



Bharatiya Global Infomedia Limited

(Our Company was originally incorporated as Bhartiya Global Financial & Allied Services Limited vide Certificate of Incorporation dated November 24, 1994 issued by the Registrar of Companies, NCT of Delhi & Haryana under the provisions of the Companies Act, 1956 and obtained Certificate for Commencement of Business on January 18, 1995. The name of the Company was changed to Bhartiya Global Software Fintec Limited vide fresh incorporation certificate dated May 3, 1999 issued by the Registrar of Companies, NCT of Delhi & Haryana. The Company further changed its name to Bhartiya Global Software Limited vide fresh incorporation certificate dated June 27, 2001 issued by the Registrar of Companies, NCT of Delhi & Haryana and finally changed its name to Bharatiya Global Infomedia Limited vide fresh Certificate of Incorporation dated November 13, 2003 issued by the Registrar of Companies, NCT of Delhi & Haryana.)

Registered Office: 623, 6th Floor, Devika Tower, 6, Nehru Place, New Delhi- 110 019 **Tel.:** +91-11- 40765562; **Fax:** +91-11- 41377519;

(For details of change in our Registered Office, please refer to page no. 8 of this Red Herring Prospectus)

Corporate Office: B-60, Sector-57, Noida-201301 (Uttar Pradesh), **Tel.:** +91-120-4227792, **Fax:** +91-120-4227791, **Website:** www.bgilinfo.com

Company Secretary and Compliance Officer: Mr. Kumar Pushkar; **Email:** kumar.pushkar@bgilinfo.com

Name of Promoters : Mr. Rakesh Bhatia and Mrs. Arti Bhatia

PUBLIC ISSUE OF 67,20,000 EQUITY SHARES OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING ₹ [●] LAKHS (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE 42.42% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

PRICE BAND: ₹ 75 TO ₹ 82 PER EQUITY SHARE OF FACE VALUE OF ₹ 10/- EACH

THE ISSUE PRICE IS 7.5 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 8.2 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

In case of revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional working days after such revision, subject to the Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, by issuing a press release and by indicating the change on the websites of the Book Running Lead Manager ("BRLM") and the terminals of the members of the Syndicate.

RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of the Equity Shares of Bharatiya Global Infomedia Limited ("our Company"), there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares of the Company is ₹ 10/- per share and the Floor Price is 7.5 times of the face value and the Cap Price is 8.2 times of the face value of the Equity Shares of the Company.** The Issue Price (has been determined and justified by the Book Running Lead Manager and our Company as stated herein under the paragraph 'Basis of Issue Price') should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and 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 Red Herring Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page iii of this Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue, that the information contained in this 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 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 Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The in-principle approvals of BSE and NSE for listing of Equity Shares of our Company have been received pursuant to letters dated December 21, 2010 and January 27, 2011 respectively. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

GRADING

This Issue has been graded by CARE. CARE has assigned "CARE IPO GRADE 2", indicating below average fundamentals to the Initial Public Offering of our Company. For more information on IPO Grading, please refer to the section titled "General Information" beginning on page no. 12 of this Red Herring Prospectus.

BOOK RUNNING LEAD MANAGER

almondz
the financial powerhouse

ALMONDZ GLOBAL SECURITIES LIMITED

3 Scindia House,
Janpath, New Delhi - 110001
Tel: +91-11-41514666-69 **Fax:** +91-11-41514665

Website: www.almondzglobal.com

Email: bgil_ipo@almondz.com

Investor Grievance: complaint@almondz.com

Contact Person: Mr. Puneet Arora/Mr. Deepak Madaan

SEBI Registration No: INM000000834

REGISTRAR TO THE ISSUE

KARVY
Karvy Computershare Private Limited

KARVY COMPUTERSHARE PRIVATE LIMITED

Plot No. 17-24, Vithalrao Nagar Madhapur,
Hyderabad-500 086, Andhra Pradesh

Tel: +91 40 23420815-820

Fax: +91 40 23420814

Email: bgil_ipo@karvy.com

Website: www.karvy.com

Contact Person: Mr. Murali Krishna

SEBI Registration Number: INR 000000221

BID/ISSUE PROGRAMME

BID/ISSUE OPENS ON : MONDAY, JULY 11, 2011

BID/ISSUE CLOSES ON : THURSDAY, JULY 14, 2011

TABLE OF CONTENTS

	Page no.
Section I: General: Definitions and Abbreviations	
Company related terms	a
Issue related terms / abbreviations	b
Abbreviations / General / Conventional terms	g
Technical and industry related terms	h
Section II: Risk Factors	
Certain Conventions; Use of Financial Information and Market Data	i
Forward Looking Statements	ii
Risk Factors	iii
Section III: Introduction	
Summary	1
Summary of Financial Data	5
The Issue	7
General Information	8
Capital Structure	17
Objects of the Issue	29
Basic Terms of the Issue	40
Basis for the Issue Price	43
Statement of Tax Benefits	45
Section IV: About the Company	
Industry Overview	55
Our Business	60
Our Financial Indebtedness	74
Regulations and Policies	78
History and Certain Corporate Matters	81
Our Management	87
Our Promoters	99
Our Promoter Group	101
Related Party Transactions	114
Dividend Policy	115
Section V: Financial Information of the Company	
Auditors Report	116
Management's Discussion and Analysis of Financial Condition and Results of Operations	135
Section VI: Legal and Other Information	
Outstanding Litigations and Material Developments	145
Government Approvals/ Licensing Arrangements	150
Section VII: Other Regulatory and Statutory Disclosures	152
Section VIII: Issue Related Information	
Terms of the Issue	163
Issue Procedure	166
Section IX: Main Provisions of Articles of Association of the Company	208
Section X: Other Information	
Material Contracts and Documents for Inspection	242
Declaration	244
Annexure	245

SECTION I: GENERAL- DEFINITIONS AND ABBREVIATIONS

Definitions and abbreviations of certain capitalised terms used in this Red Herring Prospectus are set forth below:

Company Related Terms

Term	Description
“Bharatiya Global Infomedia Limited” or “Issuer” or “the Company” , “Our Company”	Bharatiya Global Infomedia Limited, a public limited company incorporated under the Companies Act, 1956 with registered office at 623, 6 th Floor, Devika Tower, 6, Nehru Place, New Delhi- 110 019, India
“We” or “us” or “our”	Unless the context otherwise requires, refers to Bharatiya Global Infomedia Limited
Articles/ Articles of Association	The Articles of Association of Bharatiya Global Infomedia Limited, as amended.
Auditors	The statutory auditors of Bharatiya Global Infomedia Limited viz. M/s SNMG & Co., Chartered Accountants.
BGFT	BGIL Films & Technologies Limited
Board of Directors/ Board	The Board of Directors of Bharatiya Global Infomedia Limited
Branch Office	8 th Floor, Heritage Plaza, Opposite Indian Oil Nagar, J.P.Road, Andheri (West), Mumbai - 400053
Companies Act	The Companies Act, 1956, as amended
Corporate Office	B-60, Sector-57, Noida-201301, Uttar Pradesh, India
Depositories Act	The Depositories Act, 1996, as amended
Director(s)	The Director(s) of Bharatiya Global Infomedia Limited, unless otherwise specified.
Equity Shares	Equity Shares of the Company of face value of ₹ 10 each unless otherwise specified in the context thereof
GIR Number	General Index Registry Number
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India.
CARE	Credit Analysis & Research Limited
MOA/Memorandum/ Memorandum of Association	Memorandum of Association of Bharatiya Global Infomedia Limited as amended
Non Residents	Persons resident outside India, as defined under FEMA
NRIs/ Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Deposit) Regulations, 2000.
Promoters	Mr. Rakesh Bhhatia and Mrs. Arti Bhatia

