished goods, thus on restatement of the financial statement excise duty have been worked out on realizable value and it has been added to Closing stock value of respective years.

3. **Material regrouping**

a) **Other income:**

Consistent with the manner of presentation adopted in the financial statements as on 30th September, 2011, Sundry Balance Written back have been regrouped under the head 'other Income', previously shown under the head 'Cost of material consumed' in Profit and Loss Account in the financial year ended on 31st March, 2011, 31st March, 2010, 31st March, 2009 and 31st March, 2008.

b) **Cost of Raw Material Consumed:**

Consistent with the manner of presentation adopted in the financial statements as on 30th September, 2011, Custom Duty, Conversion Charges, Vat reduction on Purchase and Increase / Decrease of Stock of Raw Material and Consumables Stores have been regrouped under the head 'Cost of Material Consumed', previously shown under the head 'Increase/ Decrease in Stock', 'Manufacturing Expenses' and 'Administrative and Sales expenses' in

Profit and Loss Account in the financial year ended on 31st March, 2011, 31st March, 2010, 31st March, 2009 and 31st March, 2008.

c) **Manufacturing Overheads:**

Consistent with the manner of presentation adopted in the financial statements as on 30th September, 2011, Conversion Charges, Excise Duty on Finished Goods and transportation Charges have been regrouped under the head 'Manufacturing Expenses', previously shown under the head 'Cost of Material Consumed' in Profit and Loss Account in the financial year ended on 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007.

d) **Payment to Employees:**

Consistent with the manner of presentation adopted in the financial statements as at 30th September, 2011, Director Remuneration & Keyman Insurance have been regrouped under the head 'Personnel Expenses', previously grouped under the head 'Administrative and Selling Expenses' in Profit and Loss Account in the financial year ended 31st March 2011, 31st March 2010.

e) **Administration and Selling Expenses:**

Consistent with the manner of presentation adopted in the financial statements as at 30th September, 2011, Repair and Maintenance of Plant & Machinery and Excise Expenses have been regrouped under the head 'Administration and Selling Expenses, previously shown under the head 'Manufacturing Overheads' in Profit and Loss Account in the financial year ended on 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007.

f) **Financial Expenses:**

Consistent with the manner of presentation adopted in the financial statements as at 30th September, 2011, Bank Charges, Bank Commission and Letter of Credit Charges have been regrouped under the head 'Financial Expenses' previously shown under the head 'Administration and Selling Expenses,' in Profit and Loss Account in the financial year ended on 31st March, 2011, 31st March, 2010, 31st March, 2009, 31st March, 2008, 31st March, 2007.

g) **Current Liabilities:**

Consistent with the manner of presentation adopted in the financial statements as at 30th September, 2011, Provision for Expenses and Bank Overdrawn Balance have been regrouped separately under the head 'Current Liabilities', previously shown under the head 'Provisions' and 'Cash and Bank Balance' respectively in the financial year ended 31st March, 2011 and 31st March 2009.

h) Regrouping done within a particular head of expenses is not disclosed by way of notes.

4. **Restated Profit and Loss Account as on 1st April, 2006**

Following adjustments have been made in profit and loss account balance as on 1st April 2006 for arriving at the opening balance of restated profit & loss account.

(All amounts Rupees in Lacs)

Particulars	Amount
Balance in Profit and Loss Account as on 01st April, 2006	60.71
Add: Reversal of Depreciation due change in Depreciation rate	52.26
Deferred Tax Restatement	14.25
Adjusted balance in Profit and Loss Account as on 01st April, 2006	127.22

5. **Qualifications in the Auditors Report:**

The Statutory Audit of the Company for the past five years were conducted by M/s Ketan N Shah & Co. Chartered Accountants. Re-audit of financial information for the Financial Year 2010-11 and Stub period upto 30th September, 2011 was conducted by us.

With reference to review of Audited Financial Statements of the previous financial year 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11, we state that no qualifications or any adverse remark/observation are made by the Statutory Auditors in their Statutory Audit Report.

Annexure – V

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

(For the Financial Statement as at and for the period ended 30th September, 2011)

1 Background

Harisons Steel Limited is engaged in the business of manufacturing and trading of Ingots, Runners, Billets, etc of Stainless Steel and Metallic Steel.

2 Basis of Preparation of Financial Statements:

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

3 Use of Estimates:

The preparation of financial statement in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. All revenue and expenses are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipt.

4 Subsidies/ Grants from Government:

Subsidies / Grants received on Capital Account have been deducted from the cost of respective assets to which they relate.

5 Fixed Assets:

Fixed assets are stated at original cost less accumulated depreciation and cumulative impairment. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

6 Depreciation:

a) Depreciation on fixed assets has been provided on Written down Value basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.No depreciation has been provided on fixed assets purchased out of and charged to Government Grants.

b) Depreciation is provided on pro-rata basis with reference to the date of addition / installation / deletion except in case of assets costing Rs 5,000 or less, which are depreciated at 100% in the year of acquisition

7 Impairment of Assets:

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

8 Inventories:

Inventories are valued as follows:

Raw materials, stores and spares: Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be used, are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Finished goods: Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and cost incurred to make the sale.

9 Foreign Currency Transactions:

Transactions in foreign currency are accounted at the exchange rate prevailing at the time of transaction. Gains or Losses upon settlement of transaction during the year is recognized in the profit and loss account.

Assets and liabilities denominated in foreign currency are restated at the year end rates. Gains or losses arising as a result of the above are recognized in the profit and loss account.

10 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed on to the buyer.

Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognized when the right to receive dividend is established.

11 Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments'. All other Investments are classified as Long Term Investments. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

12 Borrowing Costs:

Borrowing costs directly attributable to the acquisition or construction of Fixed Assets are capitalized as part of the cost of the assets, upto the date the asset is put to use. Other borrowing costs are charged to the Profit and Loss Account in the year in which they are incurred.

13 Retirement Benefits:

Long term employees Benefits:

i) Provident fund, family Pension fund :

As per the employees' Provident funds and miscellaneous Provisions Act, 1952, all employees of the company are entitled to receive benefits under the provident fund & family pension fund, which is a defined contribution plan. These contributions are made to the fund administrated and managed by Government of India.

The company's contributions to these schemes are recognized as expense in profit and loss account during the year in which the employee renders the related service. The company has no further obligation under these plans beyond its monthly contributions.

ii) Gratuity:

The liabilities is a defined benefit obligation and are the present value of the obligation under defined benefits plan is determined based on actuarial valuation using the Project Unit Credit method, which recognizes each year of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up final obligation. The obligation is measured at the present value of the estimated cash flows. The discount rate used for determining the present value of the defined obligation under defined benefit plan, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognized in Profit and Loss account as and when determined.

14 Taxation:

Tax expenses comprise of current and deferred tax.

Provision for current income tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified year.

15 Earnings per Share

i) Basic earnings per share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

ii) Diluted earnings per share:

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

iii) In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

16 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent Liability is disclosed for
a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

B. Notes on Accounts:

1. In the opinion of the directors :

   a) The current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of business.

   b) The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

	(Rupees in Lakhs)	
	30th September 2011	**31st March 2011**
2. Contingent liabilities not provided for in respect of:		
a) Letter of Credit	473.00	413.00
b) Estimated amount of contracts remaining to be executed on capital account.	75.00	204.00
c) Dispute with Central Excise Authorities	467.47*	467.47*

* Net off Rs. 200 Lakhs pre deposit paid as per High Court Order dated 06.10.2009

3. Sundry debtors, Sundry creditors, Other Liabilities, Deposits and Loan and Advances are subject to confirmation and reconciliation, if any.

	(Rupees in Lakhs)	
	30th September 2011	**31st March 2011**
4. Payment to Directors:		
Salary and Allowances	12.00	12.00

The company has provided Managerial Remuneration as per the provisions of part II of Schedule XIII of Companies Act, 1956 and the said Managerial Remuneration is approved by Remuneration Committee.

	(Rupees in Lakhs)	
	30th September 2011	**31st March 2011**
5. Payment to Auditors:		
a) Audit Fees	6.62	2.04
b) Income Tax and other matters	Nil	1.65
	6.62	**3.69**

6. **DISCLOSURE IN ACCORDANCE WITH PART I OF SCHEDULE VI OF THE COMPANIES ACT 1956 IN RESPECT OF MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

The company is in the process of compiling relevant information from its creditors about their coverage under the Micro, Small & Medium Enterprises Development Act, 2006. As the company has not received any information from its creditors as on date regarding their status under the above said Act and hence no disclosure has been made.

7. Employees Benefits:

During the year, Company has recognized the following amounts in the financial statements:

a) Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(All amounts Rupees in Lakhs)

Particulars	30th September,2011	31st March, 2011
Employer's Contribution to Provident fund & family Pension fund	0.72	1.52

b) Defined Benefit Plan

Reconciliation of opening and closing balances of Defined Benefit obligation:

(All amounts Rupees in Lakhs)

Particulars	30th September,2011	31st March, 2011
Defined Benefit obligation at the beginning of the year	10.24	3.79
Current Service Cost	1.70	2.91
Interest Cost	0.42	0.31
Actuarial (gain)/loss	4.26	3.23
Benefits Paid	-	-
Defined Benefit obligation at year end	16.62	10.24

Reconciliation of fair value of plan assets and benefit obligations:

(All amounts Rupees in Lakhs)

Particulars	30th September,2011	31st March, 2011
Fair value of assets as at 30th September, 2011	--	--
Present value of obligation as at 30th September, 2011	16.62	10.24
Amount recognized in balance sheet	16.62	10.24

Expense recognized during the period:

(All amounts Rupees in Lakhs)

Particulars	30th September,2011	31st March, 2011
Current Service Cost	1.70	2.91
Interest Cost	0.42	0.32
Expected return on Plan assets	--	--
Actuarial (gain)/loss	4.26	3.23

Expense recognized in profit and loss account	6.38	6.45

Actuarial Assumptions:

Particulars	**30th September,2011**	**31st March, 2011**
Discount Rate	8.25%	8.25%
Expected Rate of Return on Plan assets	--	--
Salary Escalation	4.00%	4.00%

8. There was a temporary halt in production process observed during the month of September, 2011 on account of transformer failure.

9. The amount of excise duty disclosed as deduction from turnover is the excise duty for the year, except the excise duty related to the difference between the closing stock and opening stock and excise duty paid but not recovered, which has been disclosed in the increase/ (decrease) in stock.

10. Previous year's figures are given under brackets and are regrouped and rearranged wherever considered necessary.

11. In view of financial statements being prepared for the period of Six months i.e.1st April, 2011 to 30th September, 2011 and hence previous year's figures are not comparable.

ANNEXURE-VI

STATEMENT OF DIVIDEND PAID / PROPOSED

The details of dividends declared by the Company is as under:

(All amount Rupees in Lacs except shares data)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Equity Share Capital	996.59	996.59	249.15	232.15	192.15	192.15
Number of Equity Shares	9965908	9965908	2491477	2321477	1921477	1921477
Equity Shares Face Value	10.00	10.00	10.00	10.00	10.00	10.00
Rate of Dividend (%)						
Interim	0%	0%	0%	0%	0%	0%
Final	0%	0%	0%	0%	0%	0%
Amount of Dividend on Equity Shares						
Interim	Nil	Nil	Nil	Nil	Nil	Nil
Final	Nil	Nil	Nil	Nil	Nil	Nil
Total tax on Dividend	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

ANNEXURE-VII
SUMMARY OF ACCOUNTING RATIOS

(All amounts Rupees in Lacs except shares data)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
a) Earnings Per Share						
Adjusted Profit after tax but before extraordinary items	233.20	354.72	206.50	4.43	8.67	4.52
Weighted Average number of Equity shares outstanding	9965908	9965908	9796374	9417826	9395908	9395908
Basic Earnings Per Share (Rs.)	2.34	3.56	2.11	0.05	0.09	0.05
Diluted Earnings Per Share (Rs.)	2.34	3.56	2.11	0.05	0.09	0.05
b) Net Asset Value Per Share						
Total Asset (a)	10324.58	6869.72	5461.98	4066.92	5171.99	3108.95
Total Liabilities (b)	8385.68	5147.35	4064.33	3330.78	4840.28	2785.90
Asset Value [(a)-(b)]	1938.90	1722.37	1397.64	736.14	331.71	323.05
Weighted Average number of Equity shares outstanding	9965908	9965908	9796374	9417826	9395908	9395908
Net Asset Value per share (Rs.)	19.46	17.29	14.27	7.81	3.53	3.44
c) Return on Net Worth (%)						
Adjusted Profit after tax but before extraordinary items	233.20	354.72	206.50	4.43	8.67	4.52
Net Worth	1939.00	1722.00	1398.00	736.00	332.00	323.00
Return on Net Worth (%)	12.03%	20.60%	14.77%	0.60%	2.61%	1.40%
Weighted Average number of Equity shares outstanding during the year considered for Basic and diluted EPS, Net Asset Value per Share and Return on Net Worth	9965908	9965908	9796374	9417826	9395908	9395908

Formulae:

Earnings Per Share =	Adjusted profit after tax but before extraordinary items / Weighted Average Number of Equity Shares outstanding during the year
Net Asset Value Per Share =	Net worth excluding Revaluation Reserve / Weighted Average Number of Equity Shares outstanding during the year
Return on Net Worth (%) =	Adjusted profit after tax but before extraordinary items / Net worth excluding Revaluation Reserve

Note: Net Worth = Equity Share Capital + Reserves & Surplus (Excluding revaluation reserve) – Miscellaneous Expenditure

Notes:

1) Earnings per Share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" as notified by Companies (Accounting Standard), Rules, 2006. In terms of para 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.

2) During the year ended 15th June, 2010 the company has issued 74,74,431 bonus shares to the shareholders in the ratio of three shares for one share held by them. Since the bonus issue is an issue without consideration, it has been treated as if it had occurred from the beginning of the earliest period reported i.e. 31st March, 2006, both for the purpose of computing EPS and Net Asset Value per Share.

3) The above ratios have been calculated based on restated financial statements.

4) The Basic & Diluted EPS for the period ended 30th September, 2011 is not annualized.

Calculation of Weighted Average Number of Shares during the Year

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Total number of equity shares outstanding at the beginning of the year						
Nominal value of equity shares – (Rs.)	10	10	10	10	10	10
Number of Share originally issued	2491477	2491477	2321477	1921477	1921477	1921477
– @ Rs. 10 per share paid up - **[A]**	2491477	2491477	2321477	1921477	1921477	1921477
Equity shares issued during the year/period :						
Date of Issue of shares:						
27.03.2009	-	-	-	400000	-	-
31.03.2010	-	-	170000	-	-	-
Total equity shares at the end of the year/period	2491477	2491477	2491477	2321477	1921477	1921477
Equity shares in proportion to outstanding days remained during the year/period - **[B]**	-	-	466	21918	-	-
Bonus Equity Shares issued **[C]** [15.06.2010]	7474431	7474431	7474431	7474431	7474431	7474431
Weighted Average number of Equity shares outstanding during the year/period – Considered for Basic EPS **[A+B+C]**	**9965908**	**9965908**	**9796374**	**9417826**	**9395908**	**9395908**
Potential Equity Shares outstanding as at the Balance Sheet date **[D]**	-	-	-	-	-	-
Weighted Average number of Equity shares outstanding during the year/period – Considered for Diluted EPS **[A+B+C+D]**	**9965908**	**9965908**	**9796374**	**9417826**	**9395908**	**9395908**

ANNEXURE -VIII
STATEMENT OF CAPITALISATION

(Rs. In Lacs)

Particulars	Pre-issue as at 30.09.2011	Post Issue [*]
Loans: Secured and unsecured		
Short Term Debt	188.00	
Long Term Debt	2927.69	
Total Debt	**3115.70**	
Shareholders' Funds		
Equity Share Capital	996.59	
Reserves & Surplus	958.98	
Less: Miscellaneous Expenditure not written off	16.67	
Total Shareholders' Funds	**1938.90**	
Long - Term Debt / Shareholders Fund	1.51	
Short - Term Debt / Shareholders Fund	0.10	

[*] Post issue details will be updated at the time of submission of prospectus.

Notes:
a) The above has been computed on the basis of restated statements of accounts.
b) Short Term Debts are debts maturing within next one year.
c) Security Premium under the head Reserves and Surplus for the post issue capitalisation will be determined after fixation of the issue price
d) Reserves have not been adjusted for any issue expenses that will be adjusted against the Securities Premium Account consequent to the current issue of shares.

ANNEXURE- IX
DETAILS OF RESERVES & SURPLUS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Profit / (Loss) Brought Forward	705.22	350.50	143.99	139.57	130.90	127.22
Less: Charge on account of transitional provisions under AS 15	-	-	-	-	-	0.84
Add: Profit / (Loss) for the Year	233.20	354.72	206.50	4.43	8.67	4.52
Profit / (Loss) Carried Forward (A)	**938.42**	**705.22**	**350.50**	**143.99**	**139.57**	**130.90**
Share Premium						
Balance brought forward	20.56	768.00	360.00	-	-	-
Add: Addition during the year	-	-	408.00	360.00	-	-
Less: Utilized for Bonus issue	-	747.44	-	-	-	-
Net Share Premium (B)	**20.56**	**20.56**	**768.00**	**360.00**	**-**	**-**
Reserves & Surplus (A+B)	**958.98**	**725.78**	**1,118.50**	**503.99**	**139.57**	**130.90**

ANNEXURE-X
STATEMENT OF SECURED LOAN & UNSECURED LOAN

Secured Loans:

(All amounts Rupees in Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
a) Working Capital Loans						
I. From bank						
Cash Credit						
Abhudaya Cop-op Bank	-	-	-	1024.24	1080.12	897.85
State Bank of India (31091994391)	2067.92	1812.85	1362.65	-	-	-
II. From Financial Institutions						
City Group (Loan 2163264)	-	-	-	-	0.05	0.59
City Group (Loan 2163288)	-	-	-	-	0.05	0.59
Total (a)	**2067.92**	**1812.85**	**1362.65**	**1024.24**	**1080.21**	**899.04**
b) Term Loan						
I. From bank						
Abhudaya Cop-op Bank	-	-	-	723.39	756.73	521.86
State Bank of India	382.41	461.54	613.27	-	-	-
II. From Financial Institutions						
Total (b)	**382.41**	**461.54**	**613.27**	**723.39**	**756.73**	**521.86**
c) Vehicle loans						
I. From bank						
Kotak Mahindra Bank	-	-	-	-	-	0.68
II. From Financial Institutions						
Magma fincorp Limited	15.24	-	-	-	-	-
Reliance Consumer Finance	2.65	3.34	-	-	-	-
Tata Capital Limited	-	2.88	3.59	-	-	-
Total (c)	**17.89**	**6.22**	**3.59**	**-**	**-**	**0.68**
Total (a+b+c)	**2468.22**	**2280.61**	**1979.51**	**1747.63**	**1836.94**	**1421.57**

Unsecured Loans:

(All amounts Rupees in Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Loan From Directors and relatives						
Ankush Fulwadhya	-	12.86	-	10.00	10.00	10.00
Ashok Fulwadhya	-	11.55	8.60	43.82	33.07	12.14
Daulat Fulwadhya	-	6.88	6.16	45.30	24.25	-
Manish Fulwadhya	-	23.36	2.50	22.50	22.50	17.50
Loan From Inter-corporates						
GOGA Ice & Cold Storage	-	-	6.59	16.54	4.68	4.93
Dollar Industries	-	-	0.11	13.54	3.40	-
Total (A)	**-**	**54.64**	**23.95**	**151.70**	**97.89**	**44.56**
Loan From Bank and Financial Institution						
Standard Chartered Bank	4.23	10.10	20.29	28.74	-	-
Tata Capital Limited	20.53	31.48	-	-	-	-
Total (B)	**24.76**	**41.57**	**20.29**	**28.74**	**-**	**-**
Sales Tax Deferred Loan	622.72	622.72	622.72	622.72	622.72	697.81
Total (C)	**622.72**	**622.72**	**622.72**	**622.72**	**622.72**	**697.81**
Total (A)+(B)+(C)	**647.48**	**718.94**	**666.97**	**803.16**	**720.61**	**742.37**

Details of loans taken and assets charged as securities as at September 30, 2011

(All amounts Rupees in Lacs)

Lender	Date of Agreement	Amount Outstanding as on 30th Sept, 2011 (Rs. In Lacs)	Amount Outstanding as on 31st Mar, 2011 (Rs. In Lacs)	Rate of Interest	Repayment Terms	Security
Secured Loan:						
Working Capital loan from State Bank of India	NA	2067.92	1812.85	Interest at 2% above State Bank Advance Rate	Repayable on Demand	Secured by hypothecation of Stocks, Book Debts, Receivables, Actionable Claims and all present and future current assets and Hypothecation charge on Fixed Assets i.e. Plant & Machinery
						Factory Land and Building, adjacent land of above Factory at Wada , Flat at Khar, Land and Building of Goga Ice & Cold Storage at Nerul, Plant and Machinery of Factory of Goga Ice & Cold Storage at Nerul, Land and Building of M/s Dollar industries at Nerul
						Personal guarantee is given by Shri Daulat Hariram Fulwadhya and Ashok Hariram Fulwadhya
						Corporate guarantee is given by M/s Dollar Industries and M/s Goga Ice & Cold Storage
Term Loan from State Bank of India	NA	382.41	461.54	Interest at 2.50% above State Bank Advance Rate	Repayable in 49 monthly installments from February 2010	Secured by hypothecation of Stocks, Book Debts, Receivables, Actionable Claims and all present and future current assets and Hypothecation charge on Fixed Assets i.e. Plant & Machinery
						Factory Land and Building, adjacent land of above Factory at Wada , Flat at Khar, Land and Building of Goga Ice & Cold Storage at Nerul, Plant and Machinery of Factory of Goga Ice & Cold Storage at Nerul, Land and Building of M/s Dollar Industries at Nerul
						Personal guarantee is given by Shri Daulat Hariram Fulwadhya and Ashok Hariram Fulwadhya
						Corporate guarantee is given by M/s Dollar Industries and M/s Goga Ice & Cold Storage
Vehicle Loans						
Magma Fincorp	09/05/2011	15.24	N.A.	10.49% Reducing	34 Monthly Installments	Secured by hypothecation charge on Fixed Asset purchased i.e. JCB

Lender	Date of Agreement	Amount Outstanding as on 30th Sept, 2011 (Rs. In Lacs)	Amount Outstanding as on 31st Mar, 2011 (Rs. In Lacs)	Rate of Interest	Repayment Terms	Security
Ltd.				Method	starting from May 2011	Crane
Reliance consumer Finance	21/09/2010	2.65	3.34	14.88% Reducing Method	33 Monthly Installments starting from October 2010	Secured by hypothecation charge on Fixed Asset purchased i.e. Motor Car
Tata Capital Limited	15/10/2010	Nil	2.88	18% Reducing Method	36 Monthly Installments starting from January 2010	Secured by hypothecation charge on Fixed Asset purchased i.e. Motor Car
Unsecured Loan						
Ankush Fulwadhya	NA	Nil	12.86	N.A.	Repayable on demand	N.A.
Ashok Fulwadhya	NA	Nil	11.55	N.A.	Repayable on demand	N.A.
Daulat Fulwadhya	NA	Nil	6.88	N.A.	Repayable on demand	N.A.
Manish Fulwadhya	NA	Nil	23.36	N.A.	Repayable on demand	N.A.
Standard Chartered Bank	20/01/2009	4.23	10.1	19% Reducing Method	Repayable in 36 Months	N.A.
Tata Capital Limited	31/01/2011	20.53	31.48	18%	Repayable in 18 months	N.A.
Sales Tax Deferred Loan	16/05/2002	622.72	622.72	N.A.	Repayable in equated installment from April 2014 onwards	N.A.

ANNEXURE-XI
STATEMENT OF INVESTMENTS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
In Group Companies/Associates	-	-	-	-	-	-
Investment in shares of - Abhyudaya Co-Operative Bank Ltd. (70,000 Fully paid Equity shares of Rs. 10 each)	-	-	7.00	7.00	7.00	7.00
Total	**-**	**-**	**7.00**	**7.00**	**7.00**	**7.00**

ANNEXURE-XII
AGEWISE ANALYSIS OF SUNDRY DEBTORS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
(A) Unsecured, Considered good outstanding for a period more than six months						
Amount due from Promoter/Group Companies and Directors	-	-	-	-	-	-
Others	889.80	82.89	103.81	206.61	67.66	0.16
(B) Unsecured, Considered good outstanding for a period less than six months						
Amount due from Promoter / Group Companies and Directors	-	-	-	-	-	-
Others	3413.59	1720.08	1151.02	722.02	998.20	100.97
Total	**4303.40**	**1802.97**	**1254.83**	**928.62**	**1065.86**	**101.14**

ANNEXURE-XIII
DETAILS OF LOANS & ADVANCES

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Loans And Advances (Unsecured, considered good)						
Advances recoverable in cash or in kind or for value to be received						
- From Companies/ Concerns under the same management	-	-	-	-	-	-
- Others	84.28	78.55	9.59	90.51	219.76	264.95
Balance with Excise Department	348.28	313.92	133.10	316.59	294.26	16.60
VAT Receivable	74.57	90.61	70.79	-	-	-
Advances given to Suppliers	592.10	93.14	69.26	17.84	94.57	154.16
Security Deposit	354.79	340.15	250.31	36.80	36.80	35.26
Taxes paid	383.21	198.28	21.77	12.72	4.09	0.85
Total	**1,837.23**	**1,114.65**	**554.82**	**474.46**	**649.48**	**471.82**

ANNEXURE-XIV
DETAILS OF CURRENT LIABILITIES & PROVISIONS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Current Liabilities						
Sundry Creditors						
Amount due to Promoters / Promoter Group/Directors	-	-	-	-	-	-
Others	4548.61	1417.83	1112.97	553.82	1981.89	531.76
Advance received from Customers	102.56	224.45	28.74	31.10	77.87	33.59
Other current liabilities						
Amount due to Promoters / Promoter Group / Directors	-	-	-	-	-	-
Others:						
Statutory Liabilities	70.45	106.05	109.47	70.09	161.14	11.42
Provision for Expenses	38.07	39.45	28.55	24.78	36.41	13.98
Bank Book Overdrawn Balance	28.25	-	-	71.32	-	-
Sub Total (A)	**4787.94**	**1787.78**	**1279.73**	**751.11**	**2257.31**	**590.74**
Provision for Income Tax	419.58	300.33	100.83	1.81	0.92	0.74
Provision for FBT	-	-	-	0.59	0.40	0.15
Provision for Employee Benefits	16.62	10.24	3.79	2.30	2.68	1.53
Sub Total (B)	**436.20**	**310.57**	**104.62**	**4.70**	**4.00**	**2.42**
Total (A+B)	**5224.14**	**2098.35**	**1384.35**	**755.81**	**2261.31**	**593.17**

ANNEXURE-XV

SUMMARY OF OTHER INCOME EXCEEDING 20 PERCENT OF PROFIT AFTER TAX

(All amount Rupees in Lacs)

Particulars	31.03.09	31.03.08	31.03.07
Other Income			
Discount Received	-	2.66	0.83
Dividend Received	0.75	0.19	-
Foreign Exchange Fluctuation	-	1.69	-
Interest Received	0.75	1.08	1.45
Excess Provision of Gratuity	0.38	-	-
Sundry Balance Written Back	1.70	64.52	0.26
Commission Received	9.50	-	-
Miscellaneous Income	2.24	-	0.15
MVAT Refund	8.17	-	-
Total	**23.49**	**70.14**	**2.69**

Note: for the financial years ended 31.03.10, 31.03.11 and for the period ended 30.09.11, other income do not exceed 20 percent of Profit after tax and hence not disclosed.

ANNEXURE- XVI
STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Profit before tax as per Restated P/L (A)	348.83	570.18	320.52	8.89	1.69	6.87
Tax	30%	30%	30%	30%	30%	30%
Surcharge	5%	7.50%	10%	0%	0%	10%
Education Cess	2%	2%	2%	2%	2%	2%
Higher Education Cess	1%	1%	1%	1%	1%	1%
Tax rate	32.45%	33.22%	33.99%	30.90%	30.90%	33.99%
Tax at notional rate on profits	**113.20**	**189.40**	**108.94**	**2.75**	**0.52**	**2.34**
Adjustments						
Permanent differences (B)						
Donation	-	-	0.03	0.15	0.34	0.17
Disallowance u/s 43B	-	-	-	0.67	0.71	0.15
Dividend	-	(0.75)	(0.75)	(0.75)	-	-
Disallowance u/s 37	7.06	7.68	-	-	-	-
Profit on Sale of Machinery	-	-	3.03	-	-	-
Penalty on Excise	-	27.68	-	-	-	-
Total Permanent differences (B)	**7.06**	**34.60**	**2.31**	**0.07**	**1.05**	**0.32**
Timing differences (C)						
Depreciation as per Income Tax	63.45	104.01	69.83	71.38	83.76	97.08
Depreciation as per Books of Accounts	68.64	93.36	75.40	85.01	101.45	93.58
Difference between tax depreciation and book depreciation	5.18	(10.65)	5.57	13.64	17.69	(3.51)
Disallowance u/s40 (A) (7)	6.38	6.45	1.49	(0.38)	1.16	0.32
Total Timing Differences (C)	**11.57**	**(4.20)**	**7.05**	**13.25**	**18.84**	**(3.19)**
Net Adjustments (B+C)	**18.63**	**30.40**	**9.37**	**13.33**	**19.89**	**(2.87)**
Tax Saving thereon	6.04	10.10	3.18	4.12	6.15	(0.98)
Profit (D)=(A+B+C)	**367.46**	**600.58**	**329.88**	**22.22**	**21.58**	**4.00**
Brought forward losses adjusted (E)		-	33.26	22.22	21.58	4.00
Taxable Income (D-E)	**367.46**	**600.58**	**296.62**	**-**	**-**	**-**
Taxable Income as per MAT	348.83	570.18	320.52	8.89	1.69	6.87
Tax as per MAT	62.79	102.63	54.49	0.92	0.17	0.71
Tax Payable under normal provisions	119.39	199.50	100.83	-	-	-
Total tax payable or MAT whichever is Higher	**119.39**	**199.50**	**100.83**	**0.92**	**0.17**	**0.71**

Notes:-

1) The aforesaid Statement of Tax Shelters has been prepared as per the 'Summary of Restated Profit and Loss Account'.
2) The figures for the Six Months period ended 30th September, 2011 are based on the provisional computation of total income prepared by the company. Since, the same has not been filed, it is subject to any changes which may be between the date of this statement and filing of return of income for the year ended 31st March 2012.
3) The effects of assessment/appellate orders have not been considered above.

ANNEXURE- XVII
STATEMENT OF SEGMENT REPORTING

Sr. No.	particulars	Trading	Manufacturing	Total	Trading	Manufacturing	Total	Trading	Manufacturing	Total	Trading	Manufacturing	Total	Trading	Manufacturing	Total	Trading	Manufacturing	Total
1	**REVENUE**	**30.09.2011**			**31.03.2011**			**31.03.2010**			**31.03.2009**			**31.03.2008**			**31.03.2007**		
	Sales	255.75	14410.36	14666.11	1697.83	29515.68	31213.51	821.60	16382.89	17204.49	-	15207.64	15207.64	633.23	10882.75	11515.98	101.96	3015.01	3116.97
	Allocable Other Income			-			-			-			-			-			-
	Non-allocable Other Income			1.26			4.02			13.91			2.09			68.87			1.09
	Total Revenue			**14667.36**			**31217.53**			**17218.40**			**15209.73**			**11584.85**			**3118.06**
2	**RESULT**																		
	Segment Result	24.75	687.42	712.17	557.37	647.94	1205.32	313.68	468.17	781.86	-	414.90	414.90	213.24	115.29	328.53	0.52	268.35	268.87
	Less: Interest Paid			201.69			369.72			199.52			162.79			120.08			160.51
	Add: Interest Received			163.38			271.19			268.83			264.62			208.02			103.08
	Add: Dividend & Other Non operative Income			1.73			5.77			7.01			21.41			1.27			1.60
	Profit			**348.8**			**570.1**			**320.5**			**8.89**			**1.69**			**6.87**

	before Tax (PBT)			**3**			**8**			**2**									
	Taxes			115.63			215.45			114.01			4.46			(6.98)			2.35
	Profit after Tax (PAT)			**233.20**			**354.72**			**206.50**			**4.43**			**8.67**			**4.52**
3	Segment assets	544.00	8638.18	9182.18	891.15	5493.04	6384.19	638.41	4599.53	5237.93	13.30	3911.81	3925.11	414.06	4426.94	4841.00	100.39	2513.42	2613.82
	Unallocated corporate assets			1142.40			485.54			224.05			141.80			330.99			495.14
	Total assets			**10324.58**			**6869.72**			**5461.98**			**4066.92**			**5171.99**			**3108.95**
4	Segment liabilities	262.72	6881.42	7144.14	431.85	3587.26	4019.10	-	3165.47	3165.47	4.10	2508.88	2512.98	164.39	3830.19	3994.59	102.60	1928.88	2031.49
	Unallocated corporate liabilities			1241.54			1128.25			898.86			817.79			854.69			754.42
	Total liabilities			**8385.68**			**5147.35**			**4064.33**			**3330.78**			**4840.28**			**2785.90**
5	**Capital Employed**			**1938.90**			**1722.37**			**1397.64**			**736.14**			**331.71**			**323.05**
6	Capital expendi			**249.59**			**195.31**			**528.05**			**41.53**			**81.61**			**148.90**

	ture																		
7	Depreci ation			**68.64**			**93.36**			**75.40**			**85.01**			**101.4 5**			**93.5 8**

ANNEXURE-XVIII

STATEMENT OF RELATED PARTY TRANSACTIONS

Details of related party transactions

I.	**Entities where significant influence exists of the Company or Key Managerial Personnel**	
	Sr. No.	**As on 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
	1	M/s Goga Ice & Cold Storage
	2	M/s Dollar Industries
	3	Harisons Ferro Alloys (Mumbai) Private Limited
II	**Joint Ventures in which significant influence of the Company exists**	
	Sr. No.	**As On 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
		N.A.
III.	**Key Management Personnel**	
	Sr. No.	**As On 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
	1	Daulat Hariram Fulwadhya
	2	Ashok Hariram Fulwadhya
	Relatives of Key Management Personnel	
	Sr. No.	**As On 31st March, 2007,2008,2009,2010,2011 and 30th September, 2011**
	1	Manish Daulatram Fulwadhya
	2	Ankush Ashok Fulwadhya
	3	Kavita Manish Fulwadhya
	Transaction with entities where significant influence exists of the Company :	

(All Amounts Rs. in Lacs)

Sr. No.	Nature of Transaction	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
1	Loan Received	-	16.21	11.15	30.83	15.39	17.00
2	Loan Repaid	-	22.90	34.54	8.82	15.50	15.30
	Balance Outstanding at end						
	Due to Company	-	-	-	-	-	-
	Payable by Company	-	-	6.69	30.08	8.07	8.18
Transaction with Joint Venture where significant influence exists of the Company or Key Managerial Personnel:							
Sr. No.	**Nature of Transaction**	**30.09.11**	**31.03.11**	**31.03.10**	**31.03.09**	**31.03.08**	**31.03.07**
N.A							
Transaction with Key Managerial Personnel & Relatives:							
(All Amounts Rs. In Lacs)							
Sr. No.	**Nature of Transaction**	**30.09.11**	**31.03.11**	**31.03.10**	**31.03.09**	**31.03.08**	**31.03.07**
1	Managerial Remuneration	12.00	12.00	3.00	4.50	5.00	5.00
2	Loan Repaid	228.73	48.34	94.24	36.81	0.49	-
3	Loans Recd	187.24	39.12	16.89	59.61	50.18	10.00
4	Salary	-	6.00	-	-	-	-
5	Share Application Money Received / (Repaid)	-	(30.00)	30.00	-	-	-
	Balance Outstanding						
	Due to Company	-	-	-	-	-	-
	Payable by Company	15.56	54.64	17.26	128.88	103.08	48.40

ANNEXURE-XIX
STATEMENT OF DEFERRED TAX ASSETS AND LIABILITIES

(All amount Rupees in Lacs)

Particulars	30.09.11	31.03.11	31.03.10	31.03.09	31.03.08	31.03.07
Deferred Tax Liabilities						
Depreciation	51.23	52.78	34.76	35.17	39.38	53.08
Total	**51.23**	**52.78**	**34.76**	**35.17**	**39.38**	**53.08**
Deferred Tax Assets:						
Unabsorbed Business Loss	-	-	-	10.28	17.14	23.81
Gratuity	5.39	3.32	1.26	0.71	0.83	0.47
Total	**5.39**	**3.32**	**1.26**	**10.99**	**17.97**	**24.28**
Net Deferred Tax Liability / (Assets)	**45.84**	**49.46**	**33.50**	**24.18**	**21.41**	**28.80**

MANAGEMENT DISCUSSION & 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 audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2008, 2009, 2010 and 2011 and for the period ended September 30, 2011 in the chapter titled "Financial Information" on page 145 of the Draft Red Herring Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.

OVERVIEW OF THE BUSINESS

Our Company was originally incorporated as "Harisons Steel Private Limited" on 26th November, 1999 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, Mumbai, Maharashtra. For further details in relation to the changes to the name of our Company, please refer to the section titled *"Our History and Corporate Structure"* beginning on page 118 of this Draft Red Herring Prospectus.

We are currently engaged in the manufacturing of stainless steel ingots and billets of various grades and sizes. However in the recent past, manufacturing of stainless steel billets comprise the main thrust of our business. In order to complete the value chain by providing the synergy of forward integration, we plan to set up a rolling mill wherein these billets will be utilized for captive consumption.

Our manufacturing unit is located at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312. Our unit is equipped with state –of – art infrastructure facilities & technology.

We started our commercial production in 2001 with an installed capacity of 30,000 MTs per annum of mild steel ingots/billet/slabs. In the year 2007, we have expanded our operations by venturing in to production of stainless steel ingots/billets/blooms/slabs/runners/risers.

We are an ISO 9001: 2008 Company certified for all areas of operation and have been awarded the "TUV" Certification.

Our core competencies are our in-house technical knowledge, skilled workforce and well-equipped manufacturing facility which enable us to manufacture S.S. ingots and billets in diverse variations to meet varied client requirements.

THE INDUSTRY OVERVIEW

Steel is a uniquely versatile material. It is involved in virtually every phase of our lives from housing, food supply and transport to energy delivery, machinery and healthcare. In fact, it is so versatile that pretty well everything people use every day is either made from steel or is provided by steel.

Steel has facilitated our quality of life, underpinned humankind's development and even helped us to understand our planet and the eco-systems it supports. Without being aware of it, society now depends on steel. Human kind's future success in meeting challenges such as climate change, poverty, population growth, water distribution and energy limited by a lower carbon world depends on applications of steel.

Steel's claim to be right for these times is not solely based on its claim as the most versatile man-made material. Recyclability is another of its key performance characteristics. Steel can be recycled again and again without loss of quality. This differentiates steel from many other materials where there is a loss in performance at each recycling.

India's rapid economic growth is being built on a frame of steel. Soaring demand by sectors like infrastructure, real estate and automobiles, at home and abroad, has put India's steel industry on the world map.

INDIAN STAINLESS STEEL INDUSTRY

India's production of stainless steel began in the late sixties of the last century at SAIL's Alloy Steel Plant at Durgapur, West Bengal. During the eighties of the last century, the Government changed its policies allowing the production of all types of steel in the secondary sector. New capacities for the production of stainless steel came up and the country's production reached about 170,000 tons in 1984-85. The eighties of the last century also saw the installation of AOD/VOD processes by some major Electric Arc Furnace (EAF) units resulting in the use of high carbon ferro-chrome for the first time in India which brought down the cost of production. Some smaller units started production through the Induction Furnace (IF) route by melting stainless steel scrap and recycling it into usable stainless steel.

With the down of the 21st Century, India has emerged as a net exporter of stainless steel products as well as fabricated and value – added components and kitchenware. Presently, the Indian stainless steel industry is capable of meeting all the critical requirement of the nuclear power installations and other process industries by supplying higher grades of stainless steel containing nickel and molybdenum.

INDIAN RE- ROLLED PRODUCTS INDUSTRY

There are approximately 2600 re-rolling mills throughout India, out of which approximately 1800 units are working inclusive of scrap re-roller in India. Out of total 1800,1167 re-rolling mills are on the list of Government. The first Re-rolling Mill in the Country was installed in the year 1928 at Kanpur mainly for salvaging scrap materials.

The TOR steel, the flats, special squares window section, thinner size HR strips, thinner gaze HR strips, hexagons, wire rods, angles, channels, H-Beams, I-Beams, tele-channels etc. are the products of this sector.

The substantial quantities of steel rolled products are being exported to the various parts of the world in addition to all neighbouring Country like Bangladesh, Nepal and Bhutan. Various fabricated and steel items, which are produced out of the rolled products, are export to the most developed countries of the world like USA, Canada etc.

The estimated demand of the re-rolled products has been estimated at about eight million tonnes. The share of the secondary steel producers in India out of the total production of finished steel has been assessed at 59 percent which itself proves the achievement of this sector. The Steel re-rolling industry caters to the needs of the domestic field up to the tune of 68 percent of the total requirement. 80 percent of the total exports of rounds and bars have been recorded from the secondary steel producers. *(Source: http://www.msmefoundation.org)*

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS

Our results of operations could potentially be affected by the following factors amongst others:

- Changes in government policies
- Competition from new entrants;

- Market Price of steel scrap & availability of continuous power
- The ability of the Company to achieve optimum utilization of installed capacities
- Fluctuation in Exchange Rates
- The ability of the Company to achieve optimum utilization of installed capacities

DISCUSSION ON THE RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the restated financial results of our Company for the years ended 2007, 2008, 2009, 2010, 2011 and for six months ended 30thSeptember, 2011.

Particulars	Amount (Rs. in Lacs)	% of Total Income
Total Income	14669.10	100.00%
Expenditure (excluding depreciation, interest & tax)	14076.72	95.96
Depreciation	68.64	0.47
Interest & Finance Charges	174.91	1.19
Net Profit before tax	348.83	2.38
Taxes	115.63	0.79
Net Profit after tax	233.20	1.59

Result of operations as % of Income

We had recorded the total income of Rs. 14,669.10 Lacs and the expenditure has accounted 95.96 % of total income and represented a total amount of Rs. 14,076.72 Lacs. The depreciation, interest & finance charges have accounted for 0.47 % and 1.19 % of total income respectively and taxes have accounted for 0.79 % of total income. Our Company has recorded a net profit after tax of Rs. 233.20 Lacs during the year ended 30th September, 2011.

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2010-11, 2009-10, 2008-09 and 2007-08. The same should be read in conjunction with the restated audited financial results of our Company for the years ended 31 March 2011, 2010, 2009 and 2008.