Promoter Group	The persons constituting our Promoter Group pursuant to Regulation 2(1)(zb) of SEBI (ICDR) Regulations
Promoter Group Entities	BGIL Films & Technologies Limited, Kriti Communications Private Limited, Grindlay Finman Private Limited, Number One Fininvest Private Limited and Number One Finsec Private Limited, Bhhatia Investment & Finance Private Limited and Rakesh Bhhatia HUF.
Registered Office	The registered office of the Company located at 623, 6 th Floor, Devika Tower, 6, Nehru Place, New Delhi- 110 019, India
ROC/Registrar of Companies	The Registrar of Companies, NCT of Delhi and Haryana located at 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi 110 019, India
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchanges	Bombay Stock Exchange Limited and National Stock Exchange of India Limited

Issue Related Terms / Abbreviations

Term	Description
Almondz	Almondz Global Securities Limited
Allot/Allotment/Allocation	Issue of Equity Shares pursuant to the Issue to the successful Bidders as the context requires.
Allottee	The successful bidder to whom the Equity Shares are being / have been issued.
Applications Supported by Blocked Amount / ASBA	The application (whether physical or electronic) for subscribing to this Issue alongwith an authorization to SCSB to block the Bid Amount in their specified bank account
ASBA Bidders / ASBA Investors	means any Investor/ Bidder, who intends to apply through ASBA process
ASBA Form / Bid-cum-ASBA Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus
ASBA Process	The ASBA process, as detailed in the section titled "Issue Procedure" beginning on page no. 166 of this Red Herring Prospectus.
ASBA Revision Form	The forms used by the ASBA Bidders to modify the quantity of equity shares or bid price in any of their Bid-cum-ASBA Forms or any previous Revision Form(s).
Banker(s) / Escrow	Axis Bank Limited, Dhanlaxmi Bank Limited and HDFC Bank Limited

Bankers to the Issue	
Bid	An indication to make an offer during the Bidding Period by a prospective investor to subscribe to or purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by any Investor/Bidder, to subscribe to the Equity Shares of our Company.
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid-cum-Application Form / Bid Form	The form used by the Bidder (including the format of such application form used by the ASBA Bidder, whether physical or electronic) to make a Bid and which will be considered as the application for allotment for the purposes of the Red Herring Prospectus.
Bid Closing Date / Issue Closing Date	The date after which the Syndicate Members and SCSBs will not accept any Bids for the Issue, which shall be notified in an English National Newspaper and a Hindi National Newspaper with wide circulation
Bid Opening Date / Issue Opening Date	The date on which the Syndicate Members and SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English National Newspaper and a Hindi National Newspaper with wide circulation.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form or ASBA Form as the case may be.
Bidding Period/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders may submit their Bids.
Book Building Process	The book building process as described in Schedule XI of the SEBI (ICDR) Regulations and in terms of which this Issue is made.
BRLM / Book Running Lead Manager	The Book Running Lead Manager to the Issue, in this case being Almondz Global Securities Limited
CAN/Confirmation of Allocation Note	The note or advice or intimation including any revisions thereof, sent to each successful Bidder indicating the Equity Shares allocated after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The upper end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted
CARE	Credit Analysis and Research Limited
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/pmd/scsb-asba.html
Cut-off Price	The Issue Price finalized by our Company in consultation with the BRLM and it shall be any price within the price band. Only Retail Individual Bidders are entitled to bid at Cut-off Price, for a Bid Amount not exceeding ₹ 2,00,000. Qualified Institutional Buyers and Non-Institutional Bidders are not entitled to bid at Cut-off Price.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996 as amended from time to time
Depository Act	The Depositories Act, 1996 as amended from time to time

Depository Participant or DP	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid-cum-Application Forms used by ASBA Bidders and a list of which is available at http://sebi.gov.in/pmd/scsb-asba.html
Designated Date	The date on which the Escrow Collection Banks transfer the funds from the Escrow Account to the Public Issue Account or the amount blocked by the SCSBs is transferred from the bank account of the ASBA Bidders to the ASBA Public Issue Account, as the case may be, after the Prospectus is filed with the ROC, and following which the Board of Directors shall Allot Equity Shares to successful Bidders.
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus / DRHP	The Draft Red Herring Prospectus filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations.
Electronic ASBA	Submission of Bid-cum-ASBA Form electronically, by an ASBA Investor, through the internet banking facility offered by the SCSBs.
Equity Shares	Equity Shares of the Company of face value of ₹ 10/- each, unless otherwise specified in the context thereof.
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding the ASBA Bidder) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement entered into amongst our Company, the Registrar, the Escrow Collection Bank(s), the BRLM, and the Syndicate Members for collection of the Bid Amounts and for remitting refunds (if any) 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 the Escrow Account will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the Bid-cum ASBA Form
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no Bids will be accepted
IPO	Initial Public Offering
Issue / Public Issue	Public Issue of 67,20,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ [●] per equity share, aggregating ₹ [●] lakhs. The Issue would constitute 42.42% of the fully diluted post issue paid-up capital of our Company.
Issue Account / Public Issue Account	Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account and from the SCSBs from the bank accounts of the Bidders on the Designated Date
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.
Issue Proceeds	Gross proceeds to be raised by our Company through this Issue.
Members of the	The BRLM and the Syndicate Members

Syndicate	
Mutual Funds	Mutual funds registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	1,68,000 Equity Shares or 5% of the QIB Portion, available for allocation to Mutual Funds out of the QIB Portion
Net Proceeds	Issue proceeds less issue expenses
Non Institutional Bidders	All Bidders that are not eligible Qualified Institutional Buyers for this Issue, including affiliates of BRLM and Syndicate Members, or Retail Individual Bidders and who have bid for an amount more than ₹ 2,00,000.
Non Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of 10,08,000 Equity Shares, available for allocation to Non-Institutional Bidders.
Physical ASBA	ASBA Forms submitted by an ASBA Investor physically with the designated branches of the SCSBs.
Price Band	Being the price band of a minimum price of ₹ 75 per Equity Share (Floor Price) and the maximum price of ₹ 82 per Equity Share (Cap Price) (both inclusive), and including revision thereof.
Pricing Date	Means the date on which the Company, in consultation with the BRLM, finalizes the Issue Price.
Prospectus	The Prospectus, filed with the ROC containing, <i>inter-alia</i> , the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Qualified Institutional Buyers/QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Foreign Institutional Investors and sub account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Scheduled Commercial Banks, Mutual Funds registered with SEBI, Venture Capital Funds registered with SEBI, Foreign venture capital funds registered with SEBI, Multilateral and bilateral development financial institutions, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority, Provident Funds with minimum corpus of ₹ 2500 lakhs, Pension Funds with minimum corpus of ₹ 2500 lakhs, 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, and Insurance funds set up and managed by army, navy or air force of the Union of India.
QIB Portion	Not more than 50% of the Issue being 33,60,000 Equity Shares of ₹ 10/- each available for allocation to QIB bidders.
RHP or Red Herring Prospectus	Means the 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 size of 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.
Refund Account	Account opened with an Escrow Collection Bank from which the refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made.
Refund Bank	The Banker(s) to the Issue, with whom the Refund Account(s) will be opened,