Particulars	31.03.11	31.03.10	31.03.09	31.03.08
Income				
Sales of products manufactured (Net of excise duty)	**29515.68**	**16382.89**	**15207.64**	**10882.75**
Sales of products Traded	1697.83	821.6	-	633.23
Total Sales	**31213.51**	**17204.49**	**15207.64**	**11515.98**
Increase/ (Decrease) (%)	**81.43%**	**13.13%**	**32.06%**	**269.46%**
Other Income	9.79	20.92	23.49	70.14
Increase/ (Decrease) (%)	**(53.20%)**	**(10.94%)**	**(66.51%)**	**2507.43%**
Increase/(Decrease) in Inventories	(73.46)	378.16	(491.90)	1081.03
Total	**31149.84**	**17603.58**	**14739.24**	**12667.15**
Expenditure				
Cost of Materials	27861.41	15605.29	13761.41	11110.41
Increase/ (Decrease) (%)	**78.54%**	**13.40%**	**23.86%**	**450.41%**
Cost of Traded Goods	1140.46	507.91	-	319.6
Increase/ (Decrease) (%)	**124.54%**	**-**	**-**	**58.35%**
Manufacturing Overheads	932.87	687.6	539.43	838.47

Particulars	31.03.11	31.03.10	31.03.09	31.03.08
Increase/ (Decrease) (%)	**35.67%**	**27.47%**	**(35.66%)**	**13.63%**
Personnel Expenses	130.24	63.52	41.7	53.14
Increase/ (Decrease) (%)	**105.04%**	**52.33%**	**(21.53%)**	**261.50%**
Administration & Selling Expenses	126.51	41.12	35.69	29.02
Increase/ (Decrease) (%)	**207.66%**	**15.21%**	**22.98%**	**23.75%**
Total expenditure other than depreciation, interest and tax	**30191.49**	**16905.44**	**14378.23**	**12350.64**
Increase/ (Decrease) (%)	**78.59%**	**17.58%**	**16.42%**	**312.18%**
Profit before Depreciation, Interest and Tax	**958.35**	**698.14**	**361.01**	**316.51**
Increase/ (Decrease) (%)	**37.27%**	**93.39%**	**14.06%**	**35.60%**
Depreciation	93.36	75.4	85.01	101.45
Increase/ (Decrease) (%)	**23.82%**	**(11.30%)**	**(16.21%)**	**8.41%**
Profit before Interest & Tax	**864.99**	**622.74**	**276**	**215.06**
Increase/ (Decrease) (%)	**38.90%**	**125.63%**	**28.34%**	**53.80%**
Financial Expenses	294.82	302.22	267.1	213.37
Increase/ (Decrease) (%)	**(2.45%)**	**13.15%**	**25.18%**	**60.48%**
Net Profit before Tax	**570.18**	**320.52**	**8.89**	**1.69**
Increase/ (Decrease) (%)	**77.89%**	**3505.40%**	**426.04%**	**(75.40%)**
Less: Taxation -Current Tax	199.5	104.69	1.1	0.01
Deferred Tax	15.95	9.33	2.77	(7.39)
Fringe Benefit Tax	-	-	0.59	0.4
Net Profit After Tax & Before Extra OrdinaryItems	**354.72**	**206.5**	**4.43**	**8.67**
Increase/ (Decrease) (%)	**71.78%**	**4561.40%**	**(48.90%)**	**91.81%**

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2011 WITH FINANCIAL YEAR ENDED 31st MARCH, 2010

Sales: Our total sales for the financial year ended 31st March, 2011 was at Rs. 31213.51Lacs as against the total of Rs.17204.49 Lacs for the fiscal 2010 with an increase of 81.43% and such increase was attributed to rise in sales of our products whereby sale of manufactured products has increased from Rs. 16382.89 Lacs to Rs. 29515.68 Lacs and sale of products traded has improved from Rs. 821.60 Lacs to Rs. 1697.83 Lacs.

Expenditure: Total cost of goods manufactured and traded has accounted for 93.15 % of income from operations during the financial year ended 31st March, 2011 at Rs. 29075.33Lacs as compared to 91.46 % of Income from operations at Rs. 15735.04 Lacs for the fiscal 2010. While in the fiscal 2011, manufacturing overheads was at Rs. 932.87 Lacs and accounted to 2.99% of Income from operations as compared to 4.00% of Income from operations at Rs. 687.60 Lacs in the fiscal 2010.

The administrative and selling expenses have registered an increase of 207.66 % at Rs. 126.51 Lacs in fiscal 2011 as compared to Rs. 41.12 Lacs for the fiscal 2010 due to increase in excise duty expenses, legal & professional fees and roc fees amongst others and the Personnel Expenses have registered increase of 105.04% at Rs. 130.24 Lacs in fiscal 2011 as compared to Rs. 63.52 Lacs in fiscal 2010 due to increment policy and addition to the employee base of the Company.

Depreciation: Depreciation has accounted for Rs. 93.36 Lacs with an increase of 23.82% in fiscal 2011 as compared to Rs. 75.40 Lacs in the fiscal 2010. The increase is due to increase in the line of fixed assets in the fiscal 2011.

Financial Expenses: The financial expenses of Company has registered a slight decrease of 2.45 % for the financial year 2011 at Rs. 294.82 Lacs as against Rs. 302.22 Lacs for the financial year 2010 and such decrease is due to lesser utilisation of the credit limits with the banks.

Profits after Taxes (PAT): PAT of Company has recorded a jump of 71.78 % with Rs. 354.72 Lacs for fiscal 2011 as against Rs. 206.50 Lacs for fiscal 2010 due to higher base of revenue and optimal utilization of resources.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2010 WITH FINANCIAL YEAR ENDED 31st MARCH, 2009

Sales: Our total sales for the financial year ended 31st March, 2010 was at Rs. 17204.49 Lacs as against the total of Rs.15207.64 Lacs for the fiscal 2009 with an increase of 13.13% and such increase was attributed to rise in sales of our products whereby sale of manufactured products has increased from Rs. 15207.64 Lacs to Rs. 16382.89 Lacs and sale of products traded accounted for Rs. 821.60 Lacs in the fiscal 2010.

Expenditure: Total cost of goods manufactured and traded has accounted for 91.46 % of income from operations during the financial year ended 31st March, 2010 at Rs. 15735.04 Lacs as compared to 93.72% of Income from operations at Rs. 14253.31 Lacs for the fiscal 2009. While in the fiscal 2010, manufacturing overheads was at Rs. 687.60 Lacs and accounted to 4.00% of Income from operations as compared to 3.55% of Income from operations at Rs. 539.43 Lacs in the fiscal 2009.

The administrative and selling expenses have registered an increase of 15.21 % at Rs. 41.12 Lacs in fiscal 2010 as compared to Rs. 35.69 Lacs for the fiscal 2009 which is in concurrence with increase in the level of operations of our Company and the Personnel Expenses have registered increase of 52.33% at Rs. 63.52 Lacs in fiscal 2010 as compared to Rs. 41.70 Lacs in fiscal 2009 due to increment policy and addition to the employee base of the Company.

Depreciation: Depreciation has accounted for Rs. 75.40 Lacs with decline of 11.30% in fiscal 2010 as compared to Rs. 85.01 Lacs in the fiscal 2009 due to the fact that the Company is following WDV method of providing depreciation.

Financial Expenses: The financial expenses of Company has registered an increase of 13.15 % for the financial year 2010 at Rs. 302.22 Lacs as against Rs. 267.10 Lacs for the financial year 2009 and such rise is attributed to increase in credit facilities availed by the Company.

Profits after Taxes (PAT): PAT of Company has recorded a jump of 4561.40 % with Rs. 206.50 Lacs for fiscal 2010 as against Rs. 4.43 Lacs for fiscal 2009 due to higher base of revenue and optimal utilization of resources.

COMPARISON OF FINANCIAL YEAR ENDED 31st MARCH, 2009 WITH FINANCIAL YEAR ENDED 31st MARCH, 2008

Sales: Our total sales for the financial year ended 31st March, 2009 was at Rs. 15207.64 Lacs as against the total of Rs.11515.98 Lacs for the fiscal 2008 with an increase of 32.06% and such increase was attributed to rise in sales of our products whereby total sales consisted of sale of manufactured products.

Expenditure: Total cost of goods manufactured has accounted for 93.72 % of income from operations during the financial year ended 31st March, 2009 at Rs. 14253.31 Lacs as compared to 89.87% of Income from operations at Rs. 10348.98 Lacs for the fiscal 2008. While in the fiscal 2009, manufacturing overheads was at Rs. 539.43 Lacs and accounted to 3.55 % of Income from operations as compared to 7.28 % of Income from operations at Rs. 838.47 Lacs in the fiscal 2008.

The administrative and selling expenses have registered an increase of 22.98 % at Rs. 35.69 Lacs in fiscal 2009 as compared to Rs. 29.02 Lacs for the fiscal 2008 which is due to general rise in the operations of the Company and the Personnel Expenses have registered decrease of 21.53 % at Rs. 41.70 Lacs in fiscal 2009 as compared to Rs. 53.14 Lacs in fiscal 2008.

Depreciation: Depreciation has accounted for Rs. 85.01 Lacs with decline of 16.21% in fiscal 2009 as compared to Rs. 101.45 Lacs in the fiscal 2008 due to the fact that the Company is following WDV method of providing depreciation.

Financial Expenses: The financial expenses of Company has registered an increase of 25.18 % for the financial year 2009 at Rs. 267.10 Lacs as against Rs. 213.37 Lacs for the financial year 2008 and such rise is attributed to increase in credit facilities availed by the Company.

Profits after Taxes (PAT): PAT of Company has recorded a decrease in profits by 48.90% with Rs. 4.43 Lacs for fiscal 2009 as against Rs. 8.67 Lacs for fiscal 2008 due to higher burden of financial expenses.

Other Information required as per SEBI Regulations

- ***Unusual or infrequent events or transactions***

  There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- **Significant economic changes that materially affected or are likely to affect income from continuing operations**

  There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

  Apart from the Risks disclosed under the section titled *"Risk Factors"* no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change.***

  According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However increase in the cost of the products in which the Company deals, will affect the profitability of the Company. Further, the Company is not able to pass on the increase in prices of the product to the customers in full. This can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

  The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

  The Company operates in two segments bifurcated as under:

  i. Manufacturing of ingots, runners, billets etc of stainless & metallic steel
  ii. Trading in scrap

Total segment revenue and result of each segment for the period ended 30.09.2011 based on restated financial statement is as under:

(Rs. In Lacs)

Particulars	Manufacturing Division	Trading Division	Total
Segment Revenue	14410.36	255.75	**14666.11**
Segment Result	687.42	24.75	**712.17**

- ***Status of any publicly announced new products or business segment***

  The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal.***

  Our business is not seasonal and no major cyclical trends are observed in this industry.

- ***Any significant dependence on a single or few suppliers or customers***

  Our Company is under the threat of dependence from a single or few supplier or customer more detailed in the section titled *"Risk Factors"* on page 14 of the DRHP.

- ***Competitive conditions***

We face substantial competition for our products from other manufacturers in domestic market. We compete with other manufacturers on the basis of product range, product quality, and product price including factors based on reputation, regional needs, and customer convenience.

The billets manufactured by us are semi finished products. They are used for feedstock to rolling mills for production of wire rods, rods, bars etc. At present, we get rolling of billets manufactured by us on job work basis. To further counter competition, we are proposing forward integration of our business activities by setting up rolling mill.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.

A) OUTSTANDING LITIGATION INVOLVING HARISONS STEEL LIMITED:

I. Cases filed by the Company

Civil Cases

There is no litigation pending involving civil laws.

Criminal Cases

a). Reference to criminal case no. 15/SW/2010:-

Brief facts of the Case: The Company has filed a criminal complaint through its Director Mr. Daulat Hariram Fulwadhya against M/s. Twinstar Holding & Finance Limited (THFL) U/s 406 and 420 of Indian Penal Code. THFL was supposed to generate bank finance for the Company on an agreed remuneration of 2% of the total amount sanction by Abhudaya Co-operative Bank Limited. The Company had sent a letter dated 5/12/2008 to THFL and remitted an amount of Rs. 500,000 as advance towards the remuneration fees.

THFL was unable to arrange the aforesaid bank finance and thereby, the Company called upon THFL to refund the said amount of Rs. 500,000 along with interest @18% p.a. THFL had been served with a statutory notice, however it failed and neglected to comply with the requisitions mentioned in the statutory notice.

Therefore, the Company has filed a criminal complaint against THFL in the 9th court at Bandra, Mumbai.

The said matter is verified and statement of the Company has been taken and the matter was argued on merits for issuance of process / summons and the matter is adjourned till 13th March, 2012 for order in the said matter.

II. Cases filed against the Company

Civil proceedings

There is no litigation pending involving civil laws against the Company.

Criminal Proceedings

There is no litigation pending involving criminal laws against the Company.

III. Indirect tax proceedings involving the Company

a). Reference to case no. - E/788/08-MUM against order-in-original no. 09-MS-09/ 2008/Thane - I before the Commissioner of Central Excise, Thane

Brief facts of the Case - The officials of the central excise department had carried out a search at office and factory premises of Company. Consequently the commissioner of central excise, Thane has raised demand of Rs. 64,83,426/- as per show cause notice(SCN) 5/ADJ/SCN/15-12/Harison/Thane –I/2007 dated 09.04.2007 alleging the Company for availing wrong Cenvat credit and also levied a penalty of Rs. 64,83,426/-.

The Company vide its letter dated 15.9.2007 replied to the SCN, disputing the allegations and filed an appeal along with stay application before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Western Zonal Bench, Mumbai challenging the demand and penalty levied.

The CESTAT, Mumbai vides its Stay Order No. M/1010-1012/2010/EB/C-II dated 8.10.2010 ordered Company to pre-deposit duty amounting to Rs. 64,83,426/- along with interest and 25% of penalty amounting to Rs. 16,20,857/-

The matter is pending before the CESTAT, Mumbai.

b). **Reference to case no. - Appeal no. E/837/08-MUM arising out of order-in-original no. 10 /MS –10/ 2008/ Thane-I dated 6.5.2008. before the Customs, Excise and Service Tax Appellate Tribunal, Western Zonal Bench, Mumbai.**

Brief facts of the Case -Commissioner of central excise, Thane, issued to the Company a show cause notice dated 6.7.2007 stating why Cenvat Credit of Rs. 2,58,69,016/- should not be denied being wrong availment of Cenvat credit during the period from June 2002 to September 2003.

The Company vide its letter dated 29.10.2007 replied to the SCN, disputing the allegations. The commissioner of central excise, by his order-in-original no. 10/ MS/ 2008/ Thane-I dated 6.5.2008 confirmed the demand of Rs. 2,58,69,016/- and imposed a penalty of Rs. 2,58,69,016/- under the provisions of Cenvat Credit Rules, 2001/2002 read with section 11 of Central Excise Act, 1944.

Against this order, the Company has filed an appeal along with stay application before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Western Zonal Bench, Mumbai challenging the demand and penalty levied.

The CESTAT Mumbai vide its stay order no. S/265-266/09/EB/C-II dated 04.8.2009 directed the Company to pre-deposit entire duty of Rs. 2,58,69,016/- together with interest and also ordered to deposit penalty equivalent to 25% of duty.

Against this stay order, Company preferred a writ petition no. 8401/2009 before Hon'ble Bombay High Court. The High Court vide their order dated 6.10.2009 reduced the pre-deposit amount up to Rs. 2,00,00,000/-. The Company has paid an amount of Rs. 2,00,00,000/- by utilizing Cenvat credit.

The appeal is pending before the CESTAT, Mumbai.

c).**Reference to case no. - order in original no. 10/SKR – 05/ 2008/TH-I dated 31.10.2008 before the Additional Commissioner, Central Excise, Thane – I Division.**

Brief facts of the Case – The additional commissioner of central excise, Thane issued show cause notice no. V/Adj/SCN/1550/Harison Steel/ Thane – I/07/7401 dated 28/12/2007 stating why the duty should not be imposed amounting to Rs. 8,00,000/- on clandestine removal of 450 MT of M.S. Ingots due to the shortage of raw material and finished goods for the fiscal 2002 – 2003 and why interest and penalty under Central Excise Act, 1944 should not be recovered from the Company. The duty amount of Rs. 8,00,000/- paid during the course of investigation.

The Company has filed an appeal along with stay application before the Commissioner of Central Excise (Appeals) Chowpaty, Mumbai and the same is pending for adjudication.

d). **Reference to case no. - order-in-original no. 10/2008-09 dated 31.7.2008 before the Assistant Commissioner, Central Excise, Kalyan – I Division.**

Brief facts of the Case – The assistant commissioner of central excise, Thane issued show cause notice no. DGCEI/WZU/202/12(3)14/Part/04/92 dated 03.01.2008 stating why;

(i) The Cenvat credit amounting to Rs. 2,21,066/- should not be disallowed, demanded and recovered under Rule 12 of Cenvat Credit Rules, 2002 read with proviso to Section 11 (A) of the Central Excise Act, 1944.

(ii) The inputs on which the assessee had availed the Cenvat credit wrongly, on total quantity of 136.69 MT, totally valued at Rs. 13,81,662 without taking reasonable steps to ensure that appropriate central excise duty on the said inputs has been paid as indicated in the documents namely invoices, accompanying the inputs, should not be confiscated under Rule 13(1) of the Cenvat Credit Rules, 2002 and penalty not exceeding the central excise duty amount should not be imposed on Company.

(iii) Penalty equivalent to the central excise duty determined to be payable, under section 11 AC of the Central Excise Act, 1944 read with rule 13 (2) of the Cenvat Credit Rules, 2002 should not be imposed on them.

(iv) An interest at the appropriate rate under Section 11AB of the Central Excise Act, 1944 should not be charged and recovered from them.

The assistant commissioner of central excise, by his order-in-original no. 10/2008-09 dated 31.7.2008 confirmed the following order;-

(i) The demand of Rs. 2,21,066/- under Rule 12 of Cenvat Credit Rules, 2002 read with proviso to Section 11 (A) of the Central Excise Act, 1944 against the Company.

(ii) Imposed a penalty of Rs. 2,21,066/- under section 11 AC of the Central Excise Act, 1944 read with rule 13 (2) of the Cenvat Credit Rules, 2002 on the Company.

(iii) The order for recovery of interest at appropriate rate under section 11 AB of the Central Excise Act, 1944 from the Company.

(iv) The order for confiscation of 136.69 MT of inputs valued at Rs. 13,81,662/- under rule 13 (1) of the Cenvat Credit Rules, 2002 and allow these goods to be redeemed on payment of an amount of Rs. 4,15,000/- and also imposed penalty of Rs. 2,21,066/- under the same rule.

(v) Imposed a penalty of Rs. 1,00,000/- on Mr. Daulat Hariram Fulwadhya, Director of the Company, under Rule 26 of the Central Excise Rules, 2002.

Against this order, the Company has filed an appeal along with stay application before the commissioner of central excise (Appeals) Chowpaty, Mumbai.

The appeal is pending before the commissioner of central excise (Appeals) Chowpaty, Mumbai for adjudication.

e). **Reference to case no. - show cause notice no. V/PI/12-7/Gr. D/7/2003/Pt.VI/3033 dated 31.3.2006 by joint commissioner of central excise, Thane-I division.**

Brief facts of the case – The joint commissioner of central excise, Thane issued show cause notice no. V/PI/12-7/Gr. D/7/2003/Pt.VI/3033 dated 31.3.2006 to the Company stating why penalty should not be imposed under erstwhile Rule 209A of Central Excise Rules, 1944 / Rule 26 Central Excise Rules No. 2 [2001]/Rule 26 of Central Excise Rules 2002 on the Company by alleging that Company has knowingly dealt with the excisable goods liable for confiscation under Central Excise Act and rules made there under by way of abating the dealer namely M/s. Simandhar Steel Movers India Pvt. Ltd., Mulund, Mumbai.

Company replied to the show cause notice and raised its contentions disputing the allegations. The said show cause notice has been adjudicated. The personal hearing was held on 20.08.2010. However, the matter is pending for adjudication.

IV. The name(s) of the small scale undertaking(s) or any other creditors as on 30th September, 2011 to whom the issuer owes a sum exceeding Rs. One Lac which is outstanding more than thirty days :-

Amounts owed to small scale undertakings and other creditors

The Company has not received any information from its suppliers regarding their registration under the 'Micro, Small and Medium Enterprises Development Act, 2006'. Hence the information required to be disclosed under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006; i.e. amounts owed to creditors including small scale undertakings, which is outstanding for more than 30 days as on March 31, 2011 is not disclosed.

V. Litigations involving its Promoters

(i) Proceedings of Civil nature

(a) By the promoter

There is no litigation pending involving civil laws by the Promoters of the Company.

(b) Against the promoters

There is no litigation pending involving civil laws against the Promoters of the Company.

(ii)Proceedings of a Criminal nature-

(a) By the promoters

There is no litigation pending involving Criminal offences by the Promoters of the Company.

(b) Against the promoters

There is no litigation pending involving Criminal offences against the Promoters of the Company.

(iii) Proceedings of Indirect Taxes

(a) By the Promoters of the Company

There is no litigation pending involving Indirect Tax by the Promoters of the Company.

(b) Against the Promoters of the Company

CENTRAL EXCISE MATTERS –

a). Reference to case no. - E/788/08-MUM against order-in-original no. 09-MS 09/2008/Thane - I before the commissioner of central excise, Thane

Brief facts of the Case - The commissioner of central excise, Thane, issued to the Company a show cause notice V/ADJ/SCN/15-12/Harison/Thane -I/2007 dated 09.04.2007.

The commissioner of central excise, by his order-in-original No. 09/ MS/ 09/ 2008/ Thane-I dated 23.4.2008 imposed Penalty of Rs. 10,00,000/-on Mr. Daulat Hariram Fulwadhya under Rule 13 (1) of Cenvat Credit Rules, 2001/02 and Rs. 5,00,000/- on Mr. Ashok Hariram Fulwadhya under the provisions of Rule 13(1) of Cenvat Credit Rules, 2001/2002 for wrong availment of the cenvat credit by the Company.

Against this order, Mr. Daulat Hariram Fulwadhya & Mr. Ashok Hariram Fulwadhya have filed an appeal along with stay application before the Customs, Excise and Service Tax Appellate Tribunal, western zonal bench, Mumbai challenging the penalty levied.

The CESTAT, Mumbai vides its Stay Order No. M/1010-1012/2010/EB/C-II dated 8.10.2010 ordered for waiver of penalty till the disposal of appeal.

The matter is pending before the CESTAT, Mumbai for final hearing.

b). Reference to case no. - Appeal no. E/837/08-MUM arising out of order- in-original no. 10 /MS –10/ 2008/ Thane-I dated 6.5.2008. before the Customs, Excise and Service Tax Appellate Tribunal, western zonal bench, Mumbai.

Brief facts of the Case - The commissioner of central excise, by his order-in-original no. 10/ MS/ 2008/ Thane-I dated 6.5.2008 imposed penalty of Rs. 25,00,000/- on Mr. Daulat Hariram Fulwadhya under Rule 13 (1) of Cenvat Credit Rules, 2001/02 and Rs. 5,00,000/- on Mr. Ashok Hariram Fulwadhya under the provisions of rule 13(1) of Cenvat Credit Rules, 2001/2002.

Against this order, Mr. Daulat Hariram Fulwadhya & Mr. Ashok Hariram Fulwadhya have filed an appeal along with stay application before the Customs, Excise and Service Tax Appellate Tribunal Western Zonal Bench, Mumbai challenging the demand and penalty levied.

The CESTAT Mumbai vide its Stay Order No. S/265-266/09/EB/C-II dated 04.8.2009 has directed to pre-deposit 25% of the Penalty imposed on each of them.

Mr. Daulat Hariram Fulwadhya & Mr. Ashok Hariram Fulwadhya have also preferred a writ petition no. 18/2010 and 53/2010 respectively. The Hon'ble High Court vide its order dated 19.01.2010 set aside the CESTAT's stay order directing to pay pre-deposit the penalty and directed CESTAT to hear the appeal without insisting pre-deposit of penalty.

The department has gone in to appeal against the order of Hon'ble High Court, Mumbai dated 19.01.2010 by preferring a special leave petition before Hon'ble Supreme court.

The matter is pending before Supreme court. Hence, the Company appeal is pending before the CESTAT for final hearing.

c). Reference to case no. - order- in-original no o. 10/SKR – 05/ 2008/TH-I dated 31.10.2008 before the additional commissioner, central excise, Thane-I division.

Brief facts of the case – The additional commissioner of central excise, Thane issued show cause notice no. V/Adj/SCN/1550/Harison Steel/ Thane – I/07/7401 Mumbai dated 28/12/2007.

The additional commissioner of central excise, by his order in original no. 10/SKR-05/2008/TH-1 dated 3.11.2008 imposed penalty of Rs. 2,00,000/- on Mr. Ashok Hariram Fulwadhya under Rule 26 of Central Excise Rules, 2002.

Against this order, he has filed an appeal along with stay application before the commissioner of central excise (appeals) Chowpaty, Mumbai.

The appeal is pending before the commissioner of central excise (appeals) Chowpaty, Mumbai.

d). Reference to case no. - order-in-original no. 10/2008-09 dated 31.7.2008 before the assistant commissioner, central excise, Kalyan – I division.

Brief facts of the Case – The assistant commissioner of central excise, Thane issued Show Cause Notice ("SCN") No. DGCEI/WZU/202/12(3)14/Part/04/92 dated 03.01.2008.

The assistant commissioner of central excise, by his order-in-original No. 10/2008-09 dated 31.7.2008 imposed penalty of Rs. 1,00,000/- on Mr. Daulat Hariram Fulwadhya under rule 26 of the Central Excise Rules, 2002.

Against this order, he has filed an appeal alongwith stay application before the commissioner of central excise (appeals) Chowpaty, Mumbai.

The appeal is pending before the commissioner of central excise (appeals) Chowpaty, Mumbai.

VI. Litigations involving Directors of the Company

(i) Proceedings of Civil nature

(a) By the Directors of the Company

There is no litigation pending involving civil laws by the Directors of the Company.

(b) Against the Directors of the Company

There is no litigation pending involving civil laws against the Directors of the Company.

(ii)Proceedings of a Criminal nature

(a) By the Directors of the Company

There is no litigation pending involving Criminal offences by the Directors of the Company.

(b) Against the Directors of the Company

There is no litigation pending involving Criminal offences against the Directors of the Company.

VII. Litigations involving the Group Companies

(i) Proceedings of Civil nature

(a) By the Group Companies

There is no litigation pending involving civil laws by the Group companies.

(b) Against the Group Companies

There is no litigation pending involving civil laws against the Group Companies.

(ii)Proceedings of a Criminal nature

(a) By the Group Companies

There is no litigation pending involving criminal laws by the Group Companies.

(b) Against the Group Companies

There is no litigation pending involving criminal laws against the Group Companies.

VIII. Litigation involving Labour Laws

Reference to case no. - Application (WCA) No. 88/C24/2005 before the commissioner for workmen compensation, Mumbai.

Brief facts of the case: Mr. Dilip Kumar Pandit was working with the Company through the contractor Shri R. K. Singh and he has alleged that he met with an accident during the due course of his employment through the contractor. Mr. Dilip Kumar Pandit filed an application under Workman Compensation Act, 1923 and claimed an amount of Rs. 5,31,288/- alongwith 12% interest towards compensation under Workman Compensation Act, 1923

The Hon'ble Labour Court had passed ex-parte order dated 9-1-2007 and ordered to pay the compensation of Rs. 5,31,288/- alongwith interest thereon @ 12% to Mr. Dilip Kumar Pandit.

Mr. Dilip Kumar Pandit has filed recovery proceedings before the commissioner for workmen compensation at Thane. The Company being agreed by the order of labour court and deposited amount of Rs. 8,96,564 in various tranches.

Mr. Dilip Kumar Pandit had filed a first appeal bearing Stamp No. 7313 of 2009 against the Company.

The said petition is dismissed in the High Court, Bombay. However, The Hon'ble High Court vide order dated 09-06-2011 directed that Rs. 10,000/- be paid to Mr. Dilip Kumar Pandit, and as per the order said amount was paid vide Cheque No. 588765 dated 14-06-2011.

On 11-01-2012, Appeal to Honorable High Court be pleased to restore the Civil Application for the condonation of delay together with the first appeal vide Civil Application No. 2302 of 2012 in Civil Application (Stamp) No. 1372 of 2009 in First Appeal (STAMP) No. 7313 of 2009.

The matter is pending before the Honorable High Court.

MATERIAL DEVELOPMENT

In the opinion of the Board of Directors of the Company, there have not arisen, since the date of the last audited financial statements disclosed in this Draft Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect its profitability or value of assets or its ability to pay material liabilities within the next twelve (12) months. In accordance with SEBI requirements, the Company and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

GOVERNMENT & OTHER APPROVALS

Based on the indicative list of approvals provided below, Our Company can undertake this Issue and its current business activities. Our Company will not require any other major approval from any Government or regulatory authority to undertake the Issue or continue these activities. Unless otherwise mentioned below, these approvals are valid as of the date of this Draft Red Herring Prospectus.

I. INCORPORATION DETAILS

1. Certificate of incorporation dated 26th November, 1999 issued to Harisons Steel Private Limited by the Registrar of the Companies, Maharashtra. The Corporate Identification Number issued there in was U27100MH1999PTC122789.

2. Fresh certificate of incorporation consequent upon change of name from Harisons Steel Private Limited to Harisons Steel Limited dated 6th April, 2011 issued by the Registrar of Companies, Maharashtra. The Corporate Identification Number issued there in was U27100MH1999PLC122789.

II. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1. The Board of Directors has pursuant to a resolution adopted at its meeting held on 14th November 2011, authorized the Issue, subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act and such other authorities as may be necessary.

2. The shareholders of the Company have pursuant to a resolution under Section 81(1A) of the Companies Act approved at its Extra Ordinary General Meeting held on 19th December, 2011 authorized the Issue.

3. Our Company has obtained in-principle listing approvals dated [●] and [●] from BSE and NSE respectively.

4. SEBI Observation letter no [•] dated [•].

5. Pursuant to letter dated 12th November, 2011, State Bank of India has given their consent to our Company to undertake the Initial Public Offering.

6. As per Notification No. FEMA 20 / 2000 - RBI dated May 3, 2000, as amended from time to time, under automatic route of Reserve Bank of India, the Company is not required to make an application for Issue of Equity Shares to NRIs / FIIs with repatriation benefits. However, the allotment /transfer of the Equity Shares to NRIs / FIIs shall be subject to prevailing RBI Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian tax laws and regulations and any other applicable laws.

III. APPROVALS OBTAINED BY OUR COMPANY FOR OUR BUSINESS OPERATIONS

Nature of License / Approval	Registration/ License No. & Date of Issue	Issuing Authority	Validity
Permanent Account Number (PAN)	AAACH8891D	Income Tax Department	One time registration

Nature of License / Approval	Registration/ License No. & Date of Issue	Issuing Authority	Validity
Tax Account Number (TAN)	MUMH07696D	Income Tax Department	One time registration
Form 102 Certificate of Registration under 'The Maharashtra Value Added Tax Act, 2002'	27040025049V dated 01.04.2006	Sales Tax Department, Maharashtra	Valid until cancelled
Form B Certificate of Registration under 'The Central Sales Tax (Registration & Turnover) Rules, 1957'	27040025049C dated 01.04.2006	Sales Tax Department, Maharashtra	Valid until cancelled
Provident Fund Registration	MH/THN/99255 dated 21.02.2005	Regional Provident Fund Commissioner, Thane, Maharashtra	Valid until cancelled
Service Tax Registration Code, issued under the Finance Act, 1994	AAACH8891DST001 dated 16.02.2006	Superintendent of Service Tax, Mumbai, Maharashtra	Valid until cancelled
Certificate of Registration Number, issued under 'The Central Excise Rules, 2001'	AAACH8891D/XM/001 dated 26.04.2002	Superintendent of Central Excise, Kalyan, Maharashtra	Valid until cancelled
Renewed Consent to operate under the 'Water(Prevention & Control of Pollution) Act, 1974', 'Air (Prevention & Control of Pollution Act), 1981' and 'Hazardous Wastes (Management, Handling & Transboundry Movement), Rules 2008'for manufacturing M.S./S.S. ingots, billets, slabs, runners & risers.	Consent No.BO/APAE/TB-3/EIC No. KN-3967-10/R/CC-224 dated 09.05.2011	Joint Director, Air Pollution Control, Mumbai, Maharashtra	31.03.2013
Environmental clearance for manufacturing ingots, billets, slabs etc	ENV(NOC)2001/883/CR.191/D.I dated 21.05.2002	Environment Department, Government of Maharashtra	Valid until cancelled
Factory License	KALYAN/27105/33-A dated 31.12.2001	Manager Industrial, Safety & Health, Maharashtra	31.12.2012
Certificate of Importer - Exporter Code (IEC)	0301013870 dated 18.06.2001	Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade, Mumbai, Maharashtra	Valid until cancelled
Certificate of Registration under 'The Maharashtra State Tax on Professions, Trades, Callings and Employments Act,	PT/R/1/2/5/247 dated 14.09.2009	Profession Tax Officer, Palghar, Maharashtra	Valid until cancelled

Nature of License / Approval	Registration/ License No. & Date of Issue	Issuing Authority	Validity
1975'			
Power connection at factory having 3620KVA contract demand	010519023510 dated 01.06.2001	Maharashtra State Electricity Distribution Company Limited	Valid until cancelled
Renewed License to store liquid argon, liquid nitrogen and liquid oxygen in pressure vessels	S/HO/MH/03/1035 dated 21.12.2009	Deputy Controller of Explosives, Petroleum and Explosives Safety Organisation, Navi Mumbai, Maharashtra	31.03.2012
Acknowledgement issued for manufacture in steel plants	2541/SIA/IMO/2009 dated 08.10.2009	Ministry of Commerce & Industry, Secretariat for Industrial Assistance, Public Relation & Complaints Section	-
Acknowledgement issued for manufacture in re-rolling mills, cold rolling mills and wire drawing mills	1290/SIA/IMO/2011 dated 25.04.2011	Ministry of Commerce & Industry, Secretariat for Industrial Assistance, Public Relation & Complaints Section	-
Use of factory land for bonafide industrial purpose under the provisions of Section 44A of the Maharashtra Land Revenue Code, 1966	No.NAP/IND/SANAD/SR/159/2001 dated 23.04.2001	Office of the Tahasildar, Wada, Maharashtra	Valid until cancelled
No Objection Certificate from Gram Panchayat (Nehroli Village) for operation of existing manufacturing facility	29/02/2000	Sarpanch, Gram Panchayat, Nehroli, Wada, Maharashtra	Valid until cancelled
Certificate of Registration under the Bombay Shops and Establishment Act, 1948	760224524/Commercial II dated 31.10.2011	Inspector under the Bombay Shops and Establishment Act, 1948	31.12.2012

IV. QUALITY AND MANAGEMENT SYSTEM RELATED CERTIFICATIONS

Nature of Certificate	Compliance Standard	Certificate No. & Date of Issue	Issuing Authority	Validity
Certificate of Registration for Quality Management System	ISO 9001:2008	BN3246/3276:0111 dated 22.01.2011	Managing Director, BSCIC Certifications Private Limited	21.01.2014
Certificate for establishing	NA	01 202 IND/Q-10	TUV Rheinland	31.05.2013

Nature of Certificate	Compliance Standard	Certificate No. & Date of Issue	Issuing Authority	Validity
Quality- Assurance System		0003 dated 12.07.2011		

V. APPROVALS APPLIED FOR AND PENDING

Following approvals / certifications have been applied for and are pending for approval at various levels as on date of this Draft Red Herring Prospectus:

Nature of License / Approval	Date of Application	Issuing Authority	Status
Consent issued under 'Water(Prevention & Control of Pollution) Act, 1974' & 'Air (Prevention & Control of Pollution Act), 1981' and 'Hazardous Wastes (Management, Handling & Transboundry Movement), Rules 2008' for manufacturing of products in rolling mill	29.11.2011	Maharashtra Pollution Control Board	Application has been made on 29.11.2011. Consent is Expected.
Application to MSEB for additional power supply to meet the requirement of the rolling mill	16.08.2011	Maharashtra State Electricity Distribution Company Limited	Application has been made on 16.08.2011. Awaiting approval.
Trade Mark application in Class 06, in the name of "Harisons Steel Limited" under "The Trademarks Act, 1999"	27.12.2011	Government of India, Trade Marks Registry, Mumbai	Application has been made on 27.12.2011. Awaiting registration.

VI. APPROVALS TO BE APPLIED

Following approvals / certifications are to be applied as on date of this Draft Red Herring Prospectus:

No.	Nature of License / Approval	Issuing Authority	Status
1.	License to fill and store Nitrogen and Oxygen in gas cylinders	Petroleum and Explosives Safety Organisation, Nagpur, Maharashtra	Pending for application

VII. APPROVALS TO BE OBTAINED FOR THE OBJECTS OF THE ISSUE

Sr. No.	Licenses & Approval
1.	Approval from Gram Panchayat for setting up of rolling mill
2.	Approval from Inspector of factory under Factories Act, 1948 for erection of machines and lay out

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The shareholders of Harisons Steel Limited had approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the extra ordinary general meeting of our Company held on 19th December, 2011.

The Board of Directors has authorized a committee of its Directors referred to as the IPO Committee to take decisions on behalf of the Board in relation to the Issue. The IPO Committee has approved and authorized the Draft Red Herring Prospectus pursuant to its resolution dated 7th March, 2012, the Red Herring Prospectus pursuant to its resolution dated [•] and the Prospectus pursuant to its resolution dated [•].

Our Board has approved this Draft Red Herring Prospectus at its meeting held on 7th March, 2012.

PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's associates or Group Companies and companies with which the Directors of the Company are associated as directors or promoters, or directors or promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

None of the Directors of Harisons Steel Limited is associated with securities market.

No penalty has been imposed by SEBI and other regulatory bodies against the Company, its Directors, its Promoters, Group Companies and companies with which the Directors of the Company are associated as directors or promoters, or directors or promoters in control of, of the promoting Company.

PROHIBITION BY RBI

Our Company, our Directors, our Promoters, the relatives of our Promoters, Group Companies have not been detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by them in the past or are pending against them.

ELIGIBILITY FOR THE ISSUE

The Company is eligible for the Issue in accordance with Regulation 26 (1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with financial statements under Indian GAAP:

- Harisons Steel Limited has a net tangible assets of at least Rs. 3 Crores in each of the preceding three full years (of 12 months each), of which not more than 50% is held in monetary assets;

- Harisons Steel Limited has a pre-Issue net worth of at least Rs. 1 Crore in each of the three preceding full years (of 12 months each);

- Harisons Steel Limited has a track record of distributable profits as per Section 205 of Companies Act , 1956, for at least three out of the immediately preceding five years;

- The proposed Issue size of Harisons Steel Limited is not expected to exceed five times of the pre-Issue net worth as per the audited accounts of preceding financial year.;

- Harisons Steel Limited has not changed its name since inception, except as stated otherwise in this Draft Red Herring Prospectus.

The distributable profits as per Section 205 of the Companies Act and net worth for the last five financial years as per the restated financial statements are as under:

(Rs. in Lacs)

Particulars	2011	2010	2009	2008	2007
Distributable Profits	354.72	206.50	4.43	8.67	4.52
Net Worth	1,722.37	1,397.64	7,36.14	331.71	323.05
Net Tangible Assets (a)	4,771.37	4,077.63	3,311.11	2,910.67	2,515.79
Monetary Assets (b)	24.97	46.72	16.66	9.57	72.94
Monetary Assets as a % of Net Tangible Assets	0.52%	1.15%	0.50%	0.33%	2.90%

Note:
(1) Distributable profits of the Company as per Section 205 of the Companies Act have been calculated from Restated Financial Statements.
(2) Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)
(3) Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets) less current liabilities & Provisions (excluding deferred tax liabilities).
(4) Monetary assets include Cash in hand and deposits with Bank.

The Company satisfies all the eligibility criteria, laid down in regulation 26(1) of the SEBI ICDR Regulations, 2009. However, the Company is doing a "voluntary book-building issue" wherein the Company proposes to allot up to 50% of the Issue to QIBs (including Anchor Investors).

Further not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them 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 and in accordance with applicable laws, rules, regulations and guidelines, subject to valid Bids being received at or above the Issue Price. For further details, please refer to the section titled *"Issue Procedure"* beginning on page 218of the Draft Red Herring Prospectus.

Harisons Steel Limited undertakes that the number of allottees in the Issue shall be at least 1,000. Otherwise, the entire application money shall be refunded forthwith. In case of delay, if any, in refund, the Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLAIMER CLAUSE OF SEBI

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, COMFORT SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE

REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER COMFORT SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 7TH MARCH 2012 WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO 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.

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTED SHARES IN THE 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 OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT."

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

CAUTION- DISCLAIMER FROM THE ISSUER AND THE BOOK RUNNING LEAD MANAGER

The Company, the Directors, and the BRLM accept no responsibility for statements made otherwise than in this DRHP or in the advertisements or any other material issued by or at instance of the above mentioned entities and anyone depending on any other source of information, including our website : www.harisonssteel.com would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM and us dated 2nd March, 2012 and the Underwriting Agreement to be entered into among the Underwriters and us.

All information shall be made available by us and BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at Bidding Centers etc.

Neither we nor the Syndicate is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

For details regarding the track record of the BRLM to the Issue, please refer to the website of the BRLM: *http://www.comfortsecurities.co.in/images/trcmbd.xls*.

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the BRLM 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.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum

corpus of 2,500 lacs, pension funds with minimum corpus of 2,500 lacs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company the Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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 Mumbai, Maharashtra only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for observations.

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 our affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF IPO GRADING AGENCY

[●]

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (THE DESIGNATED STOCK EXCHANGE)

As required, a copy of the Draft Red Herring Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

DISCLAIMER CLAUSE OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED

As required, a copy of the Draft Red Herring Prospectus shall be submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

FILING OF PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

1. A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai– 400 051.

2. A copy of Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act would be delivered for registration with the ROC, located at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra.

LISTING

Applications will be made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. BSE shall be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges mentioned above, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this DRHP. If such money is not repaid within eight days after our Company becomes liable to repay it, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid/ Issue Closing Date.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section(1) of Section 68A of the Companies Act ,1956,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 there in to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five (5)years."***

CONSENTS

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the Statutory Auditors, the Legal Advisor, the Bankers to our Company, and (b) the BRLMs, the Syndicate Members, the Escrow Collection Bankers, the Registrar to the Issue and the IPO Grading Agency to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, Auditors of the Company have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which appears in this DRHP and also of the tax benefits accruing to the Company and to the members of the Company and such consent and report have not been withdrawn up to the time of signing this DRHP.

EXPERT OPINION

Except the report of [●] in respect of the IPO grading of the Issue as mentioned in the section titled *"General Information"* on page 38 of the Draft Red Herring Prospectus and except for the reports of the auditors of our company, M/s. Rajesh Ramesh Shah & Co., Chartered Accountants in respect of the information contained in the section titled "*Financial Information*" and "*Statement of Tax benefits*" beginning on pages 145 and 76 respectively, we have not obtained any expert opinions.