	in this case being Axis Bank Limited
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable.
Registrar/Registrar to this Issue	Registrar to the Issue, in this case being Karvy Computershare Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs and NRIs) who have made their bid for Equity Shares for a cumulative amount of not more than ₹ 2,00,000.
Retail Portion	The portion of the Issue being not less than 35% of the Issue Size consisting of 23,52,000 Equity Shares of ₹ 10 each, available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders excluding the ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of the Bid options as per their Bid-cum-Application Form and as modified by their subsequent Revision Form(s), if any.
SCSBs or Self Certified Syndicate Banks	SCSB is a bank, registered under the SEBI (Bankers to the Issue) Regulations 1996, which offers the facility of applying through the ASBA process and has its name included in the SEBI's list of SCSBs displayed on its website at www.sebi.gov.in/pmd/scsb-asba.html . Bid-cum-ASBA forms can be accepted only by SCSBs.
SCSB Agreement	The deemed agreement between the SCSBs, the BRLM, the Registrars to the Issue and our Company, in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the Public Issue Account.
Sub-Syndicate Member(s)	A SEBI Registered member of BSE and/or NSE appointed by the BRLM and/or the Syndicate Member to act as Sub-Syndicate Member in the Issue
Syndicate ASBA	A bid submitted by an ASBA Bidder through the members of the syndicate/sub-syndicate instead of the Designated branches
Syndicate ASBA Centres	Centres established by the Escrow Collection Banks at Mumbai, Chennai, Kolkatta, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat, and such other centres as may be prescribed by SEBI from time to time, wherein pursuant to the SEBI Circular dated April 29, 2011, bearing no. CIR/CFD/DIR/1/2011, ASBA Bidders are permitted to submit their bids to the Syndicate/sub-Syndicate members.
Syndicate Agreement	Agreement to be entered into among our Company and Syndicate Member(s) in relation to the collection of Bids in the Issue (excluding Bids from the ASBA Bidders)
Syndicate Member(s)	Almondz Global Securities Limited
Transaction Registration Slip/TRS	The slip or document registering the Bids, issued by the Syndicate Members to the Bidder as proof of registration of the Bid on submission of the Bid cum Application Form in terms of the Red Herring Prospectus
Underwriters	Members of the Syndicate
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date

Abbreviations / General / Conventional Terms

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AY	Assessment Year
BPLR	Bank Prime Lending Rate
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DB	Designated Branch
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earning Per Share
FTP	Foreign Trade Policy
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIPB	Foreign Investment Promotion Board
FII	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
INR	Indian Rupee
IT	Information Technology
I.T. Act	Income Tax Act, 1961, as amended from time to time

MOU/MoU	Memorandum of Understanding
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
NA	Not Applicable
NAV	Net Asset Value
NCT	National Capital Region
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
P/E Ratio	Price/Earnings Ratio
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Rs. or ₹	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
Sec.	Section
STT	Securities Transaction Tax
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF /Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

Technical/ Industry Related Terms

Terms	Description
3D	Three Dimensional
AMPTPP	Association of Motion Picture & T.V. Program
APAC	Asia Pacific
AVCC	Automatic Vehicle Counter Cum-Classifer
BFSI	Banking, Financial Services and Insurance

BMS	Building Management System
BPO	Business Process Outsourcing
BPM	Business Process Management
CCTV	Close Circuit Television
CD	Compact Disc
D.I.	Digital Intermediate
DPP	Digital Post Production
ERP	Enterprise Resource Planning
FCP	Final Cut Pro
GSM	Global System for Mobile
HVAC	Heating Ventilation & Airconditioning
ICT	Information and Communication Technology
ID	Identification
IMPPA	Indian Motion Picture Producers Association
IP	Internet Protocol
LED	Light Emitting Diode
M&E	Media & Entertainment
MLX	Multi Level Effects
NASSCOM	National Association of Software & Services Company
PC	Personal Computer
PGS	Parking Guidance System
PMS	Parking Management System
R&D	Research & Development
RFID	Radio Frequency Identification
SaaS	Software as a Service
SAN	Storage Area Network
SEZ	Special Economic Zone
SFX	Sound Special Effects
SOA	Service Oriented Architecture
SSL	Secured Socket Layer
STPI	Software Technology Park of India
TTFA	Tokenless Two Factor Authentication
UPS	Uninterrupted Power Supply
UVSS	Under Vehicle Surveillance System
VFX	Visual Effects
VMS	Visitor Management System
VPN	Virtual Private Network
WAN	Wide Area Network
WAP	Wireless Application Protocol

SECTION II: RISK FACTORS

CERTAIN CONVENTIONS; PRESENTATION OF FINANCIAL AND MARKET DATA

Unless stated otherwise, the financial information and data used in this Red Herring Prospectus is derived from our Company's restated financial statement as of FY 2010-11, FY 2009-10, FY 2008-09, FY 2007-08 and FY 2006-07 prepared in accordance with Indian GAAP and the Companies Act, 1956 and adjusted in accordance with SEBI (ICDR) Regulations, as stated in the report of Auditors, M/s K. Prasad & Co., Chartered Accountants, who was appointed as Auditor to reaudit the financial accounts for the period ended FY 2010-11 and FY 2009-10, in accordance with Regulation IX of Part A of Schedule VIII of SEBI (ICDR) Regulations, 2009 and included in this Red Herring Prospectus.

References herein to fiscal years i.e. fiscal 2011, 2010, 2009, 2008 and 2007 are to the financial years ended March 31 of the respective years.

Unless stated otherwise, throughout this Red Herring Prospectus, all figures have been expressed in lakhs. In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to the other gender. All references to "India" contained in this Red Herring Prospectus are to the Republic of India.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed may be due to rounding off.

For additional definitions, see the section titled 'Definitions and Abbreviations' beginning on page a of this Red Herring Prospectus. Market and industry data used throughout this Red Herring Prospectus has been obtained from industry publications and internal company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes market data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by our Company to be reliable, have not been verified by any independent source.

FORWARD-LOOKING STATEMENTS

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Regulatory changes relating to the industries in which we operate;
- Ability to successfully implement Company’s strategy, growth and expansion, technological changes, Company’s exposure to market risks that have an impact on its business activities or investments;
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations, taxes and changes in competition in industry;
- Changes in the value of the Rupee and other currencies;
- The occurrence of natural disasters or calamities;
- Changes in political condition in India.

For further discussion of factors that could cause actual results to differ, see the section titled “Risk Factors” and “Our Business” beginning on page no. iii and 60 of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Book Running Lead Manager nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchanges requirements, our Company, and Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risk and uncertainties described below, before making an investment in the Equity Shares. If any of the following risk actually occurs, our business, results of our operations and financial condition could suffer, the trading price of our equity shares could decline, and you may lose all or part of your investment. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose off the Equity Shares. The risks and risk factors set forth below are not an exhaustive list of the risks currently facing us or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on our business, financial condition and results of operations.

Investors are advised to read the risk factors carefully before taking an investment decision in this offering. Before making an investment decision, investors must rely on their own examination of the offer and us. The Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and in the section titled "Forward-Looking Statements" on page no. ii of this Red Herring Prospectus.

Unless specified or quantified in the relevant risk factors mentioned below, our Company is not in a position to ascertain the financial and other implication of any of the other risks mentioned below. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of the Company as of and for the Fiscals 2007, 2008, 2009, 2010 and 2011, in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

1. Some events may have material impact qualitatively instead of quantitatively.
2. Some events may not be material individually but may be found material collectively.
3. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. ***We, our Promoters and our Promoter Group Companies are involved in legal proceedings and any unfavorable outcome of the proceedings may adversely impact our business and financial conditions.***

We, our Promoters and our Promoter Group Companies are involved in legal proceedings and claims in relation to certain matters. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise against us including any rulings against us in respect of our Company, by appellate courts or tribunals, we may need to make provisions in our financial statements and/or our liabilities could increase to that extent.