PUBLIC ISSUE EXPENSES

The Management estimates an expense or Rs. [•] Lacs towards issue expense. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

No.	Particulars	Amount (Rs. In Lacs)
1.	Fees of Lead Manager, Registrar, Legal Advisor, Auditors, Bankers etc.	[•]
2.	Printing & stationery, distribution, postage, etc	[•]
3.	Underwriting commission, brokerage & selling commission	[•]
4.	Advertisement & marketing expenses	[•]
5.	Other Expenses (including filing fees, listing fees, depository charges, etc.)	[•]
6.	IPO grading expenses	[•]
7.	Contingencies	[•]
Total		[•]

DETAILS OF FEES PAYABLE

Particulars	Amount (Rs. in Lacs)	% of Total Issue Expenses	% of Total Issue Size
Lead Manager/s to the Issue	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Bankers to the issue	[•]	[•]	[•]
Others	[•]	[•]	[•]
Total	[•]	[•]	[•]

FEES PAYABLE TO BOOK RUNNING LEAD MANAGER/S TO THE ISSUE

The total fees payable to the BRLM will be as per the Engagement Letters from our Company to the BRLM and Memorandum of Understanding signed with the BRLM, copy of which is available for inspection at the Registered Office of our Company.

FEES PAYABLE TO THE SYNDICATE

The underwriting commission and the selling commission for the Issue are as set out in the Syndicate Agreement amongst the Company, the BRLM and the Syndicate Member. The underwriting commission shall be paid as set out in the Syndicate Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 46 of this DRHP.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable by the 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 per the Memorandum of Understanding signed with the Company dated 20th December, 2010.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or Allotment Advice by registered post/ speed post/ under certificate of posting.

FEES PAYABLE TO OTHERS

The total fees payable to the Legal Advisor, Auditor, IPO Grading Agency and advertiser, etc. will be as per the terms of their respective engagement letters.

PREVIOUS PUBLIC OR RIGHTS ISSUE

We have not made any previous rights and/or public issues during the last five years, and are an "unlisted issuer" in terms of the SEBI ICDR Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES

Since this is the initial public offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL ISSUE DURING THE LAST THREE YEARS

Harisons Steel Limited and its Group Companies have not made any capital issue during the last three years.

LISTED VENTURES OF PROMOTERS

There are no listed ventures of our Company as on date of filing of this Draft Red Herring Prospectus.

PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the section titled *"Capital Structure"* on page 48 of this Draft Red Herring Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

PROMISE VIS-À-VIS PERFORMANCE

Neither our Company nor our Promoter Group Companies have made any previous rights or public issues.

OPTION TO SUBSCRIBE

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this DRHP.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an "unlisted issuer" in terms of the SEBI ICDR Regulations, and this Issue is an initial public offering in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the 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.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have reconstituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on 1st January, 2012. For further details, please refer to section titled "*Our Management*" beginning on page 121 of the Draft Red Herring Prospectus.

We have appointed Ms. Anubhuti Shukla, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-issue or post-issue problems. She can be contacted at the following address:

Ms. Anubhuti Shukla
Plot No.1, Survey Gut No. 194 (Part of Village),
Nehroli,Taluka Wada, Dist. Thane, Maharashtra,
India – 421 312;
Tel: +91-02526-212089;
Fax: +91-02526-212074;
Website: www.harisonssteel.com
E-Mail: cs@harisonssteel.com

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

CHANGES IN AUDITORS DURING THE LAST THREE FINANCIAL YEARS

Our current auditors M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, were appointed on 30th September, 2011, in place of our outgoing auditors, M/s. Ketan N. Shah, Chartered Accountants. The said change in our Statutory Auditors was made in order to comply with Section (IX) of Part A of Schedule VIII of SEBI (ICDR) Regulation and to also ensure compliance with the Clause 41 (I) (c) (i) of the listing agreement. The erstwhile auditors of our Company, M/s. Ketan N. Shah did not hold certificate issued by the "Peer Review Board" of the ICAI. Therefore, our Company had appointed M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, as the auditors, who hold the certificate issued by the "Peer Review Board" of ICAI. M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, have reaudited the financial statements for the financial year ended 31st March, 2011 and audited the financial statements for six months period ended 30th September, 2011.

CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS

Our Company has not capitalized any reserve during last five (5) years except for issue of bonus shares as described in section titled *"Capital Structure"* on Page 48 of the Draft Red Herring Prospectus.

REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS

Our Company has not revalued its assets during the last five (5) years.

SECTION VII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Anchor Investor Confirmation of Allocation Note, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, the Stock Exchanges, the Reserve Bank of India, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

AUTHORITY FOR THE ISSUE

Our Board of Directors have, pursuant to resolution passed at its meeting held on 14th November, 2011 authorised the Issue subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The Shareholders of our Company had approved the present Issue vide a special resolution passed at the Extra Ordinary General Meeting held on 19th December, 2011.

RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits, if any, declared by the Company after the date of Allotment.

MODE OF PAYMENT OF DIVIDEND

The Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act, the SEBI ICDR Regulations, the Articles of Association and the provision of the Listing Agreements.

FACE VALUE AND ISSUE PRICE

The face value of the Equity Shares is Rs. 10/- each and the Floor Price is Rs. [•] and the Cap Price is Rs. [•] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

The Price Band and the minimum Bid lot size for the Issue is decided by our Company in consultation with the BRLM, and advertised in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation, at least two Working Days prior to the Bid /Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares subject to the applicable laws.

COMPLIANCE WITH SEBI RULES AND REGULATIONS

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive annual reports and notices to members;
- 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, 1956 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, see the section titled *"Main Provisions of the Articles of Association"* beginning on page 259.

MARKET LOT

In terms of Section 68B of the Companies Act, 1956, the Equity Shares of our Company shall be allotted only in dematerialized form. In terms of existing SEBI ICDR Regulations, the trading in the Equity Shares of the Company shall only be in dematerialized form for all investors. Since trading of our Equity Shares will be in dematerialized mode, the tradable lot is one equity share. Allotment of Equity Shares through this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•]Equity Shares.

NOMINATION FACILITY TO INVESTOR

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder(s), may nominate any one person in whom, in the event of 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/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form available on request at the Registered Office of the Company or at the registrar and transfer agent of the Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by our Board, elect either:

- 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, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

BID/ISSUE PROGRAMME

Bidding Period/Issue Period

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

***** *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.Bids by Anchor Investors may be submitted to the members of Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor shall be made available in the public domain by the BRLM, before the Bid/Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

MINIMUM SUBSCRIPTION

If we do not receive the minimum subscription of 90% of the Issue to the extent of the amount including devolvement of the Members of the Syndicate, if any, within 60 days from the Bid/ Issue Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest as per Section 73 of the Companies Act.

Further, we shall ensure that the number of prospective Allotees to whom Equity Shares will be Allotted shall not be less than 1,000. If the number of Allottees in the proposed Issue is less than 1,000 Allottees, our Company shall forthwith refund the entire subscription amount received.

ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

Since the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

RESTRICTION ON TRANSFER OF SHARES

Except for the lock-in as detailed in the section titled "*Capital Structure*" on page 48, and except as provided in our Articles of Association and as stated below, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation or splitting except as provided in the Articles of Association. For further details, please refer to the section titled "*Main Provisions of the Articles of Association*" on page 259.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U.S.Persons") 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 being offered or sold only to (i) persons who are both "qualified purchasers" as defined in the Investment Company Act (referred to in this Draft Red Herring prospectus as "QPs") and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.

Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

ISSUE STRUCTURE

Initial public offering of [●] Equity Shares of Rs. 10 each at a price of Rs [•] per Equity Share for cash (including share premium of Rs. [•] per share) aggregating up to Rs.6,000 Lacs (herein referred to as "the Issue"). The Issue would constitute [●] % of the fully diluted post Issue paid-up capital of the Company.

This Issue is being made through a 100 % book building process and the details of the Issue Structure are as follows:

Particulars	QIBs #	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Up to [●] Equity Shares	Not less than [●] Equity Shares shall be available for allocation	Not less than [●] Equity Shares shall be available for allocation
Percentage of Issue Size available for Allocation	Up to 50% of the Issue (of which 5% of QIB portion {excluding the Anchor Investor Portion} shall be reserved for Mutual Funds). Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion, if any, in the Mutual Fund reservation will be available to QIBs Upto 30% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investor Portion shall be available for allocation to domestic Mutual Funds#	Not less than 15% of the Issue or Issue less allocation to QIBs and Retail Portion.*	Not less than 35% of the Issue or Issue less allocation to QIBs and Non-Institutional Portion.*
Basis of Allocation if respective category is oversubscribed	Proportionate (a) [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds ##; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs. 200,000 and in multiples of [•] Equity Shares thereafter	[•] Equity Shares and in multiples of [•] Equity Share thereafter.
Maximum Bid	Such number of Equity	Such number of Equity	Such number of Equity

Particulars	QIBs #	Non-Institutional Bidders	Retail Individual Bidders
	Shares in multiple of [•] Equity Shares, such that Bid does not exceed the Issue size subject to regulations as applicable to the Bidder	Shares in multiple of [•] Equity Shares, such that Bid does not exceed the size of the Issue subject to regulations as applicable to the Bidder	Shares in multiple of [•] Equity Shares, so as to ensure that the Bid Amount does not exceed Rs. 200,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[•] Equity Shares and in multiples of [•] Equity Shares, thereafter	[•] Equity Shares and in multiples of [•] Equity Shares, thereafter	[•] Equity Shares and in multiples of [•] Equity Shares, thereafter
Allotment Lot	[•] Equity Shares and in multiples of [•] Equity Shares, thereafter	[•] Equity Shares and in multiples of [•] Equity Shares, thereafter	[•] Equity Shares and in multiples of [•] Equity Shares, thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act: scheduled commercial banks, mutual funds registered with SEBI, foreign institutional investor and sub-accounts registered with SEBI (other than subaccounts being foreign corporates or foreign individuals), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds, (subject to applicable laws) with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs in accordance with applicable law, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated 23rd November, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by the	Resident Indian individuals, HUFs (in the name of Karta), eligible NRI's, companies, corporate bodies, scientific institutions, societies and trusts, sub account of FII's registered with SEBI, which are Foreign Corporate or Foreign Individuals	Resident Indian Individuals (including HUFs in the name of Karta) and eligible NRI's

Particulars	QIBs #	Non-Institutional Bidders	Retail Individual Bidders
	Department of Posts, India and insurance funds set up and managed by the army, navy and air force of the Union of India.		
Mode of Bidding	Only through ASBA	Only through ASBA	Through ASBA or non ASBA
Terms of Payment	Full Bid Amount shall be payable by QIBs at the time of submission of Bid-cum-Application Form (including for Anchor Investors)***.	Full Bid Amount shall be payable by Non Institutional Bidder at the time of submission of Bid-cum-Application Form ***.	Full Bid Amount shall be payable by Retail Individual Bidder at the time of submission of Bid - cum - Application Form ***.

* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any of the above categories would be allowed to be met with spillover inter-se from any of the other categories, at the sole discretion of the Company, the BRLM and subject to applicable provisions of the SEBI Regulations.

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

*** In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the Bid Cum Application Form.

The Company may allocate up to 30 percent of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see the section titled *"Issue Procedure"* on page 218.

If the aggregate demand by Mutual Funds is less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund reservation will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

We shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) or instructions to Self Certified Syndicate Banks by the Registrar to the Issue, in Application Supported by Blocked Amount process and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Bid/ Issue Closing Date.

In case of applicants who receive refunds through ECS, direct credit, RTGS, the refund instructions will be given to the clearing system within 12 Working 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 12 Working Days from Bid/Issue Closing Date.

In accordance with the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in DEMATERIALIZED form within 12 (twelve) working days of the Bid/Issue Closing Date;

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company become liable to repay, our Company, and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

WITHDRAWAL OF THE ISSUE

The Company, in consultation with the BRLM, 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. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an Initial Public Offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

BIDDING/ISSUE PROGRAM

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

**Our Company may consider participation by Anchor Investors in terms of the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date. Bids by Anchor Investors may be submitted to the Members of Syndicate or their affiliates. The number of Equity Shares allocated to each Anchor Investor shall be made available in the public domain by the BRLM, before the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centers mentioned on the Bid cum Application Form. On the Bid/Issue Closing Date, Bids shall be uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non- Institutional Bidders (ii) until 5.00 p.m. or such extended time as permitted by the NSE and the BSE, in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs. 200,000. It is clarified that Bids not uploaded in the book, would be rejected. Bids by ASBA Bidders shall be uploaded by the SCSB in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular Bidder, the details as per 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.

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 is Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for Allocation under the Issue. If such Bids are not uploaded, the Issuer, BRLMs and Syndicate Members will not be responsible. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

The Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI Regulations provided that the Cap Price is less than or equal to 20% of the Floor Price. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least one day before the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of 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 the BSE and the NSE, by issuing a press release, and also by indicating the change on the web sites of the BRLMs and at the terminals of the Syndicate Members.

Indicative dates of Bid closing, finalization of Basis of Allotment, credit of Equity Shares to successful Bidder's demat account, initiation of refunds and commencement of trading of Equity Shares:

Activity	Indicative dates
Bid closing date	[●]
Finalisation of Basis of Allotment	[●]
Credit of Equity Shares	[●]
Initiation of refunds	[●]
Commencement of trading of Equity Shares	[●]

ISSUE PROCEDURE

This section applies to all Bidders. Please note that QIBs (other than Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated 29th April, 2011. Retail Individual Bidders can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount with the Bid cum Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB at the time of Bidding.

Pursuant to SEBI Circular bearing no. CIR/CFD/DIL/2/2011 dated 16th May, 2011 Retail Individual Bidders can Bid at a price net of the retail discount (if any) and will be required to indicate the Bid price before adjustments for such Retail Discount, if any.

In respect of QIBs that are Anchor Investors, the issue procedure set out below should be read with, and is qualified by, the paragraphs below relating to Anchor Investors, including without limitation, the section on "Anchor Investor Portion".

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.

BOOK BUILDING PROCEDURE

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI ICDR Regulations. Further, this Issue is being made through the Book Building Process wherein not more than 50% of the Issue shall be available for Allocation to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for Allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for Allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% and 35% of the Issue will be available for Allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively, subject to valid Bids being received at or above the Issue Price. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis at the Anchor Investor Issue Price. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

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. Any Bidder (other than Anchor Investors) may participate in this Issue through the ASBA process by providing the details of their respective bank accounts / bank account held by a third party (subject to conditions as set forth hereinbelow) in which the corresponding Bid amounts will be blocked by SCSBs. Retail investors are required to submit their Bids through the members of the Syndicate. Non-retail investors (other than Anchor Investors) are mandatorily required to make use of the ASBA facility. All ASBA Bidders can submit their Bids through the Syndicate (at ASBA Bidding Locations). Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated 29th April, 2011, the Syndicate/ Sub-Syndicate Members may procure the Bid cum Application Form from ASBA investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit the same to the SCSB. Syndicate/ Sub-Syndicate Members are required to upload the bid of an ASBA investor and other relevant details of the ASBA investor's Bid

cum Application Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs.

We, in consultation with the BRLM reserve the right to reject any QIB Bid procured 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 the Bid is communicated to the Bidder at the time of rejection of the Bid. In the cases of Non-Institutional Bidders and Retail Individual Bidders, the Company will have a right to reject the Bids only on technical grounds.

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository accounts shall be treated as incomplete and will be rejected. Bidders will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

BID CUM APPLICATION FORM

Pursuant to SEBI circular CIR/CFD/DIL/4/2011 dated 27th September, 2011, Bid cum Application Forms have been standardized and it has been decided that henceforth there would only be a single form for ASBA and non-ASBA Bidders. It has also been decided that the Bid cum Application Form (accompanied with abridged prospectus) would be printed in a booklet form of A4 size paper.

Retail Individual Bidders shall use the Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. Non- retail Bidders shall use the Bid cum Application Form, indicating the mode of payment option as being "ASBA" obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus.

ASBA Bidders including QIBs (other than Anchor Investors) and Non Institutional Bidders, shall submit the Bid cum Application Form indicating the mode of payment option as being "ASBA" either in physical or electronic form to the SCSB or to a Member of the Syndicate (at ASBA Bidding Locations).(Syndicate / Sub – Syndicate Members at the ASBA Bidding Locations may procure the Bid cum Application Form from the ASBA investors and submit the same to SCSBs) authorizing blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding). The Bid cum Application Form for ASBA Bidders will also be available on the websites of the BSE and the NSE at least 1 day prior to the Bid/Issue Opening Date and shall bear a unique application number. The BRLM and the SCSBs will provide the hyperlink to BSE or NSE on their websites. Only QIBs can participate in the Anchor Investor Portion and such Anchor Investors cannot submit their Bids through the ASBA process.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid Cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgment slip. This acknowledgment slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder and the Bidder shall preserve this and should provide the same for any queries relating to non-Allotment of Equity Shares in the Issue.

The Bid cum Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of 3 Bids in the Bid cum Application Form and such options shall not be considered multiple Bids. On filing of the Prospectus with the ROC, the Bid cum Application Form, shall be treated as a valid application form. On completion and submission of the Bid cum Application Form, to a Member of the Syndicate(at ASBA Bidding Locations) or the SCSB, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be

required under the SEBI ICDR Regulations and other applicable laws, for filing the Prospectus with the ROC and as would be required by SEBI and/or the ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed color of the Bid cum Application Form for various categories is as follows:

Category	Color of Bid-cum-Application Form
Resident Indians, Eligible NRIs applying on a non-repatriation basis.	White
Non-Residents and Eligible NRIs applying on a repatriation basis.	Blue

** Bid-Cum-Application Forms for Anchor Investors shall be made available at the offices of the BRLM only*

WHO CAN BID

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- 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;
- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 25 Crores and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 25 Crores and who are authorised under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India
- All other persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per the existing regulations, OCBs cannot participate in this Issue.

The information below is given for the benefit of the Bidders. Our Company and the Book Runners do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the limits prescribed under laws or regulations.

PARTICIPATION BY ASSOCIATES OF THE BRLM AND THE SYNDICATE MEMBERS

The BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Members may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

The BRLMs, the Syndicate Members and any persons related to the BRLMs or our Promoters and our Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

BIDS BY MUTUAL FUNDS

As per the SEBI ICDR Regulations, 5% of the Net QIB Portion, has been specifically reserved for Allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than **[●]** Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds for allocation on a discretionary basis, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

As per the current regulations, the following restrictions are applicable for investments by mutual funds.

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

- The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which Application is being made.

Multiple Applications

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

BIDS BY ELIGIBLE NRIS

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office of the Company and with Members of the Syndicate, the Registrar to the Issue and SCSBs.

Eligible NRI applicants should note that only such Bids 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 Bid cum Application Form.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 2 Lacs would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 2 Lacs would be considered under Non-Institutional Portion for the purposes of allocation. Eligible NRIs Bidding under the Non-Institutional Portion are required to utilise the ASBA facility to submit their Bids.

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 paid- up capital. In respect of an FII investing in the 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 of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue Paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Draft Red Herring Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.

- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

BIDS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

- The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one company. Further, Venture Capital Funds and Foreign Venture Capital Investor can invest only up to 33.33% of the funds available for investment by way of subscription to an initial public offer.

BIDS BY LIMITED LIABILITY PARTNERSHIPS

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

BIDS BY INSURANCE COMPANIES

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the —**IRDA Investment Regulations**), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26th December, 2008, providing, among other things, that the exposure of an insurer to an infrastructure company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without subceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

BIDS BY PROVIDENT FUNDS/ PENSION FUNDS

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 lac, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right toreject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Directors, the officers of our Company and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

BIDS BY ANCHOR INVESTORS

Our Company may consider participation by Anchor Investors in the QIB Portion for up to 30% of the QIB Portion in accordance with the ICDR Regulations. Only QIBs as defined in Regulation 2(1) (zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below:

(a) The Bid cum Application Forms will be made available for the Anchor Investor Portion at the office of the BRLM only;

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 10 Crores and in multiples of **[●]** Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion. In case of a Mutual Fund registered with SEBI, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of Rs. 10 Crores;

(c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds.

(d) The Bidding for Anchor Investors shall open 1 Working Day before the Bid/Issue Opening Date and shall be completed on the same day.

(e) Our Company, in consultation with the BRLM, shall finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion shall not be less than:

- 2, where the allocation under Anchor Investor Portion is up to Rs. 250 Crores; and
- 5, where the allocation under Anchor Investor Portion is over Rs. 250 Crores.

(f) Allocation to Anchor Investors shall be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid/Issue Opening Date.

(g) Anchor Investors shall pay the entire Bid Amount at the time of submission of the Bid. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period.

(h) In the event the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date which shall not be later than 2 days from Bid/Issue closing date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price *i.e.* the Anchor Investor Issue Price and the excess amount shall not be refunded to Anchor Investors.

(i) The Equity Shares Allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(j) None of the BRLM or any person related to the BRLM Promoters, or Promoter Group shall participate in the Anchor Investor Portion. The parameters for selection of the Anchor Investors shall be clearly identified by the BRLM and shall be made available as part of the records of the BRLM for inspection by SEBI.
(k) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(l) The payment instruments for payment into the Escrow Account should be drawn in favor of:
- In case of Resident Anchor Investors: "**[●]**"
- In case of Non-Resident Anchor Investors: "**[●]**"

Anchor Investors do not have the option of bidding through ASBA process.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be published by our Company in 1 English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and 1 regional language newspaper, with wide circulation least 2 Working Days prior to the Bid / Issue Opening Date.

BIDS UNDER POWER OF ATTORNEY

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to Bids by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our

Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

(b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.

(c). With respect to Bids made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, a certified copy of a 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 such bid, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form , subject to such terms and conditions that our Company , the BRLM may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA Bidders, 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 to the Issue shall use Demographic Details as given on the Bid cum Application Form instead of those obtained from the Depositories.

The above information is given for the benefit of the Bidders. Our Company, its Directors, officers, 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 the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.

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 Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 200,000 (net of Retail Discount, if any). In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 200,000 (net of Retail Discount, if any). If the Bid Amount is over Rs. 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to be Bid at the Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at the Cut-Off Price is given only to the Retail Individual Bidders, indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs excluding Anchor Investors):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.200,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **Under the existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay entire Bid Amount upon submission of the 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. 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 200,000 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 allotment under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-Off'.

Non – retail Investors i.e. QIBs (other than Anchor Investors) and Non Institutional Bidders who intend to participate in the Issue are mandatorily required to submit their Bids through the ASBA facility.

For Bidders in the Anchor Investor Portion: The Bid must be for a minimum of such number of Equity Shares in multiples of [•] such that the Bid Amount is at least Rs. 10 Crores. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid / Issue Period. Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid. **Anchor Investors are not allowed to subscribe through the ASBA Process.** Payments made upon any revision of Bids shall be adjusted against the payment made at the time of the original Bid or the previously revised Bid.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus.

INFORMATION FOR THE BIDDER

a) The Red Herring Prospectus will be filed by the Company with the RoC at least three days before the Bid Opening Date.

b) Copies of the Bid cum Application Form, as also the Red Herring Prospectus will be available with the Members of the Syndicate. For ASBA Bidders, physical Bid cum Application Forms will be available with the Designated Branches of the SCSBs, Syndicate (in the Specified Cities) and at the Registered Office of our Company. Electronic Bid cum Application Forms for ASBA Bidders will be available on the websites of NSE and BSE and the Designated Branches of the SCSBs.

c) Our Company, and the BRLM shall declare the Bid Opening Date and Bid Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in three newspapers (one in English and one in Hindi) and one in regional newspaper with wide circulation.

d) The Members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement.

e) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the Members of the Syndicate. In addition, electronic Bid cum Application Forms for ASBA Bidders shall be available on the websites of SCSBs and Stock Exchanges. Furthermore, the SCSBs shall ensure that the abridged prospectus is made available on their websites.

f) Eligible Bidders who are interested in Bidding for the Equity Shares should approach the BRLM or the Syndicate Members or their authorized agent(s) to register their Bids. Eligible Bidders can approach the members of the Syndicate or their authorised agent(s) to submit their Bids under the ASBA process. It may be noted that QIBs (other than Anchor Investors) and Non Institutional Bidders are mandatorily required to submit their Bids through the ASBA facility, in order to participate in the Issue. Retail

Individual Bidders have the option to avail the ASBA facility which would entail blocking of funds in their bank account rather than transfer of funds to the respective Escrow Accounts.

g) The Bids should be submitted on the prescribed Bid cum Application Form. Bids by ASBA Bidders shall be accepted by the members of the Syndicate (at the ASBA Bidding Locations) and Designated Branches of SCSBs in accordance with the SEBI ICDR Regulations and any other circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of the Members of the Syndicate or Designated Branch. Bid cum Application Forms (except electronic Bid cum Application Forms), which do not bear the stamp of a Member of the Syndicate or the Designated Branch, are liable to be rejected.

h) With effect from 16th August, 2010, the demat accounts of Bidders for whom PAN details have not been verified excluding (i) persons resident in the state of Sikkim; (ii) the Central or State Governments and the (iii) officials appointed by the courts, who, may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

ASBA BIDDERS

It may be noted that with effect from 1st May, 2011, non – retail Bidders i.e. QIBs (other than Anchor Invetsors) and Non Institutional Bidders shall mandatorily utilize the ASBA facility to submit their Bids.

(a) Copies of Bid cum Application Forms for ASBA Bidders will be available for downloading and printing, from the websites of the Stock Exchanges (which provide electronic interface for ASBA facility) at least 1 day prior to the Bid / Issue Opening Date. A unique application number will be generated for every Bid cum Application Form downloaded and printed from the websites of the Stock Exchanges. The BRLM and the SCSBs will provide the hyperlink to the BSE or the NSE on their websites.

(b) The BRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and Bid cum Application Forms to the members of the Syndicate and the SCSBs. The Members of the Syndicate and the SCSBs will then make available such copies to non- retail Investors (other than Anchor investors) who are required to apply in this Issue through the ASBA process and retail Investors intending to apply in this Issue through the ASBA process. Additionally, the BRLM shall ensure that the Members of the Syndicate and the SCSBs are provided with soft copies of the abridged prospectus as well as the Bid cum Application Forms for ASBA Bidders and that the same are made available on the websites of the SCSBs.

(c) ASBA Bidders, under the ASBA process, who wish to obtain the Red Herring Prospectus and/or the Bid cum Application Form can obtain such documents from the Designated Branches of the SCSBs, BRLM or Members of the Syndicate/ Sub-Syndicate Members located at the ASBA Bidding Locations. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the Bid cum Application Form in electronic form from the websites of the SCSBs and the Stock Exchanges.

(d) The Bids should be submitted on the prescribed Bid cum Application Form either in physical mode or in electronic mode through the internet banking facility offered by an SCSB for bidding and blocking funds in the bank account maintained with the SCSB specified in the Bid cum Application Form. ASBA Bidders at ASBA Bidding Locations may also submit the Bid cum Application Form to the Syndicate/ Sub-Syndicate Members. The Syndicate/ Sub-Syndicate Members are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs.

(e) The Bid cum Application Forms should bear the stamp of a member of the Syndicate and/or the Designated Branch of the SCSB. Bid cum Application Forms which do not bear the stamp of a Member of the Syndicate and/or an SCSB will be rejected.

(f) ASBA Bidders shall correctly mention the bank account number in the 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 Bid cum Application Form to the applicable Designated Branch or Members of the Syndicate/ Sub-Syndicate Members in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat. In case the amount available in the bank account specified in the Bid cum Application Form is insufficient for blocking the amount equivalent to the Bid Amount, the SCSB shall reject the Bid.

(g) If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should be signed by the account holder as provided in the Bid cum Application Form.

Bidders may note that in case the details of DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members do not match with the details of DP ID, Client ID and PAN available in the Depository database, the Bid cum Application Form, is liable to be rejected.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders other than ASBA Bidders can obtain Bid cum Application Forms and / or Revision Forms from the Members of the Syndicate from the Registered Office of the Company.ASBA Bidders can obtain Bid cum Application Forms and/or Revision Forms from the Designated Branches of the SCSBs and the Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders can also obtain a copy of the Bid cum Application Forms and/or Revision Form in electronic form from the websites of the SCSBs and the Stock Exchanges.

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.
2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms, Revision Forms are liable to be rejected. Bidders should note that the Members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
3. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
4. 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 and partnerships, foreign nationals (excluding NRIs) or their nominees.
5. 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.

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.

In case of physical ASBA Bids, the ASBA Bidder shall submit the Bid cum Application Form bearing the stamp of the Designated Branch or the Member of the Syndicate at the relevant Designated Branch or

the relevant Member of the Syndicate at Syndicate ASBA Bidding Locations, respectively. In case the ASBA Bidder submits its Bid through a Member of the Syndicate at a Syndicate ASBA Bidding Location, the Bid will be uploaded by that Member of the Syndicate in the electronic bidding system of the Stock Exchanges and the Bid cum Application Form will then be forwarded to the concerned SCSB for further action including signature verification and blocking of funds. In case of application in electronic form, the ASBA Bidder shall submit the Bid cum Application Form either through the internet banking facility available with the SCSBs, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with the SCSB, and accordingly register such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the Bid cum Application Form.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Members of the Syndicate or the SCSB, as the case may be, will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

GENERAL INSTRUCTIONS

DO's:

1. Check if you are eligible to apply;

2. Read all the instructions carefully and complete the Resident Bid cum Application Form (White in color), the Non-Resident Bid cum Application Form (Blue in color),;

3. Ensure that the Bids are submitted at the Bidding centers only on forms bearing the stamp of a Member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic Bid cum Application Forms); In case you are a Bidder other than an ASBA Bidder, ensure that your Bid is submitted at the bidding center only on a form bearing the stamp of a Member of the Syndicate. In case you are an ASBA Bidder, the Bid should be submitted to a Designated Branch of an SCSB / Syndicate member (at ASBA Bidding Locations), with 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 or collecting banks (assuming that such collecting banks are not SCSBs), our Company or the Registrar. With respect to ASBA Bids, ensure that you use the Bid cum Application Form indicating the mode of payment option as being "ASBA", and that such form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form.

4. Ensure that the full Bid Amount is paid for Bids submitted to the Members of the Syndicate and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

5. Retail Individual Bidders must ensure that the retail discount (if any) is accurately deducted from the Bid Amount to derive the difference in Bidding price;

6. Ensure that the details about PAN, Depository Participant and beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;

7. Ensure that you have funds equal to the Bid Amount in your ASBA bank account of the respective Designated Branch of the SCSB before submitting the Bid cum Application Form to the respective Designated Branch of SCSB / Syndicate member (at ASBA Bidding Locations);

8. 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.

9. Ensure that you have been given a TRS for all your Bid options;

10. Submit revised Bids to the same Member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

11. Ensure that the Bid is within the Price Band;

12. Each of the bidders, should mention his/her Permanent Account Number (PAN) allotted under the IT Act;

13. Ensure that Demographic Details (as defined herein below) are updated true and correct in all respects.

14. In addition, ASBA Bidders should ensure that:

    a. the Bid-cum-Application Form is signed by the account holder in case the applicant is not the account holder;
    b. the correct bank account numbers have been mentioned in the Bid-cum-Application Form;
    c. the authorisation box in the Bid cum Application Form has been correctly checked, or an authorisation to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the Bid cum Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and
    d. an acknowledgement from the Designated Branch of the concerned SCSB or the Syndicate/ Sub-Syndicate Member in designated cities for the submission of the Bid cum Application Form has been obtained.
    e. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

DON'Ts:

1. Do not Bid for lower than the minimum Bid size;

2. For Bidders other than ASBA Bidders, do not submit a Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Branch of an SCSB or a Syndicate Member;

3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Members of the Syndicate;

5. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest; and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;

6. Do not send Bid cum Application Forms by post; instead submit the same to a Member of the Syndicate or Designated Branch, as applicable;

7. Do not Bid *via* any mode other than ASBA (for QIBs {other than Anchor Investors} and Non-Institutional Bidders)

8. Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders);

9. Do not Bid for such number of Equity Shares that 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;

10. Do not submit the Bid without the full Bid Amount;

11. Do not Bid for amount exceeding Rs. 200,000 in case of a Bid by Retail Individual Bidders.

12. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.

13. Do not submit more than five Bid cum Application Forms per bank account;

14. Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar; and

15. Do not Bid for allotment of Equity Shares in physical form.

16. Do not submit the Bid cum Application Forms to Escrow Collection Bank(s);

17. Do not submit a Bid if not competent to enter into a contract under the Indian Contract Act, 1872, as amended;

18. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or their relevant constitutional documents or otherwise;

19. Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions;

20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum application Forms in a color prescribed for another category of Bidder;

21. In case of ASBA Bids, do not submit the Bid cum Application Form with a Syndicate Member at a location other than the ASBA Bidding Locations; and

22. Do not submit ASBA Bids to a Syndicate Member in the Specified Cities unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at-least one branch in the relevant Specified City, for the Syndicate Members to deposit Bid cum Application Forms (A list of such branches is available at http://www.sebi.gov.in/pmd/scsb-asba.html).

METHOD AND PROCESS OF BIDDING

a) Our Company, and the BRLM shall declare the Bid Opening Date and Bid Closing Date at the time of filing the Red Herring Prospectus with ROC and also publish the same in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation. 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.

b) The Price Band and the minimum Bid lot size for the Issue is decided by our Company in consultation with the BRLM, and advertised in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation, at least two Working Days prior to the Bid

Opening Date. The BRLM and the Syndicate Members shall accept Bids from Bidders during the Bidding Period in accordance with the terms of the Syndicate Agreement.

c) The Members of the Syndicate shall accept Bids from all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

d) The Bidding Period shall be for a minimum of three Working Days and not exceeding 10 Working Days (including the days for which the Bid/Issue is open in case of revision in Price Band). In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation.

e) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "Bids at Different Price Levels" below, within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for Allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

f) 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 Applications 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 in the "Bids and Revision of Bids" on page 234.

g) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs 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.

h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described under the paragraph titled "Terms of Payment for Retail Individual Bidders other than ASBA Bidders and Payment into Escrow Account" on page 237.

i) The BRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bid /Issue Period, *i.e.* 1 Working Day prior to the Bid / Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

j) Bidders, except Anchor Investors, who are interested in subscribing to the Equity Shares, should approach any of the Members of the Syndicate, their authorized agents (at ASBA Bidding Locations) or SCSBs to register their Bids, during the Bid / Issue Period. The Members of the Syndicate shall accept Bids from the Bidders and shall have the right to vet the Bids, during the Bid / Issue Period in accordance with the terms of the Syndicate Agreement and the Red Herring Prospectus. QIB (other than Anchor Investors) and Non Institutional Bidders must necessarily use the ASBA process and Bidders using the ASBA facility to submit their Bids should approach the Syndicate members (at ASBA Bidding Locations) or Designated Branches of the SCSBs to register their Bids. ASBA Bidders are required to submit their Bids either in physical or electronic mode to SCSBs or to the Syndicate/ Sub-Syndicate Members (at ASBA Bidding Locations). ASBA Bidders submitting their Bids in electronic form should submit their Bids using the internet enabled bidding and banking facility of the SCSBs for bidding and blocking funds in the accounts of the bank account maintained with the SCSB specified in the Bid cum Application Form, and accordingly registering such Bids. Every Designated Branch of the SCSBs shall

accept Bids from all such investors who wish to place Bids through them and the account in which funds are to be blocked is maintained with them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the SEBI ICDR Regulations and the Red Herring Prospectus. The Designated Branches of the SCSBs shall provide to the ASBA Bidders an acknowledgment specifying the application number as proof of acceptance of the 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. Upon receipt of the Bid cum Application Form, submitted 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 specified in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. 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. ASBA Bidders at ASBA Bidding Locations may also submit the Bid cum Application Form to the Syndicate/ Sub-Syndicate Members. Each such Syndicate/ Sub-Syndicate member shall provide to the ASBA Bidders an acknowledgement as proof of acceptance of the Bid cum Application Form. The Syndicate/Sub-Syndicate Members are required to upload the bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the stock exchanges and forward the same to the SCSBs. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

i) The identity of QIB Bidders shall not be made public.

BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS

a) The Price Band has been fixed at Rs. **[●]** to Rs. **[●]** per Equity Share of Rs. 10 each, Rs. **[●]** being the Floor Price and Rs. **[●]** being the Cap Price. The Price Band and the minimum bid lot is decided by the Company in consultation with the BRLM and will be published in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation at least two (2) working days prior to the Bid Opening Date. The Bidders can Bid at any price within the Price Band, in multiples of Re. 1/-.

b) Our Company in consultation with the BRLM reserves the right to revise the Price Band, during the Bidding Period, in accordance with the SEBI Regulations provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on either side i.e. Floor Price can move up and down to the extent of 20% of the Floor Price as disclosed in the Red Herring Prospectus.

c) In case of revision in the Price Band, the Bidding Period will be extended for at least three working days subject to total Bidding Period of a maximum of 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges and SCSB, by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and one regional newspaper with wide circulation, and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate Members.

d) Our Company 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.

e) Our Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band, without the prior approval of, or intimation, to the Anchor Investors.

f) 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. 200,000 may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

g) Retail Individual Bidders who Bid at the 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 based on the Cap Price in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), such Bidders shall receive the refund of the excess amounts from the Escrow Account(s).

h) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 200,000 for Retail Individual Bidders bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Members to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000 for Retail Individual Bidders bidding at the Cut-off Price the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the Cap Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

i) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account(s).

j) 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 not in the range of Rs. 5,000 to Rs. 7,000.

k) When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

l) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB or the Syndicate/ Sub-Syndicate Member (such Syndicate/ Sub-Syndicate Member to further instruct the relevant SCSB) to whom the original Bid was submitted shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus.

BIDDER'S DEPOSITORY ACCOUNT & BANK ACCOUNT DETAILS

Bidders should note that on the basis of the Sole/First Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the Members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details including the Bidder's address, occupation, category, age and bank account details including the nine-digit Magnetic Ink Character Recognition (**"MICR"**) code as appearing on a cheque leaf (**"Demographic Details"**). These Demographic Details would be used for giving refunds and allotment advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in the Bid cum Application Form. Please note that in case the DP ID, Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic Bidding system of the Stock Exchanges by the Members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories database, such Bid cum Application Form is liable to be rejected.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DP NAME, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM AS THE CASE MAY BE. INVESTORS MUST ENSURE THAT THE PAN, DP ID NUMBER AND BENEFICIARY ACCOUNT NUMBER GIVEN IN THE BID CUM APPLICATION FORM AS THE CASE MAY BE IS EXACTLY THE SAME AS PROVIDED IN THE DEPOSITORY ACCOUNT. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

Since these Demographic Details will be used for all correspondence with the Bidders, they are advised to update the Demographic Details as provided to their Depository Participants. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund Orders (where refunds are not being made electronically) / Allotment Advice 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/ Allotment Advice 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. Any such delay shall be at the Bidders sole risk none of neither our Company, nor Escrow Collection Banks, the Designated Branch of the SCSBs, the Syndicate Members, the BRLM nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, Bidder's PAN (in case of joint Bids, PAN of first applicant), the DP ID and the beneficiary's identity, such Bids are liable to be rejected.

PAYMENT INSTRUCTIONS

TERMS OF PAYMENT FOR RETAIL INDIVIDUAL BIDDERS OTHER THAN ASBA BIDDERS AND PAYMENT INTO ESCROW ACCOUNT

Each Retail individual Bidder who does not utilize the ASBA facility shall pay the full Bid Amount (net of Retail Discount, if any) at the time of the submission of the Bid cum Application Form, and shall, along with the submission of the Bid cum Application Form, draw a cheque or demand draft in favor of the relevant Escrow Account of the Escrow Collection Bank(s) (see "Payment into Escrow Accounts" below), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stockinvest/money order/postal order shall not be accepted.

The Members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Retail individual Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than 12 Working Days from the Bid / Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Where the Retail individual Bidder has been allotted a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Working Days from the Bid / Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay of more than 15 days from the Bid / Issue Closing Date.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Accounts

(a) All Retail Individual Bidders who are not Bidding through ASBA facility would be required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form.
(b) The Retail Individual Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the Member of the Syndicate. If the payment is not made favoring the Escrow Account along with the Bid cum Application Form, the Bid shall be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
(c) The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
    a. In case of Resident Retail Bidders: [●]
    b. In case of Non-Resident Retail Bidders: [●]
(d) Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within 2 Working Days of the Bid /Issue Closing Date. If the

Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

(e) Our Company in consultation with the BRLM, in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names shall be notified to such Anchor Investors. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

   a. In case of resident Anchor Investors: [●]
   b. In case of non-resident Anchor Investors: [●]

(f) In case of Bids by Eligible Retail individual 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 NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of 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 an NRE Account or FCNR Account.

(g) In case of Bids by Eligible Retail individual NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

(h) The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders (other than ASBA Bidders) until the Designated Date.

(i) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement and the Red Herring Prospectus into the Public Issue Account and the surplus amount shall be transferred to the Refund Account.

(j) Within 12 Days from the Bid/Issue Closing Date, the Registrar to the Issue shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

(k) Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative Bank), which is situated at, and is a Member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.

(l) In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

(m) Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

Payment mechanism for ASBA Bidders

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated 29th April, 2011 non- retail Investors (other than Anchor Investors) are mandatorily required to utilize the ASBA facility to participate in the Issue

ASBA Bidders shall specify the bank account number in the Bid cum Application Form which is to be submitted to the Syndicate member. The Syndicate member shall in turn forward the Bid cum Application Form to the SCSB for processing and the SCSB shall block an amount equivalent to the Bid Amount 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 unblock the Bid Amount. In the event of withdrawal or rejection of the Bid cum Application Form, failure of the Issue or for unsuccessful Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the Bid Amount in the relevant bank account and the SCSBs shall unblock the Bid Amount on receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal /failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Upon completing and submitting the Bid cum Application Form to the Designated Branch or the Syndicate / Sub – Syndicate Member, (at the ASBA Bidding Location) whether in physical or electronic mode, the ASBA Bidder is deemed to have authorised 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 Bidders.

Upon submission of the Bid cum Application Form with the SCSB or the Syndicate / Sub – Syndicate Member, (at the ASBA Bidding Location) 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 to block such Bid Amount in the ASBA Account. The Bid cum Application Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated 29th April, 2011 (i) Non-Institutional Bidders and QIB Bidders (other than Anchor Investors) are required to mandatorily apply through ASBA, and (ii) the Syndicate/ Sub-Syndicate Members may procure the Bid cum Application Form from the ASBA Bidder in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit it to the SCSB. Syndicate/ Sub-Syndicate Members are required to upload the Bid and other relevant details of the Bid cum Application Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs.

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated 5th November, 2003, the option to use stockinvest instruments in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through stockinvest will not be accepted in the Issue.

ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted.

(d) Neither the BRLMs nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members or the SCSBs, (ii) the Bids uploaded by the Syndicate Members or the SCSBs or (iii) the Bids accepted but not uploaded by the Syndicate Members or the SCSBs.

(e) The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded by the SCSBs and (iv) with respect to Bids by ASBA Bidders, Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the full Bid Amount has been blocked in the relevant ASBA Account.

(f) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges.

(g) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(h) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:
1. Bid cum Application Form number;
2. PAN (of the sole/first bidder);
3. Investor Category;
4. DP ID and client identification number of the beneficiary account of the Bidder; and
5. Bid Amount;
6. Cheque number;
7. Numbers of Equity Shares Bid for; and
8. Price per Equity Share.