The summary of the cases is as follows:-

Type	Total Number	Amount (₹ in Lakhs)	Nature of Case
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Litigation by our Company, our Promoter and Promoter Group Company			
Civil suit	1	270.00	Suit for permanent injunction under the provisions of Civil Procedure Code, 1908 filed our Company, our Promoters & others against Mr. Pramod Sharma & others (Defendants) for restraining them from disposing off, alienating, transferring, or creating third party interest in the shares of BGIL Films & Technologies Limited held by Promoter, Promoter Group and others (Plaintiffs). The parties have entered into compromise and the Hon'ble High Court has taken on record the settlement and disposed of the matter. As per the compromise, the payment of ₹ 270 lakhs was to be made within a period of six months. However, our Company, our Promoters and others are yet to make the payment. Since the payment has been delayed and in the absence of any written agreement, the Defendants have the right to transfer the shares and to sell them in the open market for recovery of the amount of ₹ 270 lakhs. In such an event, the shareholding of our Company in BGFT shall get reduced to such extent and Mr. Bhhatia shall cease to be a majority shareholder in BGFT. In case, the entire balance amount is not satisfied from the sale proceed of the shares, the Defendants shall also be entitled to recover the balance, from the Plaintiffs including the Company and the present agreement shall be deemed to be a decree for the balance amount and the Defendants shall be entitled to file execution petition against the Plaintiff after fourteen months from the date of filing the application.
Litigation by the Promoter			
Consumer case	1	30.00	Complaint under Consumer Protection Act, 1986 claiming compensation from Standard Chartered Bank for blocking of credit cards

We confirm that all litigations appearing under section "Outstanding Litigations and material developments", beginning on page no. 145 have been summarized above & Risk Factor number 2, appearing on page no. iv of the Red Herring Prospectus.

For details, please refer to the section titled "Outstanding Litigations and Material Developments" beginning on page no. 145 of the Red Herring Prospectus.

- Our Company has delayed payment of statutory dues of service tax and dues to lenders in respect of unsecured loans, which could adversely affect the financial conditions and business operations.*

Our Company had delayed payment of service tax for the last three financial years and the cumulative principle amount of service tax due was ₹ 96.22 lakhs as on September 30, 2010, which we have paid now in tranches till November 4, 2010. The total interest due on the delayed payment of service tax till November 4, 2010 amounted to ₹ 22.20 lakhs, which has also now been paid by our Company.

We have also delayed payment of dues towards other lenders from where we have obtained different secured & unsecured loans for use in our business. As on March 31, 2011, the unsecured loans amounted to ₹ 234.65 lakhs, which were 0.39 times the total indebtedness (secured & unsecured loans) and 0.07

times of the networth of our Company. Out of the total unsecured loans, an amount of ₹ 95.44 lakhs is taken from the related parties. As on March 31, 2011 our overdues towards secured and unsecured loans were ₹ 0.62 lakhs and ₹ 11.32 lakhs respectively. For details of unsecured loans, please refer to page no. 75 of this Red Herring Prospectus. We cannot assure that such delays in payment of dues towards lenders or any statutory dues or occurrence of any event of default may not occur in future, which could adversely affect the financial conditions and business operations.

3. *Our Company and the names of three of our Promoter Group Companies are appearing on www.watchoutinvestors.com in respect of rejection of application for certificate of registration as NBFC as on July 31, 2004.*

The names of our Company and three Promoter Group Companies viz. Number One Finsec Private Limited, Bhhatia Investments & Finance Private Limited and Grindlay Finman Private Limited are appearing on www.watchoutinvestors.com in respect of rejection of application for certificate of registration as NBFC as on July 31, 2004. The reason for rejection of applications was that the Company failed to comply with the requirement of Section 45-1A(3) of the Reserve Bank of India Act, 1934 i.e. increasing the minimum Net Owned Funds to ₹ 25.00 lakhs within the time period allowed by RBI.

4. *Our Statutory Auditor has qualified their report for the financial years 2010-11, 2009-10, 2008-09 and 2006-07.*

Our Statutory Auditor has qualified their Auditor Report for the financial years 2010-11, 2009-10, 2008-09 and 2006-07 as under:

FY 2010-11

- Non provision of leave encashment and retirement benefits, which are accounted for on payment basis only. However, our Company has now provided for such leave encashment and retirement benefits in the restated financials.
- Investments in BGIL Films and Technologies Limited not being in the name of our Company.
- Irregular payments of the loans taken by our Company.
- Our Company being not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues applicable to us.
- An amount of ₹ 22.20 lakhs towards interest on service tax and ₹ 3.03 lakhs towards tax deducted at source was overdue by more than 6 months as on March 31, 2011. However, our Company paid the aforesaid liability towards interest on service tax and tax deducted at source on May 25, 2011 and May 24, 2011 respectively.
- A sum of ₹ 11.32 lakhs was overdue as on March 31, 2011 towards dues towards unsecured loan.

FY 2009-10:

- Non provision of leave encashment and retirement benefits, which are accounted for on payment basis only. However, our Company has now provided for such leave encashment and retirement benefits in the restated financials.
- Investments in BGIL Films and Technologies Limited not being in the name of our Company.
- Irregular payments of the loans taken by our Company.
- Our Company being not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state

insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and any other statutory dues applicable to us.

- An amount of ₹ 89.55 lakhs towards service tax liability was overdue by more than 6 months as on March 31, 2010.

FY 2008-09

- An amount of ₹ 72.91 lakhs towards service tax liability was overdue by more than 6 months as on March 31, 2009.

FY 2006-07

- An amount of ₹ 2.16 lakhs towards fringe benefit tax was overdue by more than 6 months as on March 31, 2007.

5. *There are restrictive & financial covenants under our loan agreements, which could influence our ability to expand, in turn affecting our business and results of operations.*

We have entered into agreements for obtaining working capital facilities with our banker viz. The Royal Bank of Scotland (erstwhile ABN Amro Bank) and these covenants in borrowing from bank, require us to seek the prior consent of the bank for making fresh borrowings; pledge, charge, mortgage or hypothecate in respect of the hypothecated assets in favour of any other party; carrying out any substantial change in the shareholding pattern of our Company or our management / control and alter the ownership structure of our Company or dilute the shareholding of Mr. Rakesh Bhhatia; Mrs. Arti Bhatia and BGIL Films and Technologies Private Limited or issue the capital. These covenants may have an adverse effect on the functioning of our Company.

Furthermore, our Company has created a charge in favour of our lender against the moveable fixed assets of our Company. In case of default by our Company in repayment of the loans, our banker may exercise its rights over the security, which may be detrimental to the interest of our Company. For restrictive covenants, please refer to paragraph "Restrictive covenants" appearing on page no. 74 of this Red Herring Prospectus under the section titled "Our Financial Indebtedness".

6. *Unsecured loans amounting to ₹ 193.82 lakhs taken by our Company may be recalled by our lenders at any time affecting our immediate cash flows.*

Our Company has taken unsecured loans amounting to ₹ 234.65 lakhs as on March 31, 2011, out of which unsecured loans to the extent of ₹ 193.82 lakhs have no specific terms with regard to the repayment of these loans as they are also not secured by a charge on any of the assets of our Company. Due to the absence of any specific terms regarding their repayment, the said loans can be recalled by their respective lenders at any given point of time and our Company will be forced to make arrangements for their repayment, which in turn could adversely affect our immediate cash flows.

7. *We had negative cash flows in few years. Any negative cash flow from operations in future could affect our operations and financial conditions.*

We had negative cash flow, details of which are as under:

	(₹ in lakhs)			
Particulars	2010-11	2009-10	2008-09	2007-08
Net Cash flow from operating activities	758.30	20.31	584.72	227.95

Net Cash flow from investing activities	(568.22)	(150.66)	(793.20)	(401.26)
Net Cash flow from financing activities	(197.70)	133.55	179.53	170.71
Total Net Cash flow	(7.62)	3.20	(28.96)	(2.61)

The net cash flow of a company is a key indicator to show the extent of total cash generated from all activities of the company including operations, investment and financing for a particular year. In the past, we had generated positive cash flows from operating activities, but negative cash flows from investing activities and negative cash flow from financing activities. If we are not able to generate sufficient net cash flows in future, it may adversely affect our business and financial operations.

8. *We have not yet placed orders for 81.48% of our plant and machinery, equipments etc. for our proposed expansion as specified in the Objects of the Issue. Any delay in procurement of plant & machinery, equipments etc. may delay the implementation schedule which may also lead to increase in prices of these machineries or equipments, further affecting our cost, revenue and profitability.*

The details of the net proceeds of the Issue proposed to fund the planned expansion are explained in the section titled 'Objects of the Issue' beginning on page no. 29 of this Red Herring Prospectus. We are yet to enter into definitive agreements or are yet to place orders for 81.48% of machinery and equipment required for our proposed expansion. The total cost of plant and machinery and other equipments proposed to be installed is estimated at ₹ 2861.40 lakhs, out of which we have placed an order for equipments proposed to be purchased for R&D technology centre for an amount of ₹ 530 lakhs. We are subject to risks on account of inflation in the price of the machinery and other equipments that we require for the proposed expansion. Any delay in placing the orders or procurement of plant & machinery, equipments, etc. may delay the implementation schedule. Such delays may also lead to increase in prices of these equipments, further affecting our cost, revenue and profitability.

9. *We have not appointed any independent agency for appraisal of our proposed expansion project. The cost of project is based on our own estimates and various quotations received by us from different suppliers, which may vary depending upon factors like increase in prices due to which the cost of project may be adversely affected, in turn affecting our financial operations.*

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and various quotations received by us from different suppliers and have not been appraised by any bank or financial institution. The deployment of funds is entirely at the discretion of our Board of Directors within the parameters as mentioned in the section titled "Objects of the Issue" beginning on page no. 29 of this Red Herring Prospectus and is not subject to any monitoring by any independent agency. All the figures included under the section titled "Objects of the Issue" beginning on page no. 29 of this Red Herring Prospectus are based on our own estimates and the quotations received from various suppliers, which may vary depending upon factors like increase in prices due to which the cost of project may be adversely affected. We cannot assure that we will be in a position to set up our proposed expansion project in the stated means of finance. In case of any increase in cost of project, our financial position may be adversely affected.

10. *Delay in raising funds from the IPO could adversely impact the implementation schedule and could lead to cost overrun.*

Our Company's proposed project is to be funded from the proceeds of this IPO and internal accruals. 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 proposed project within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability. Initially the project for setting up our Corporate Office and upgradation of digital post production studio was scheduled to be completed by May, 2011 and September, 2011 respectively. However due to delay in raising funds through initial public offering, the commencement has already been delayed and now the same is expected to be completed by November, 2011. Further, there was cost overrun of ₹ 16.50 lakhs (constituting 0.58%) in the stated cost of project. We therefore, cannot assure that we would be able to execute the project within the given time frame, or within the costs as originally estimated by us.

11. ***Our Company has not tied-up additional working capital requirements and any of our inability to arrange for additional working capital requirement on terms favorable to us, could adversely affect our operations and profitability.***

We require working capital to finance the purchase of equipments, hardwares, etc. and execution of orders before payment is received from our customers. Our working capital requirements may increase if, in certain orders, payment terms include reduced or advance payments. There can be no assurance that the payments will be remitted by our customers to us on a timely basis.

Continued increase in working capital requirements and insufficient cash flows from our operations to meet any of the above requirements may have an adverse effect on our financial condition and result of operations.

Our projected level of working capital borrowings for the fiscal year 2012 are of ₹ 1654.86 lakhs, out of which we propose to meet ₹ 505.00 lakhs from IPO proceeds and the balance from bank finance to the extent of ₹ 1149.86 lakhs. As on date we have not tied up this additional borrowing from the banks. Our inability to arrange for this additional working capital requirement from banks on terms favorable to us, could adversely affect our operations and profitability.

12. ***We have not yet identified any location for relocating our Branch Office in Mumbai. Any delay in identification and acquisition of the requisite area may delay the implementation schedule adversely affecting the cost of project.***

We at present have our Corporate Office at Noida, Uttar Pradesh for which we have entered into memorandum of understanding and have already issued 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 90 per share of our Company as a part-consideration out of total consideration of ₹ 596 lakhs. We have our Branch Office at Andheri (West), Mumbai, which is on leave and license arrangement. We now propose to relocate ourselves by owning our Branch Office at Mumbai, Maharashtra. However, we have not yet identified any office location. We propose to purchase 4,000 to 5,000 sq. ft. area between Vile Parle (West) to Jogeshwari (West) in Mumbai within 3-4 months of receipt of IPO proceeds. We have estimated total expenditure of ₹ 593.60 lakhs including cost of stamp duty and brokerage. There could be unexpected price increase in real estate or unavailability of the required area of office space. Any delay in acquiring the requisite area at our terms could adversely impact our proposed plan, which in turn could adversely impact our business operations.

13. ***Our Company has experienced fluctuations in the total revenue and profit after tax in the past, which may not be sustainable and we cannot assure the same growth rate in future.***

Our total revenue has decreased from ₹ 3419.49 lakhs during 2007-08 to ₹ 3359.72 lakhs during 2008-09 showing decrease of 1.75%; increased from ₹ 3359.72 lakhs during 2008-09 to ₹ 4634.10 lakhs during 2009-10 showing an increase of 37.93% and increased from ₹ 4634.10 lakhs during 2009-10 to ₹ 7099.78 lakhs during 2010-11 showing an increase of 53.21%. Similarly, restated profit after tax showed a decrease of 97.88% and an increase of 4082.22% and 58.52% during 2008-09, 2009-10 and 2010-11 respectively. We cannot assure that we will not have such abnormal fluctuations in future or maintain any growth in revenues and profits.

14. *We may not be able to effectively run our operations after the expansion, which may result in delays and cost overruns.*

We are intending to expand our operations significantly and entering into new products and services. Such a growth strategy will place significant demands on our management as well as our financial, accounting and operating systems. Further, as we scale-up and expand our operations, we may not be able to focus on existing operations efficiently, which could result in delays, increased costs and diminished quality and may adversely affect our reputation. Any inability to manage our growth may have an adverse effect on our business and results of operations.

15. *Our Company intending to expand its operations in Media & Entertainment division, which has contributed around 5% only during last three years. Any failure on our part to successfully implement our upgradation plan could adversely affect our business and financial operations.*

Out of total revenue of ₹ 3359.72 lakhs, ₹ 4634.10 lakhs and ₹ 7099.78 lakhs during 2008-09, 2009-10 and 2010-11 respectively, Media & Entertainment Division earned revenue of ₹ 167.21 lakhs, ₹ 272.23 lakhs and ₹ 253.31 lakhs respectively, which is 4.98%, 5.87% and 3.57%. Out of total IPO proceeds (excluding general corporate purposes and issue expenses), we plan to spend ₹ 1365.46 lakhs in upgradation of Digital Post Production Studio which is 29.66%. Any failure on our part to successfully implement our upgradation plan could adversely affect our business and financial operations.

16. *We derive a significant portion of our revenue from a few customers, and a loss of one or more customers or a reduction in their demand for our products and services could adversely affect our business, financial condition and results of operations.*

We are dependent on a limited number of customers for a significant portion of our revenues. Our top ten and top five customers contributed 49.11% and 35.81 % respectively of our total revenue during 2010-11. Any loss of business or significant reduction in the volume of work from the top customer(s) could adversely affect our revenues and profitability.

We cannot assure that we shall generate the same quantum of business, or any business at all, from these customers, and loss of business from one or more of them may adversely affect our revenues and profitability.