With respect to Bids by ASBA Bidders, at the time of registering such Bids, the SCSBs shall enter the following information pertaining to the ASBA Bidders into the online system:
1. Bid cum Application Form Number;
2. PAN (of the sole/first bidder);
3. Investor Category;
4. DP ID and client identification number of the beneficiary account of the Bidders;
5. Numbers of Equity Shares Bid for;
6. Price per Equity Share;
7. Bid Amount; and
8. Bank account number;

With respect to ASBA Bids submitted to the Members of Syndicate at the Specified Cities, at the time of registering each Bid, the Members of Syndicate shall enter the following details on the on-line system:

1. Bid cum Application Form number;
2. PAN (of the first Bidder, in case of more than one Bidder);
3. Investor category and sub-category;
4. DP ID;
5. Client ID;
6. Number of Equity Shares Bid for;
7. Price per Equity Share;
8. Bank code for the SCSB where the ASBA Account is maintained;
9. Name of Specified City.

(i) TRS will be generated for each of the bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Syndicate or our Company.

(j) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(k) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. Further, QIB Bids can also be rejected on technical grounds listed herein. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(l) 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, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(m) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate and the SCSBs will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchanges and will validate the electronic bid details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely, DP ID, Beneficiary Account No. and PAN, then such bids are liable to be rejected.

(n) The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details.

(o) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges.

OTHER INSTRUCTIONS

JOINT BIDS IN THE CASE OF INDIVIDUALS

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund 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.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN/GIR numbers. In cases where the PAN/GIR numbers are different, the same will be deleted from this master.

3. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form and create an address master.

4. The addresses of all these applications in the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scanned for similar DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/husband's names. On completion of this, applications will finally 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 funds registered with SEBI and such Bids in respect of more than one scheme of the mutual funds will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

More than 1 ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than 5 Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

The Company, in consultation with the BRLM, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

PERMANENT ACCOUNT NUMBER OR PAN

Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) (subject to the SEBI circular dated April 3, 2008) from residents of the state of Sikkim, each Bidder should mention his/her Permanent Account Number ("PAN") allotted under the Income Tax Act, 1961 ("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")

Pursuant to circulars dated 27th April, 2007 (No. MRD/DoP/Cir-05/2007) and 25th June, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database of Market Participants) Regulations, 2005 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

WITHDRAWAL OF ASBA BIDS

ASBA Bidders (other than QIB Bidders) can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs / Syndicate members who shall do the requisite, including deletion of details of the withdrawn Bid cum Application Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB Bidders) wishes to withdraw the Bid after the Bid / Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the Basis of Allocation.

OUR RIGHT TO REJECT BIDS

In case of QIB Bidders, the Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft or RTGS/NEFT/NECS/Direct Credit/ and will be sent to the Bidder's address at the Bidder's risk.

With respect to Bids by ASBA Bidders, the Designated Branches of the SCSBs shall have the right to reject Bids by ASBA Bidders if at the time of blocking the Bid Amount in the Bidders bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidders bank account maintained with the SCSB. Subsequent to the acceptance of the Bid by ASBA Bidder by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

GROUNDS FOR TECHNICAL REJECTIONS

Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:

1. DP ID or Client ID is not mentioned in the Bid cum Application Form.

2. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

3. Application on plain paper;

4. Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders which are not made through the ASBA facility;

5. Bids for a Bid amount of more than Rs. 200,000 by Bidders applying through the non- ASBA process.

6. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnerships can apply in its name;

7. Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

8. Age of first bidder not mentioned;

9. PAN not stated in the Bid cum Application Form (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);

10. GIR number furnished instead of PAN

11. Bids for lower number of Equity Shares than specified for that category of investors;

12. Bids at a price less than the Floor Price;

13. Bids at a price over the Cap Price;

14. Bids at Cut off Price by Non-Institutional Bidders and QIB Bidders;

15. Submission of more than 5 Bid cum Application Forms per ASBA Account;

16. Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on 29th July, 2010 bearing number CIR/MRD/DP/22/2010;

17. Bids for number of Equity Shares which are not in multiples of **[●]**

18. Category not ticked;

19. Multiple Bids as described in the Red Herring Prospectus;

20. In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

21. Bids accompanied by cash, stockinvest, money order or postal order;

22. Signature of sole and/or joint Bidders missing. In addition, with respect to ASBA Bids, the Bid cum Application form not being signed by the account holders, if the account holder is different from the Bidder;

23. Bid cum Application Form does not have the stamp of the BRLM, the Syndicate Members or Designated Branches of the SCSBs (except for electronic ASBA Bids);

24. Bid cum Application Form does not have Bidder's depository account details or the details given are incomplete or incorrect;

25. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Form, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

26. In case no corresponding record is available with the Depositories that matches three parameters namely, PAN (in case of joint Bids, PAN of the first applicant), the DP ID and the beneficiary's account number;

27. Authorization for blocking funds in ASBA not ticked or provided;

28. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

29. Bids not uploaded in the electronic bidding system;

30. Bids for amounts greater than the maximum permissible amounts prescribed by applicable law;

31. Bids by OCBs;

32. Bids from within the United States or by U.S. Persons (as defined in Regulation S) other than entities that are both U.S. QIBs and QPs;

33. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

34. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders uploaded after 4.00 P.M. on the Bid/Issue Closing Date;

35. Bank account details for the refund not given;

36. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

37. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

38. Bids that do not comply with the securities laws of their respective jurisdictions;

39. In case of Bid cum Application Forms of the ASBA Bidder submitted to the Members of the Syndicate, if the SCSB whose name has been included in the Bid cum Application Form does not have a branch at the relevant ASBA Bidding Locations, as displayed on the websites of SEBI, to accept the Bid cum Application Forms; and

40. Bids for availing retail discount (if any) by Investors other than Retail Individual Bidders and such other Investors not eligible to avail Retail Discount, if any.

41. Bids by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied by cheque(s) or demand draft(s);

PRICE DISCOVERY AND ALLOCATION

i. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with the Company.

ii. Allocation to Anchor Investors shall be at the discretion of our Company in consultation with the BRLM subject to compliance with the SEBI ICDR Regulations. In the event of under subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the BRLM before the Bid / Issue Opening Date.

iii. Our Company in consultation with the BRLM shall finalize the Issue Price, the number of Equity Shares to be allotted in each investor category.

iv. The allocation to QIBs will be upto 50% of the Issue and the availability for allocation to Non-Institutional and Retail Individual Bidders will not less than 15% and 35% of the Issue respectively, and, would be on proportionate basis, in the manner specified in the SEBI Regulations and this Draft Red Herring Prospectus, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

v. Under-subscription, if any, in any category would be met with spill over from any other category at the sole discretion of the Company in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Fund is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

vi. Allocation to Non-Residents, including Eligible NRI's, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

vii. Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date without assigning any reasons whatsoever. In terms of the SEBI Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

viii. The allotment details shall be put on the website of the Registrar to the Issue.

SIGNING OF UNDERWRITING AGREEMENT AND FILING WITH THE DESIGNATED STOCK EXCHANGE

(a) We, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and Allocation/ Allotment to the Bidders.

(b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with the Designated Stock Exchange, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES

We will file a copy of the Prospectus with the Registrar of Companies, in terms of Section 56, Section 60 and Section 60B of the Companies Act.

ANNOUNCEMENT OF PRE-ISSUE ADVERTISEMENT

Subject to Section 66 of the Companies Act, the Company shall after receiving final observations, if any, on the Red Herring prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI Regulations in two widely circulated newspapers (one each in English & Hindi) and one in regional daily newspaper with wide circulation.

ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS

We will issue a statutory advertisement after the filing of the Prospectus with the ROC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

ISSUANCE OF CONFIRMATION OF ALLOCATION NOTE (CAN)

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the Members of the Syndicate Exchange 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 Individual and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.

2. The Registrar to the Issue will dispatch the CAN who have been allocated Equity Shares in the Issue.

3. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

4. The issue of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" and “Notice to Anchor Investors- Allotment Reconciliation and CANs” as set forth below.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar on the basis of Bid-cum-Application Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid cum Applications Forms may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they might be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allotment of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to Anchor Investors: Allotment Reconciliation and CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book

and at the discretion of our Company, the BRLM, selected Anchor Investors may be sent a CAN, within 2 Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to (a) the physical application being valid in all respect along with receipt of stipulated documents, (b) the Issue Price being finalized at a price not higher than the Anchor Investor Issue Price, and (c) Allotment by the Board of Directors. In the event the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors should note that they shall be required to pay any additional amount, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN, if any, by the Pay-in Date specified in the revised CAN, for any increased price of Equity Shares. The Pay-in Date in the revised CAN shall not be later than 2 Working Days after the Bid / Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

UNBLOCKING OF ASBA ACCOUNT

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account.

However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) Our Company will ensure that (i) Allotment of Equity Shares; (ii) credit to successful Bidder's depository account will be completed within 12 Working Days of the Bid/Issue Closing Date.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees.

(c) Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 60B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

(a) an agreement dated 3rd November, 2011 between NSDL, the Company and Registrar to the Issue;

(b) an agreement dated 18th November, 2011between CDSL, the Company and Registrar to the Issue.

All bidders can seek Allotment only in dematerialized mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. 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.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details 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.
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
7. 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.
8. The trading of the Equity Shares would be in dematerialized form only for all investors in the Demat segment of the respective Stock Exchanges.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

We shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) or instructions to Self Certified Syndicate Banks by the Registrar to the Issue, in Application Supported by Blocked Amount process and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 12 Working Days of the Bid/ Issue Closing Date.

In case of applicants who receive refunds through ECS, direct credit, RTGS, the refund instructions will be given to the clearing system within 12 Working 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 12 Working Days from Bid/Issue Closing Date.

In accordance with the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in DEMATERIALIZED form within 12 (twelve) working days of the Bid/Issue Closing Date;

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured.

With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- Our Company shall pay interest at 15% p.a. for any delay beyond 15 days from the Bid/ Issue Closing Date, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day our Company become liable to repay, our Company, and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, 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 or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

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 (5) years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid bids.

4. If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
2. 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.
3. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

C. For QIBs in the QIB Portion (excluding the Anchor Investor Portion)

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. Allotment to all successful QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  i) In the first instance allocation to Mutual Funds for 5% of the Net QIB Portion shall be determined as follows:

     (a) In the event Mutual Fund Bids exceed 5% of the QIB Portion (excluding the Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding the Anchor Investor Portion).
     (b) In the event the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
     (c) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (ii) below;

  ii) In the second instance allocation to all QIBs shall be determined as follows:

     (a) In the event of oversubscription in the QIB Portion (excluding the Anchor Investor 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.
     (b) Mutual Funds, which have received allocation as per (a) above for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders (excluding the Anchor Investor Portion).
     (c) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate Allotment (other than spill over in case of under-subscription in other categories) to QIB Bidders shall be not more than 50% of the Offer and up to [●] Equity Shares.

D. For Anchor Investor Portion

- ✓ Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLM subject to compliance with the following requirements:

  - not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  - one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price;
  - allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of 2 Anchor Investors for allocation up to Rs. 250 Crores and minimum number of 5 Anchor Investors for allocation more than Rs. 250 Crores

- ✓ The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price shall be made available in the public domain by the BRLM before the Bid/Issue Opening Date by intimating the Stock Exchanges. The method of proportionate basis of Allotment is stated below.

  The BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalize the Basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange. Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. ASBA Bidders who are Retail Individual Bidders (including HUFs) and who have Bid for Equity Shares for an amount less than or equal to Rs. 200,000 in any of the Bidding options in the Issue, will be categorized as Retail Individual Bidders. ASBA Bidders that are not Retail Individual Bidders and who have Bid for Equity Shares for an amount over Rs. 200,000 will be categorized as Non-Institutional Bidders or QIBs, as the case may be. No preference shall be given to ASBA Bidders *vis-à-vis* non-ASBA Bidders and *vice versa*.

METHOD OF PROPORTIONATE BASIS OF ALLOTMENT IN THE ISSUE

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

Except in relation to Anchor Investors, the Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorized according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the Allotment shall be made as follows:

   i. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is as far as possible, equal to the number of Equity Shares calculated in accordance with (b) above;

   ii. Each successful Bidder shall be allotted a minimum of [●] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLM.

PAYMENT OF REFUND

Applicants other than ASBA Bidders should note that on the basis of name of the Applicant, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the applicants bank account details including nine digit MICR code. Hence, Applicants 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 applicants at his/her sole risk and neither the Lead Manager to the Issue nor the Bank shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference:

Mode of making refunds

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference

1. **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Bank.

2. **NECS -** Payment of refund would be done through NECS for Bidders having an account at any of the centers where such facility has been made available specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code from the Depositories.

3. **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

4. **RTGS** – Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds Rs. 10 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the Indian Financial System Code (**IFSC**) code in the Bid-Cum-Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Banker(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched "Under Certificate of Posting" for value upto Rs. 1,500 and through Speed Post/Registered Post for refund orders of Rs. 1500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

LETTERS OF ALLOTMENT OR REFUND ORDERS OR INSTRUCTIONS TO THE SCSBS

Applicants residing at any of the centers where clearing houses are managed by the RBI will get refunds through NECS only (subject to availability of all information for crediting the refund through NECS) except where the applicant is otherwise disclosed as eligible to receive refunds through Direct Credit, RTGS, NEFT. In the case of other applicants, our Company shall ensure the dispatch of refund orders, if any, of value less than Rs. 1,500 by ordinary post, and shall dispatch refund orders, if any, of Rs. 1,500 and above by registered post or speed post at the sole or First Bidder's sole risk within 12 Working Days of the Bid / Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days from Bid / Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid / Issue Closing Date, which shall be duly completed after the receipt of such instruction from the Registrar.

INTEREST IN CASE OF DELAY IN DESPATCH OF ALLOTMENT LETTERS OR REFUND ORDERS/INSTRUCTION TO THE SCSBS BY THE REGISTRAR.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders depositary accounts will be completed within 12 Working Days of the Bid/Offer Closing Date. Our Company further agrees that they shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/Offer Closing Date, whichever is later.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will un-block funds in the ASBA Account to the extent of refund to be made based on instructions received from the Registrar.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. That if our Company does not proceed with the Issue after the Bid/ Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

2. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

3. That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;

4. That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;

5. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

6. That the certificates of the securities/ refund orders to the Eligible NRI's shall be dispatched within specified time;

7. No further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc; and

8. That at any given time there shall be only one denomination for the shares of the Company;

9. That the Company shall comply with such disclosures and accounting norms specified by the SEBI from time to time;

10. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment;

11. That if our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with an issue of Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with SEBI;

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors certifies that:

1. all monies received out of the Issue of specified securities to public shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;

2. Our Company shall not have any recourse to the Issue proceeds until the approval for trading the Equity Shares is received from the Stock Exchanges;

3. details of all monies utilized out of Issue referred to in sub-item (I) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in balance sheet of the Company indicating the purpose for which such monies have been utilized; and

4. details of all unutilized monies out of the Issue of specifies securities , referred to in sub-item (I) shall be disclosed under the appropriate separate head in balance sheet of the Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India 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. The government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP"), issued Circular 1 of 2011 ("Circular 1 of 2011"), which with effect from 1st April, 2011, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on 31st March, 2011.

SUBSCRIPTION BY FOREIGN INVESTORS (NRIS/FIIS)

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

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, as amended; (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 other applicable law of the United States and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("U.S.Persons") 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 being offered or sold only to (i) persons who are both "qualified purchasers" as defined in the Investment Company Act (referred to in this Draft Red Herring prospectus as "QPs") and "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) non-U.S. Persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Each purchaser of Equity Shares that is located within the United States or who is a U.S. person, or who has acquired the Equity Shares for the account or benefit of a U.S. Person will be required to represent and agree, among other things, that such purchaser (i) is a U.S. QIB and a QP; and (ii) will only reoffer, resell, pledge or otherwise transfer the Equity Shares in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S and under circumstances that will not require the Company to register under the Investment Company Act.

Each other purchaser of Equity Shares will be required to represent and agree, among other things, that such purchaser is a non-U.S. person acquiring the Equity Shares in an "offshore transaction" in accordance with Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any 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.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or Debentures and / or on their consolidation /splitting are detailed below. Please note that 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.

Table A not to apply

No regulation contained in Table "A" in the First Schedule to Companies Act, 1956 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 1956 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act, 1956 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 1956 or any re-enactment thereof.

Interpretation Clause

In the interpretation of these Articles the following expressions shall have the following meanings unless repugnant to the subject or context:

"Capital" means the share capital for the time being raised or authorized to be raised for the purpose of the Company.

"Member" means the duly registered holder from time to time of the shares of the Company and includes the subscribers of the Memorandum of Association of the Company.

"Shares" means share in the share capital of the Company and includes stock where a distinction between stocks and share is expressed or implied.

CAPITAL

Authorised Capital

3. a) The Authorised Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.

b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

4. Increase of capital by the Company how carried into effect

The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.

5. New Capital same as existing capital

Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. Non Voting Shares

The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. Redeemable Preference Shares

Subject to the provisions of the Act and these Articles, the shares/securities (whether Equity or Preference) shall be under the control of the Directors who may allot, forfeit or otherwise dispose of the same to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par or at discount, and with full power to give any person the option to call for or be allotted shares of any class of the company either at premium or at par or at discount, such option being exercisable at such times and for such consideration as the Board thinks fit.

8. Voting rights of preference shares

The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

9. Provisions to apply on issue of Redeemable Preference Shares

On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:

(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of 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) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed;

(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of 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, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and

(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital.

10. Reduction of capital

The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce
(a) the share capital;
(b) any capital redemption reserve account; or
(c) any security 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 up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

11. Debentures

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at 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.

Debentures with voting rights not to be issued

(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.

(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.

(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.

(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.

(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

12. Issue of Sweat Equity Shares

The Company may exercise the powers of issuing sweat equity shares conferred by Section 79A of the Act of a class of shares already issued subject to the following conditions:

(a) the issue of sweat equity shares is authorised by a special resolution passed by the Company in general meeting;

(b) the resolution specifies the number of shares, their value and the class or classes of directors or employees to whom such equity shares are to be issued; and

(c) not less than one year has at the date of issue elapsed since the date on which the Company was entitled to commence business.

15. Consolidation, Sub-Division And Cancellation

Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (I) of Section 94; and the resolution whereby any share is sub-divided, may determine that, as between the holders of the share 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 others or other. 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.

17. Shares at the disposal of the Directors

Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

18. Power to issue shares

a) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

(i) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;

(ii) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined;

(iii) 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 (ii) hereof shall contain a statement of this right; PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him; and

(iv) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board

of Directors may dispose off them in such manner and to such person(s) as they may think fit, in their sole discretion;

(b) Notwithstanding anything contained in sub-clause a(i) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever:
(i) if a special resolution to that effect is passed by the company in General Meeting; or
(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 the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.

(c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:
(i) to extend the time within which the offer should be accepted; or
(ii) 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.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:
(i) to convert such debentures or loans into shares in the company; or
(ii) to subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:
(i) 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
(ii) in the case of debentures or loans 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.

(e) In addition to and without derogating from the powers for that purpose conferred on the Board under Article 16 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 Section 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 persons (whether members 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 Section 78 and 79 of the Act) at a premium or at par or at a discount as the meeting shall determine and with full power to give any person (whether a member or not) the option of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

19. Shares should be numbered progressively and no share to be subdivided

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.

20. Acceptance of Shares

An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.

21. Directors may allot shares as full paid-up

Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

23. Liability of Members

Every Member, or his heirs, executors, administrators, or legal representatives, 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 on date fixed for the payment thereof.

24. Registration of Shares

Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

CERTIFICATES

25. Share Certificates

a) 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 provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, 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 holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other

person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

26. Issue of new certificates in place of those defaced, lost or destroyed.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

27.(a) The first named jointholder deemed sole holder

If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.

(b) **Maximum number or joint holders**

The Company shall not be bound to register more than three persons as the joint holders of any share.

UNDERWRITING AND BROKERAGE

30. Commission

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 or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. 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.

31. Brokerage

The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

32. Commission to be included in the annual return

Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

33. Interest may be paid out of capital

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building the provision of any plant, or onshore or offshore rigs, which can not be made profitable for a lengthy period, the Company my pay interest on so much of that share capital at a 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.

LIEN

44. Company to have lien on shares

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 share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

45. As to enforcing lien by sale

For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and

become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.

46. Application of proceeds of sale

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 lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARES

47. If call or installment not paid, notice may be given

If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof or other moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.

48. Terms of notice

The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.

The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

49. on default of payment, shares to be forfeited

If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

50. Notice of forfeiture to a Member

When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.

51. Forfeited shares to be property of the Company and may be sold etc.

Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

52. Members still liable to pay money owing at time of forfeiture and interest.

Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.

53. Effect of forfeiture

The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

54. Evidence of forfeiture

A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

55. Title of purchaser and allottee of forfeited shares

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

56. Cancellation of share certificate in respect of forfeited shares.

Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, 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.

57. Forfeiture may be remitted

In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

58. Validity of sale

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

59. Surrender of shares

The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

60. Execution of the instrument of shares

(a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.

61. Transfer Form

The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 108 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.

62. Transfer not to be registered except on production of instrument of transfer

The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

63. Directors may refuse to register transfer

Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of 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 when the company has a lien on the shares.

However, no transfer of shares/debentures shall be refused on the ground of them not being held in marketable lots.

64. Notice of refusal to be given to transferor and transferee

If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

NOMINATION

78. Nomination

i) Notwithstanding anything contained in the articles, every holder of shares or debentures of the Company may, at any time, nominate a person in whom his/her shares or debentures shall vest in the event of his/her death and the provisions of Section 109A and 109B of the Companies Act, 1956 shall apply in respect of such nomination.

ii) No person shall be recognised by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the shares or debentures of the Company in the manner specified under Section 109A of the Companies Act, 1956

iii) The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such nomination.

iv) lf the holder(s) of the shares or debentures survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

79. Transmission of Securities by nominee

A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

(i) to be registered himself as holder of the share or debenture, as the case may be; or

(ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;

(iii) if the nominee elects to be registered as holder of the share or debenture, himself, 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 the death certificate of the deceased shareholder or debenture holder as the case may be;

(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALISATION OF SHARES

80. Dematerialisation of Securities

For the purpose of this Article, unless the context otherwise requires:

A. Definitions:

Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository.