17. *Our business and profitability will suffer if we fail to anticipate and develop new products and services and enhance existing products and services in order to keep pace with rapid changes in technology and the industries on which we focus.*

We operate in a technologically intensive environment, where we compete on a global scale. Technology by its very nature is dynamic and ever changing and we may not be able to keep pace with the rapidly

changing technological environment. The IT products and solution market is characterized by rapid technological change, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and develop new product and service offerings to meet client needs. We may not be successful in anticipating or adequately responding to these advances in a timely basis, or, if we do respond, the services or technologies we develop may not be successful in the marketplace. Any such failure on our part could adversely affect our ability to compete efficiently, our cost-competitiveness, ability to develop new products and the consequential quality of our products, and could also adversely affect our sales and profitability.

18. *Increasing intense competition in the market for IT products and solutions could affect our margins, and could also reduce our share of business from clients and may adversely impact our revenues and profitability.*

The IT products and solution markets are highly competitive. Our competitors include, large multinational technology firms, Indian IT services firms, software firms etc. The IT industry is experiencing rapid changes that are affecting the competitive landscape, including acquisitions that have resulted in consolidation within the industry. These changes may result in larger competitors with significant resources. We also expect additional competition from IT firms with current operations in other countries. While we believe that we have historically been able to provide our products and services in our principal markets in India at competitive prices and on a cost-efficient basis, there can be no assurance that we will be able to do so in the future. We cannot be reasonably certain that we will be able to compete successfully against such competitors, or that we will not lose clients to such competitors. Additionally, we believe that our ability to compete also depends in part on factors outside our control, such as the price at which our competitors offer comparable products and services, and the extent of our competitors' responsiveness to their clients' needs. Growing competition may force us to reduce the prices of our products and services, which may reduce our revenues and margins and/or decrease our market share, any of which could have a material adverse effect on our business, financial condition and results of operations.

19. *We could become liable to claims by customers, suffer adverse publicity and incur substantial costs as a result of defects in our products or services, which in turn could adversely affect our results of operations.*

Many of our contracts involve providing products and services that are critical to the operations of our customers' business. Any failure or defect or malfunctioning in our software or in our customers' products, networks or computer systems could result in a claim against us for substantial damages, or product warranties, regardless of our responsibility for such a failure or defect. Although we attempt to limit our contractual liability for all damages, including consequential damages, in rendering our services, we cannot be assured that the limitations on liability we provide for in our service contracts will be enforceable in all cases, or that they will otherwise be sufficient to protect us from liability for damages. However, we cannot be assured that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims. Further, we do not have any product liability insurance coverage, there is no guarantee that product liability claims will not arise. Any such claims would serve to erode our Company's image and market perception, and may diminish our clientele.

20. *Our success depends largely on our management and our ability to attract and retain our key personnel.*

Our success depends on the continued services and performance of the members of our management team and other key employees. If one or more members of our management team are unable or unwilling to continue in their present positions, our business could be adversely affected. Attracting and retaining scarce top quality managerial talent has become a serious challenge for companies. Competition for senior management in the industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. As such, any loss of our existing senior management personnel or key employees could adversely affect our business, results of operations and financial condition.

21. *Increase in remunerations for IT professionals could reduce our cash flow and our profit margins.*

Historically, remunerations in the Indian IT services industry have been significantly lower than remunerations in the developed countries. However, in recent years remunerations in the Indian Services industry have been increasing at a faster rate than those in certain developed countries. In the long term, remunerations increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals. Increase in remunerations, including an increase in the cash component of our compensation expenses, may reduce our cash flow and our profit margins.

22. *If we are unable to successfully protect our computer systems from security risks, our business could suffer particularly since our Company's operations involve transmission of data through Internet, which involves security risks.*

Few of our products and solutions operate on web technologies. Our client contracts require us to comply with certain security obligations, including maintenance of network security, back-up of data, ensuring our network as virus-free and ensuring the credentials of those employees who work with our clients. We cannot assure you that we will be able to comply with all these obligations and not incur any liability. Further, while we have implemented industry-standard security measures, our network may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. A party that is able to circumvent security measures could misappropriate proprietary information and cause interruptions in our operations. We may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. There can be no assurance that any measures implemented will not be circumvented in the future.

23. *Our insurance cover may be inadequate to fully protect us from all losses and may in turn adversely affect our financial condition.*

We maintain such insurance coverage as we believe is customary in the IT and Media & Entertainment industry in India. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain Stocks, Vehicle and Employee Group Health Insurance coverage. However, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

24. *Our clients' proprietary rights may be misappropriated by our people in violation of applicable confidentiality and non-disclosure agreements and as a result, cause us to breach our contractual obligations in relation to such proprietary rights. Further, our employees may infringe intellectual property rights of third parties. This could cause us financial and reputation loss.*

In some of our projects/contracts, we enter into non-disclosure and assignment of rights arrangements to limit access to and distribution of our clients' proprietary and confidential information. We can give no assurance that the steps taken by us will be adequate to enforce our clients intellectual property rights or to adequately prevent the disclosure of confidential information by an employee. If our clients' proprietary rights are misappropriated by our people in violation of any applicable confidentiality agreements or otherwise, our clients may consider us liable for that act and seek damages and compensation from us. In addition to these confidentiality agreements, our client contracts may require us to comply with certain security obligations including maintenance of network security, back-up of data, ensuring our network is virus free and ensuring the credentials of our people that work with our clients. We cannot assure you that we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us. Any such happening could adversely effect our business reputation, business operations and financial conditions.

Although we believe that the intellectual property rights used by us does not infringe on the intellectual property rights of any other person, infringement claims may be asserted against us in future. There are currently no pending or threatened intellectual property claims against us. In the event, we become liable to third parties for infringing their intellectual property rights, we could be required to pay substantial damages and be forced to develop non-infringing technology or obtain a license. In addition, our efforts to protect our intellectual property (whether formally registered or otherwise, including proprietary information) from being infringed upon or misappropriated may be inadequate.

25. *Our Registered and Corporate Offices from which we operate are not owned by us. Further, our Branch office in Mumbai, from where we operate, is also on lease and license. Discontinuation of agreement may require us to vacate such premises which may have an adverse impact on our business continuity and profitability.*

We do not own the premises on which our Registered and Corporate Offices are located. Our Registered Office in Delhi is on lease for a period upto July 31, 2012 and for our Corporate Office, we have entered into a Memorandum of Understanding on September 1, 2009 and also Supplementary MoU on June 3, 2010 for takeover of partnership firm viz. Gadeo Electronics with the main objective of acquiring control over the property located at Noida, but transfer formalities have not yet been completed. If any of the owners of these premises do not renew the agreements under which we occupy the premises or renew such agreements on terms and conditions that are unfavorable to us, we may suffer a disruption in our operations which could have a material adverse effect on our business, financial condition and results of operations. For more details, please refer to section titled 'Our Property' on page no. 71 & 72 of this Red Herring Prospectus.

26. *Our notes of accounts are subject to balance confirmations during last five years. Any write-offs could adversely affect our results of operations to that extent.*

Our Company has not obtained balance confirmations during last five years from sundry debtors, sundry creditors, deposits and the parties to whom the advances were given. We had taken steps to

obtain the balance confirmation from the sundry debtors, sundry creditors, deposits and parties to whom advances were given, however, such confirmations could not be obtained from all the parties concerned. However, our Company had not experienced any bad-debts or write offs in respect of the parties concerned during the last five years. Adjustments thereto, having an impact of revenue nature, if any, will be made in the year in which the same are fully reconciled. Any write offs in these accounts at the time of reconciliation, could adversely affect our results of operations to that extent.

27. *The valuations of companies in the IT industry are presently high, which may not be sustained in the future and may also not be reflective of future valuations in the industry. There is no standard valuation methodology or accounting practices as the sector is domain centric and technology driven.*

We are engaged in providing information technology services and solutions in RFID. Further, we provide services in media and entertainment industry. The valuations in the Software/ IT industry have been varying substantially in the recent past and hence current valuation may not be reflective of future valuations in the industry. There is no standard valuation methodology or accounting practices in the IT related industries. Our financials are not strictly comparable with the players in the industry. These evaluations in the software/information technology industry may not be sustained in future and current valuations may not be reflective of future valuations for the industry.

28. *We may face difficulties in providing new and existing service offerings, which could lead to clients discontinuing or delaying their work with us.*

We have been expanding the nature and scope of our engagements by extending the range of services we offer. We plan to add new services in the area of mobile application and Token-less Two Factor Authentication (TTFA). The success of these service offerings is dependent, in part, upon continued demand for such services by our existing and new clients and our ability to meet this demand in a cost competitive and effective manner. We cannot be certain that we will be able to attract existing and new clients for such new services or effectively meet our clients' needs. The increased breadth of our service offerings may result in larger and more complex projects for our clients. This will require us to establish closer relationships with our clients, which may increase our sales costs, and also requires a thorough understanding of their operations. Our ability to establish such relationships will depend on a number of factors including the proficiency of our management personnel and our software professionals as well as our ability to compete effectively and win large engagements in competition with larger or well established firms. Larger projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements. These terminations, cancellations or delays may result from the business or financial condition of our clients or the general economy, as opposed to factors related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements, and inaccuracies in such resource planning may have a negative impact on our profitability.

29. *We are dependent on the success of our R&D and any failure to develop new and improved products/software could adversely affect our business.*

Our success depends on our ability to continuously develop new products/software. We cannot assure you that we shall make enhanced R&D investments or continue the current level of R&D investments in our business, or that the investment in R&D will yield satisfactory results in terms of new and improved products, or will yield any results at all. Further, we cannot assure that even after the successful

development of a product/software, it will be accepted by the users or there will be any market for the same. In addition, research undertaken by competitors may lead to the launch of competing or improved products that may affect the sale of our products. If our R&D efforts do not result in a pipeline of products that can be commercially exploited, our business, results of operations and financial condition may be adversely affected.

30. *Delays or defaults by our clients in their payments could result in reduction of our profits.*

We regularly commit resources to projects prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on projects as they are incurred. We may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments on a project to which we have devoted significant resources or if a project in which we have invested significant resources is delayed, cancelled or does not proceed to completion, it could have a material adverse effect on our business, financial condition and results of operations.

31. *Our client contracts/purchase orders can typically be terminated without cause and with little or no notice or penalty, which could negatively impact our revenues and profitability.*

Our clients typically retain us through non-exclusive service agreements. Most of our client project contracts can be terminated with or without cause, with 0 to 30 days notice and without termination related penalties. Additionally, our service agreements with clients are typically without any commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our clients, and there are a number of factors relating to our clients that are outside our control that might result in the termination of a project or the loss of a client. Our clients may demand price reductions, change their outsourcing strategy by moving more work in-house or to our competitors or replace their existing software with packaged software supported by licensors. Any of these factors could adversely affect our revenues and profitability.

32. *Our revenues are dependent upon our Company's meeting client specific requirements and largely on a case-to-case basis.*

Our assignments for providing products and services largely involve providing customized products / solutions on a case-to-case basis, depending upon the needs of each customer. Our inability to provide customized products / solutions could diminish our market image and brand value, which could lead to clients discontinuing their contracts with us and stagnation/reduction of our client base, which in turn could harm our business and profitability. Thus, our future growth will depend on our continued evolution of specific sets of customized products to deal with the rapidly evolving and diverse needs of our customers in a cost-competitive and effective manner. Further, any rapid change in our client's expectation on account of changes in technology or introduction of new products for any other reason and failure on our part to meet their expectation could adversely affect our business, results of operations and financial condition.

33. *Our dependence on short-term contracts/purchase orders may adversely affect our future financial condition and results of operations.*

We currently do not have any long term contracts with any of our customers and instead rely on other short-term contracts mechanism whereby orders are taken on a short-term basis. As these contracts reach the end of their stated terms, our customers can seek to renegotiate pricing or other terms with us or not

renew the contracts. All of our customer contracts are on a non-exclusive basis and there is no guarantee that our present customers will continue to place orders with us. Any delay or default in payment by our 5customers, reduction in the volume of business with them or restriction in pricing terms for them may adversely affect our business and profitability. Further, if the prices of components/softwares used by us to increase in the future and we fail to develop long term relationships with our customers in the market, and increase the prices of our end products in the same ratio, it could have an adverse impact on our profits. Problems of this kind could cause cancellations of contracts, which would affect our future financial condition and results of operations.

34. ***We do not own the trademark "Bharatiya" and logo of "Bharatiya" and unauthorized parties may infringe upon or misappropriate our intellectual property. This could have a material adverse effect on our business which in turn adversely affect results of operations.***

The trademark "Bharatiya" and logo of "Bharatiya" has not been registered by our Company. We have made an application for registration of our logo under class 42 to the Registrar of Trade Marks, New Delhi by an application dated July 22, 2006 and for the registration of the tradename 'Bharatiya Global Infomedia Limited' under class 42 to the Register of Trade Marks, New Delhi by an application dated December 23, 2010. However, we have not made any application for the registration of our trademark. The reason for non-filing of application for registration of the trademark "Bharatiya" and logo of "Bharatiya" is that it, being representing a geographical name, is not per-se registrable under the Trademark Act, 1999 read with Emblem and Names (Prevention of Improper Use) Act, 1950. There is no assurance that the application for the registration of our logo will be approved by the Trade Marks Registry, New Delhi. In addition, our application may be opposed by third parties. If we are unable to obtain registration of our logo we may not be able to successfully enforce or protect our intellectual property rights and obtain statutory protections available under the Trade Mark Act, 1999, as otherwise available for registered marks. This could have a material adverse effect on our business, which in turn adversely affect our results of operations.

35. ***Our operations are geographically located in three States and therefore, any localized social unrest, natural disaster or breakdown of services or any other natural disaster in and around their respective States could have material adverse effect on our business and financial condition.***

Our operations are based at New Delhi, Noida(Uttar Pradesh) and Mumbai (Maharashtra) in addition to the off-site locations. As a result, any localized social unrest, natural disaster, adverse weather conditions, earthquakes, fires, explosives, power loss, or breakdown of services and utilities in and around their respective States could have material adverse effect on our business, financial position and results of operations. Further, any failure of our systems or any shutdown because of operational disruptions, natural disaster or other factors, could disrupt our services and adversely affect our result of operations and financial condition.

36. ***Our Company's revenue and profits are difficult to predict and can vary significantly from quarter to quarter. This could cause our share price to fluctuate.***

Our operating results have varied in the past and may continue to vary significantly from quarter to quarter due to various reasons, including:

- Synchronizing availability of equipments and the competitive pricing of equipments;
- Unanticipated changes in regulatory policies in the jurisdictions in which we operate;

- Delays in receipt of payment from customers or level of bad debts;
- Our customer's requirements, and their future plans;
- Unanticipated cancellations or deferrals of orders; and
- Changes in pricing policies of our competitors

Therefore, we believe that period-to-period comparisons of the results of our operations may not necessarily be meaningful and should not be relied upon as an indication of our future performance. It is possible that in future some of our quarterly results of operations may be below the expectations of market analysts and our investors, which could lead to a corresponding decline in the price of our Equity Shares.

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

We have entered into certain related party transactions aggregating to ₹ 50.79 lakhs and ₹ 516.31 lakhs for the years ended March 31, 2011 and March 31, 2010 respectively. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to section titled "Related Party Transactions" at page no. 114 of this Red Herring Prospectus.

38. *There may be possible related interests between us, our Promoter Group Companies, Directors and key managerial personnels.*

BGIL Films & Technologies Limited and Kriti Communications Private Limited, our Promoter Group Companies, having permission to start the same business activity by their Memorandum of Association, as of our Company, which may create a potential conflict of interest and which in turn, may have an implication on our operations and profits.