SEBI "SEBI" means the Securities and Exchange Board of India.

Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

Depository "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Record "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations "Regulations" mean the regulations made by SEBI;

Security "Security" means such security as may be specified by SEBI.

B. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

C. Option for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security 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 of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

D. Securities in Depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;

E. Rights of Depositories and Beneficial Owners :

i) 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 security on behalf of the beneficial owner;

ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;

iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Service of information :

Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Transfer of Security :

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

H. Sections 83 and 108 of the Act not apply :

Notwithstanding anything to the contrary contained in the Articles -

i) Section 83 of the Act shall not apply to the shares with a Depository;

ii) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I. Register and Index of beneficial owners :

The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. Intimation to Depository :

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository :

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

N. Declaration by person not holding beneficial interest in any Shares

(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.
(2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.
(3) Whenever there is a change in the beneficial interest in a Share referred to above, the Beneficial Owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.
(4) Not withstanding anything contained in the Act and Articles 37 and 38 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

SHARE WARRANTS

82. Power to issue share warrants

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

83. Deposit of share warrants

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and

exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant.

The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

84. Privileges and disabilities of the holders of share warrant

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

85. Issue of new share warrant coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

BORROWING POWERS

90. Power to borrow

Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

91. Issue of discount etc. or with special privileges

Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

92. Securing payment or repayment of moneys borrowed.

The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director,

Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

93. Bonds, Debentures etc. to be under the control of the Directors

Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

94. Mortgage of uncalled capital

If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

95. Indemnity may be given

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETINGS OF MEMBERS

96. Annual General Meeting

(a) The Company shall, in each year, hold, in addition to any other meetings, a General Meeting as its Annual General meeting, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next and the Annual General Meeting shall be held within six months of the expiry of its financial year.

Provided that if the Registrar shall have, for any special reason, extended the time within which any Annual General Meeting shall be held, by a period not exceeding three month, then such Annual General Meeting may be held within such extended period.

(b) Every Annual General Meeting shall be called at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which the Registered office is situated.

(c) The Statutory Meeting of the Company shall be held at such place and at such time (not less than one month nor more than six months from the date at which the Company is entitled to commence business) as the Directors may determine and in connection therewith, the Directors shall comply with the provisions of Section 165 of the Act.

97. Distinction between AGM & EGM

All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

98. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be -

(a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

99. Extra-Ordinary General Meeting by Board and by requisition

(a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of

100. When a Director or any two Members may call an Extra Ordinary General Meeting

(b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

101. Contents of requisition, and number of requisitionists required and the conduct of Meeting

(1) In case of requisition the following provisions shall have effect:
(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.
(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.
(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.
(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:
(i) By the requisitionists themselves ; or
(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less.

PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:
(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but

(b) shall not be held after the expiration of three months from the date of deposit of the requisition.

PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

102. Length of notice of General Meeting

(a) A General Meeting of the Company, Annual or Extraordinary and by whomsoever called, may be called by giving not less than 21 days clear notice in writing.

(b) A General Meeting may be called by giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto (a) in the case of an Annual General Meeting by all the members entitled to vote thereto and (b) in case of any other general meeting, by members of the Company holding not less than ninety-five per cent of the total voting power exercisable at that meeting.

PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former resolution and not in respect of the latter.

103. Meeting not to transact business not mentioned in notice

No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.

104. Chairman of General Meeting

At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

105. Quorum for General Meeting

For all purposes the quorum at a general meeting shall be five members personally present. 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.

106. Business confined to election of Chairman whilst chair is vacant

(a) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.

(b) No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.

107. Chairman with consent may adjourn meeting

The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

108. Chairman's casting vote

In the case of an equality of votes the Chairman shall both on a show of hands and on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a Member.

109. In what case poll taken without adjournment

Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.

110. Questions at general meetings, how decided

At any general meeting a resolution including a special resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of a show of hands) demanded :

(a) by the Chairman; or
(b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
(c) by any member or members present in person or by proxy and holding shares in the company on which an aggregate sum of not less than Rupees fifty thousand has been paid up.

111. A declaration by the Chairman that in pursuance of voting on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and any entry to that effect in the books containing the minutes of the proceedings of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favor or against such resolution.

112. Demand for poll not to prevent transaction of other business

The demand for a poll except on the question 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.

VOTES OF MEMBERS

113. Members in arrears not to vote

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 or be reckoned in a quorum in

respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.

114. Number of votes each member entitled

Subject to the provision 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 to 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 right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

115. Casting of votes by a member entitled to more than one vote

On a poll taken at a meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

116. Vote of member of unsound mind and of minor

If any Member is lunatic, minor, unsound mind or, idiot, the vote in respect of his/ her shares shall be cast by his/her legal guardian(s) may vote whether on a show of hands or on a poll vote by proxy, provided that such evidence of the authority of the person claiming to vote as shall be accepted by the Directors shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

117. Postal Ballot

Notwithstanding anything contained in the provisions of the Companies Act, 1956, and the Rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

118. Votes of joint members

If there are joint holders of any shares, any one of such persons may vote at any meeting or appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and if more than one of the said persons remain present than the person 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 share stands shall for the purpose of these Articles be deemed joints holders thereof.

119. Votes may be given by proxy or by representative

Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Article 104.

120. Representation of a body corporate.

A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 187 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.

121. Members paying money in advance

(a) A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys paid until the same would, but for this payment, become presently payable.

b) **Members not prohibited if share not held for any specified period**
A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period proceeding the date on which the vote was taken.

122. Votes in respect of shares of deceased or insolvent members

Any person entitled under Article 65 (transmission clause) 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 at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote provided he shall satisfy the Directors of his right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

123. No votes by proxy on show of hands

No Member personally present shall be entitled to vote on a show of hands unless such member is present by attorney or is a corporation present by proxy or a company present by a representative duly Authorised under the provisions of the Act in which case such attorney, proxy or representative may vote on a show of hands as if he were a Member of the Company. In the case of a company the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such company and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.

124. Appointment of a proxy

Any member of the Company entitled to attend and vote at a Meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll, instead of himself PROVIDED ALWAYS THAT a proxy so appointed shall not have any right whatsoever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a member entitled to attend and vote is entitled to one or more proxies.

125. Form of proxy

Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any one of the forms set out in Schedule IX of the Act, or if the appointer is a body corporate be under its seal or be signed by any Officer or attorney duly Authorised by it.

126. Validity of votes given by proxy notwithstanding death of a member

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy 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.

127. Inspection of proxies

Every member entitled to vote at a Meeting of the Company according to the provisions of these Articles on any resolution to be moved thereof shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the Meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days notice in writing of the intention to inspect is given to the Company.

128. Time for objections to votes

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.

129. Chairman of the Meeting to be the judge of validity of any vote

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 time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.

130. Resolutions requiring special notice

(1) Whereby any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.
(2) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

(3) The following resolution shall require special notice :
(a) resolution under Section 225 of the Act at an Annual General Meeting for appointing a person as Auditor other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.

(b) resolution under Section 284 of the Act removing a Director before the expiry of his period of office.

(b) resolution under Section 284 of the Act appointing a Director in place of the Directors so removed

DIRECTORS

140. Sitting Fees

(a) Until otherwise determined by the Company in General Meeting, each Director other than the Managing/Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.

Remuneration of Directors

(b) The remuneration of a Director for his service shall be such sum as may be determined by the Board of Directors but not exceeding such sum as may be prescribed by the Act or Central Government and/or the listing agreement with Stock Exchange. The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided amongst the Directors equally.

(c) Subject to the provisions of the Act, a Director who is neither in the wholetime employment of the Company nor a Managing Director, may be paid remuneration either;
(i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
(ii) by way of commission if the Company by a special resolution authorises such payment.

141. Travelling expenses incurred by Director on Company's business.

The Board of Directors may subject to the limitations provided in the Act allow and pay to any Director who attends a meeting at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider fair, compensation for travelling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.

143. Directors may act notwithstanding any vacancy.

The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number falls below the minimum number fixed by Article 131 hereof the continuing Directors may act for the purpose of increasing the number of Directors to that minimum number, or for summoning a General Meeting of the Company or in emergencies but no other purpose.

146. Loans to Directors

The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 295 and other applicable provisions, if any, of the Act.

148. Board resolution necessary for certain contracts

(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company.
(a) For the sale, purchase or supply of goods, materials or services; or

(b) for underwriting the subscription of any Share in or debentures of the Company;
(c) nothing contained in clause (a) of sub-clause (1) shall affect:-
(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or

(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other 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, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;

(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.

(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.

(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.

(5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.

150. Directors of interest

(1) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract 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.

152. **Disqualification of the Director**

A person shall not be capable of being appointed Director of the Company if:-

(a) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;
(b) he is an undischarged insolvent;
(c) he has applied to be adjudged an insolvent and his application is pending;
(d) he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed form the date of expiry of the sentence;
(e) he has not paid any call in respect of Shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call; or
(f) an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

154. Removal of Directors

(1) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.

(2) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article; the Company shall forthwith send a copy; thereof to the Director concerned and the Director (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.

(4) where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:

(a) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and

(b) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent(before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were received too late\ or because of the Company's default the Director may (without prejudice to his right to be heard orally) require that the representation shall be read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 157 or Section 262 of the Act be filled by the: appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 167 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 157 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly.

(7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(8) Nothing contained in this Article shall be taken:-

(a) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or

(b) as derogating from any power to remove a Director which may exist apart from this Article.

155. Interested Directors not to participate or vote in Board's proceedings

No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings entered into or to be 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, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-

(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;
(i) in his being:
(a) a director of such company; and
(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or
(ii) in his being a member holding not more than two percent of its paid-up share capital.

RETIREMENT AND ROTATION OF DIRECTORS

165. Retirement by Rotation

(a) Not less than two-third of the total number of directors of the Company shall be person whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles, be appointed by the Company, in General Meeting.

(b) The remaining Directors shall be appointed in accordance with the provisions of the Articles.

(c) The Permanent Directors or Permanent Director if any shall not be liable to retirement by rotation from office of Directors nor shall they or he or she be counted in the number of retiring Directors or retiring Director so long as they or he or she shall fill the office of Permanent Director.

166. Directors to retire annually how determined

At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office.

167. Ascertainment of Directors retiring by rotation

Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the meeting at which the re-appointment is decided or his successor is appointed.

174. Directors etc. not to hold office or place of profit

The provisions of Section 314 of the Act shall be complied with when applicable in regard to holding of office or place of profit under the Company or under any subsidiary of the Company by any person mentioned in the said section. The words 'office' or 'place of profit' shall have the meaning assigned to them by Section 314 of the Act.

176. Powers to be exercised by Board only at Board meetings

(1) The Board shall exercise the following powers on behalf of the Company and it shall do so only by means of resolution passed at the meetings of the Board of Directors :
(a) the power to make calls on members in respect of money unpaid on their shares;

(b) the power to issue debentures;

(c) the power to borrow moneys otherwise than on debentures;

(d) the power to invest the funds of the Company.

(e) the power to make loans.

Provided that the Board may, by resolution passed at a meeting, delegate to any Committee of Directors or the Managing Director, or the Secretary, or any principal officer of the Company or of any of its branch offices the powers specified to in (c), (d) and (e) of this sub-clause to the extent specified below on such conditions as the Board may prescribe. Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount outstanding at any one time upto which moneys may be borrowed by the delegatee. Provided, however, that where the Company has an arrangement with its bankers for the borrowing of money by way of overdraft, cash credit or otherwise, the actual day-to-day operation of the overdraft, cash credit or the accounts by means of which the arrangement made is availed of shall not require sanction of Board.

(2) Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amounts upto which the funds may be invested and the nature of the investments which may be made by the delegates.

(3) Every resolution delegating the power referred to in sub-clause (1) (e) shall specify the total amount upto which loans may be made by the delegates, the purpose for which the loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

(4) Nothing contained in this Article shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board and any of the powers referred to in (a), (b), (c) and (d) of clause (1) above.

187. Division of Profits

(1) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(2) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of 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.

189. Dividend out of profits only.

(1) No Dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of sub-clause (2) or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both or out of moneys provided by the Central Government or State Government for the payment of dividend in pursuance of a Guarantee given by the Government and except after the transfer to the reserves of the Company of such percentage out of the profits for that year not exceeding ten per cent as may be prescribed or voluntarily such higher percentage in accordance with the rules as may be made by the Central Government in that behalf.

190. Interim Dividend.

The Board of Directors may from time to time, pay to the members such interim dividends as in their judgment the position of the Company justifies.

192. Capital paid up in advance at interest not to earn dividend.

Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

193. Dividends in proportion to amount paid-up.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.

197. Dividend to joint holders.

Any one of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such share.

202. Unclaimed amounts as per Section 205C.

All amounts due as provided in Section 205C of the Companies Act, 1956, which remains unpaid or unclaimed for a period of seven years from the date of transfer to the prescribed accounts provided in the Act shall be transferred by the Company to the general revenue account of the Central Government. Any claims to any money so transferred to the general account may be preferred to the Central Government by the shareholders to whom the money is due.

203. No interest on Dividends.

No unclaimed dividend shall be forfeited and no unpaid dividend shall bear interest as against the Company.

CAPITALIZATION

205. Capitalization.

(1) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(2) The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:

(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

(3) A Securities Premium Account, Share Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.
(4) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

MINUTES

207. Minutes to be considered evidence.

(1) The Company shall cause minutes of all proceeding of General Meetings and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board 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 each meeting in such books shall be dated and signed;
(a) in the case of minutes of proceedings of a meeting of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting; and
(b) in case of minutes of proceedings of the General Meeting, by the Chairman of the said meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period by a Director duly authorized 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 of the meetings aforesaid shall be included in the minutes of the meeting.
(6) in the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall contain -
(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 Clauses (1) to (6) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting;
(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 interests of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

ACCOUNTS & AUDIT

211. Books to be kept by the Company.

(1) The company shall keep at its head office proper Books of Account with respect to :
(a) all sums of money received or expended by the Company and the matters in respect of which the receipt and expenditure take place.
(b) all sales and purchases of goods by the Company.
(c) the assets and liabilities of the Company.
(d) such particulars relating to utilisation of material or labour or other items of cost as may be prescribed by Section 209(1)(d) of the Act.

All or any of the books of account aforesaid may be kept at such other place In India as the Board of Director may decide and when the Board of Directors so decides the Company shall, within 7 days of the decision, file with the Registrar a notice in writing giving the full address of that other place.

(2) Where the Company has a branch office, whether in or outside India, the company shall be deemed to have complied with the provisions of clause (1) If proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarised returns are made upto dates at intervals of not more than three months are sent by the branch office to the Company at Its Registered Office or other place referred to in clause (1).
(3) The books of account and other books and papers shall be open to inspection by any Director during business hours.
(4) The books of account relating to a period of not less than eight years immediately preceding the current year together with the vouchers relating to any entry in such books of account shall be preserved in good order.

REGISTERS AND DOCUMENTS

224. Registers Books and Documents to be kept by the Company.

The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following:
(1) Register of Investment made by the Company but not held in its own name, as required by Section 49(7) of the Act and shall keep it open for inspection by any member or debenture holder of the Company without charge.
(2) Register of Mortgages and Charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 134 of the Act and shall keep open for inspection of any creditor or member of the Company without fee and for inspection by any person on payment of a fee of such sum as may be prescribed by Central Government.
(3) Register and Index of Members as required by Sections 150 and 151 of the Act and shall keep the same open for inspection of any member or debenture holder without fee and of any other person on payment of such sum as may be prescribed by Central Government.
(4) Register and Index of Debenture Holders under Section 152 of the Act and keep it open for inspection by any member or debenture holder without fee and by any other person on payment of such sum as may be prescribed by Central Government.

(5) Foreign Register if thought fit as required by Section 157 of the Act and it shall be open for inspection and may be closed and extracts may be taken there from and copies thereof as may be required, in the manner mutatis mutandis, as is applicable to the Principal Register.
(6) Register of Contracts, and Companies and firms in which Directors are interested, as required, by Section 301 of the Act and shall keep it open for inspection of any member free of charge.
(7) Register of Directors, and Secretary etc., as required by Section 303 of the Act and shall keep it open for inspection by any member of the Company without charge and of any other person on payment of a fee of Rupee one for each inspection.
(8) Register as to Holdings by Directors of shares and/or debentures in the Company as required by Section 307 of the Act and shall keep it open for inspection by any member or debenture holder of the Company on any working day during the period beginning fourteen days before the date of the Company's Annual General Meeting and ending three days after the date of its conclusion.
(9) Register of Loans and Investments made by the Company in shares and debentures of the bodies corporate as required by Section 372A of the Act.

WINDING UP

225. Distribution of Assets

If the Company is to be wound up and the assets available for distribution among the Members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the Members are

more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the. Members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

INDEMNITY

228. Directors' and others right to indemnity.

Subject to provisions of Section 201 of the Act, every Director, or Officer or Servant of the Company or any person (whether an Officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors to pay, out of the funds of the Company, all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Officer or Auditor or other officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favor, or in which he is acquitted or in connection with any application under Section 633 of the Act on which relief is granted to him by the Court.

SECRECY

231. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the company shall, if so required by the Directors, before entering upon his duties, sign a declaration pleading himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matter which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

SECTION IX: OTHER INFORMATION

LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this DRHP), which are or may be deemed material to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this DRHP and have been delivered to the Stock Exchanges and may be inspected at the Registered Office of the Company situated at Plot No.1, Survey Gut No. 194 (Part of Village), Nehroli, Taluka Wada, Dist. Thane, Maharashtra, India – 421 312 between 9:30 am to 5:30 pm on any Working Days from the date of this DRHP until the date of closure of the subscription List.

MATERIAL CONTRACTS

1. Engagement Letter 9th September, 2011 appointing Comfort Securities Limited as Book Running Lead Managers to the Issue.

2. Memorandum of Understanding dated 2nd March, 2012 between our Company and the BRLM.

3. Memorandum of Understanding dated 20th December, 2010 entered into with Sharepro Services (India) Private Limited appointing them as the Registrar to the Issue.

4. Copy of tripartite agreement dated 3rd November, 2011 between NSDL, our Company and Sharepro Services (India) Private Limited.

5. Copy of tripartite agreement dated 18th November, 2011 between CDSL, our Company and Sharepro Services (India) Private Limited.

6. Escrow Agreement dated [•] between our Company, BRLM, Escrow Collection Bank and the Registrar to the issue.

7. Syndicate Agreement dated [•] between our Company, BRLM, and the Syndicate Members.

8. Underwriting Agreement dated [▪] between our Company, BRLM, and the Syndicate Members.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of incorporation dated 26th November, 1999.

3. Fresh certificate of incorporation consequent upon change of name from Harisons Steel Private Limited to Harisons Steel Limited dated 6th April, 2011.

4. Copy of the resolution passed at the meeting of the Board of Directors held on 14th November, 2011 approving the issue.

5. Copy of the resolution passed by the shareholders of our Company under section 81 (1A) at the Extra Ordinary General Meeting held on 19th December, 2011.

6. Copy of board resolution dated 22nd April, 2011 appointing Mr. Daulat Hariram Fulwadhya as the Managing Director and Mr. Ashok Hariram Fulwadhya as the Whole Time Director of our Company for a period of three years w.e.f. 1st April, 2011 and approving their remuneration and terms.

7. Copy of shareholders' resolution dated 10th May, 2011 confirming appointment of Mr. Daulat Hariram Fulwadhya as the Managing Director and Mr. Ashok Hariram Fulwadhya as the Whole Time Director of our Company for a period of three years w.e.f. 1st April, 2011 and approving their remuneration and terms.

8. Consents of the Directors, Company Secretary/Compliance Officer, Statutory Auditor, Book Running Lead Manager to the Issue, Banker to the Company, Legal Advisor to the Issue, IPO grading agency and Registrar to the Issue, to include their names in the Draft Red Herring Prospectus to act in their respective capacities.

9. Copies of Annual Reports of our Company for the last five (5) financial years viz 2006-07, 2007-08, 2008-09, 2009-10 and 2010-11.

10. Audit report issued by our Statutory Auditors i.e. M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, dated 5th March, 2012 included in the Draft Red Herring Prospectus and copies of Balance Sheet referred to in the said report.

11. Letter dated 5th March, 2012 from the Statutory Auditors of our Company, M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, detailing the tax benefits.

12. Copy of certificate from the Statutory Auditors of our Company, M/s. Rajesh Ramesh Shah & Co., Chartered Accountants, dated 5th March, 2012 regarding the sources and deployment of funds as on 31st January, 2012.

13. Board Resolution dated 7th March, 2012 for approval of Draft Red Herring Prospectus.

14. Resolution passed by the IPO Committee dated 7th March, 2012 for approval of the Draft Red Herring Prospectus.

15. Due diligence certificate dated 7th March, 2012 to SEBI from Book Running Lead Manager viz. Comfort Securities Limited.

16. Copy of in-principle listing approval dated [•] from BSE.

17. Copy of in-principle listing approval dated [•] from NSE.

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 our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

All the 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, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations issued or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Mr. Daulat Hariram Fulwadhya

Mr. Ashok Hariram Fulwadhya

Mr. Deepesh Lalitchandra Mehta

Ms. Swati Hemraj Gosher

Mr. Lalitchandra Jayantilal Mehta

SIGNED BY FINANCE CONTROLLER

Mr. Vinay Sharma

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Anubhuti Shukla

Date: 07/03/2012
Place: Mumbai