Further, our Directors and key managerial personnels have interest to the extent of their respective shareholding in our Company apart from the remuneration or benefits to which they are entitled as per their terms of appointment during the ordinary course of business. For details of interest of Directors and key managerial personnel, please refer to page no. 95 & 98 respectively of this Red Herring Prospectus.

39. *Our ability to pay dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.*

We have not paid any dividends in the past. The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditure. There can be no assurance that we will be able to pay dividends. Additionally, we may be restricted in our ability to make dividend payments by the terms of any debt financing we may obtain in the future.

40. *Our Promoters and Promoter Group will continue to retain substantial control in our Company after the Issue, which may enable them to influence the outcome of matters submitted to shareholders for approval.*

After completion of the Issue, the Promoters and Promoter Group will continue to hold approximately 51.06% of post-issue paid up share capital. So long as the Promoters and Promoter Group holds a substantial control of our Company's Equity Shares, they may be able to control most matters affecting our Company, including the appointment and removal of our Directors; our business strategy and policies; any determinations with respect to mergers, business combinations and acquisitions; our dividend payout and financing. Further, the extent of Promoters and Promoter Group shareholding may result in delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders.

41. *The market price of our Equity Shares may adversely affect due to additional issuances of Equity Shares or sale of Equity Shares by members of our Promoter Group.*

There is a risk that we may be required to finance our growth or strengthen our balance sheet through additional equity offerings. Any future issuance of Equity Shares, whether through the exercise of options or otherwise, will dilute the position of existing shareholders and could adversely affect the market price of the Equity Shares.

42. *There is no existing market for the Equity Shares, and we do not know if one will develop. Our stock price may be highly volatile after the Issue, and as a result, you could lose a significant portion or all of your investment.*

Prior to the Issue, there has not been a public market for the Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty in selling the Equity Shares that you purchased. The IPO price is not indicative of prices that will prevail in the open market following the Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the price you paid in the Issue.

43. *We have not obtained registration under Shops and Establishment Act, 1948 for our Registered Office at Delhi.*

We presently do not have any registration under the applicable Shops and Establishment Act for our Registered Office at Delhi from the concerned government authority. In case any proceedings or penalty are imposed by any government authority, our financial operations could be adversely effected to that extent.

External Risk Factors

44. *Political instability or changes in the policies formulated by the Government of India from time to time could affect the liberalization of the Indian economy and adversely affect our business, results of operations and financial condition.*

Our business, and the market price and liquidity of the Equity Shares may be adversely affected by changes in foreign exchange rates and regulations, interest rates, government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

The rate of economic liberalisation in India could change in future, and statutory/regulatory requirements and/or policies the general economic environment in India, foreign investment, the securities market, currency exchange and other matters affecting our business and/or investment in our securities could change as well. Any significant change in liberalisation and deregulation of policies in India could adversely affect business and economic conditions in India generally and our business, operations and profitability in particular.

45. *Natural calamities could have a negative impact on the Indian economy and harm our business.*

India has experienced natural calamities such as earthquakes, floods, drought and a tsunami in recent years. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy which could adversely affect our business and the price of our Equity Shares.

46. *A slowdown in the economic growth in India or in the economy globally could significantly affect our growth rates.*

Our operations are primarily located in India and our business operations and performance are dependent on the overall economy, the gross domestic product (“GDP”) growth rate and the economic cycle in India. The Indian economy could be adversely affected by a number of factors. Any slowdown in the Indian economy or volatility in global commodity prices, could adversely affect the Indian economy. The Indian economy could also be adversely affected by a general rise in interest rates and unfavourable weather conditions adversely affecting agriculture. A slowdown in the Indian economy could adversely affect our business and results of operations.

47. *Terrorist attacks, civil disturbances, regional conflicts and other acts of violence in India and abroad may disrupt or otherwise adversely affect our Company’s business and its profitability.*

Certain events that are beyond the control of our Company, such as terrorist attacks and other acts of violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our Company’s business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India’s economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. India recently witnessed a major terrorist attack in Mumbai on November 26, 2008, which led to an escalation of political tensions between India and Pakistan. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our Company’s business, future financial performance and price of our Equity Shares. Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, our Company’s operations might be significantly affected.

India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have a material adverse effect on our Company’s ability to develop its business. As a result, our Company’s business, results of operations and financial condition may be adversely affected.

Our Company has not taken any insurance policy to safeguard itself from the calamities mentioned above, and therefore, any loss or damage could adversely affect our results of operations or cash flows.

48. *Our Company's business and activities will be regulated by the Competition Act, 2002.*

The Indian Parliament has enacted the Competition Act, 2002, as amended (the "Competition Act") for the purpose of preventing business practices that have an appreciable adverse effect on competition in India under the auspices of the Competition Commission of India, which (other than for certain provisions relating to the regulation of combinations) has recently become effective. Under the Competition Act, any arrangement, understanding or action in concert between enterprises or persons, whether or not formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement which directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area or market or number of customers in the market is presumed to have an appreciable adverse effect on competition. Our Company may also be regulated by the Competition Commission of India for any act perceived to be an abuse of its dominant position that causes an appreciable adverse effect on competition. The effect of the Competition Act and the Competition Commission of India on the business environment in India is as yet unclear. Any application of the Competition Act to our Company may be unfavourable and may have a material adverse effect on its business, financial condition, cash flows and results of operations.

49. *The market value of an investment in our Equity Shares may fluctuate due to the volatility of the Indian securities markets.*

The Indian Stock Exchanges have, in the past, experienced substantial fluctuations in the prices of listed securities. Such fluctuations and volatility could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. Moreover, there have been occasions when secondary market operations have been interrupted and/or affected due to temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian Stock Exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. If similar problems occur in future, the market price and liquidity of the Equity Shares could be adversely affected. A closure of, or trading stoppage on the BSE /NSE also could adversely affect the trading price of Equity Shares.

50. *Our Equity Shareholders bear the risk of fluctuation in the price of our Equity Shares.*

The prices of our Equity Shares may fluctuate after this Issue due to a wide variety of 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;
- our profitability and performance;
- perceptions about our future performance or the performance of Indian companies in general;
- performance of our competitors and the perception in the market about investments in the tyre, and automobile sectors;
- adverse media reports on us or on the IT and/or Media & Entertainment Industry;
- changes in the estimates of our performance or recommendations by financial analysts;

- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There can be no assurance that an active trading market for our Equity Shares will be sustained after this Issue, or that the price at which our Equity Shares have historically traded will correspond to the price at which the Equity Shares are offered in this Issue or the price at which our Equity Shares will trade in the market subsequent to this Issue. Our Share price may be volatile and may decline post listing.

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

Under the SEBI (ICDR) Regulations, we are permitted to list the Equity Shares within 12 working 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 11 working 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, final listing and trading approvals are received from the Stock Exchanges and trading commences on the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. 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 periods.

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

The prices of our Equity shares may fluctuate after this issue due to a wide variety of factors, including volatility in the Indian and global securities market; our operational performance, financial results and capacity expansion, developments in India's economic liberalization and deregulation policies, particularly in the IT and Media & Entertainment industry; and changes in India's laws and regulations impacting our business.

We cannot assure you that an active trading market for our equity shares will be sustained after this Issue or that the price at which our equity shares would be traded subsequent to this issue will correspond to the current prices for our already existing equity shares.

Prominent Notes

1. The Net worth of our Company as on March 31, 2011 is ₹ 3193.42 lakhs as per our restated financial statements under Indian GAAP. The size of the Issue is ₹ [•] lakhs.
2. The average cost of acquisition of Equity shares of the Promoters is as per the details given below:

Name of Promoter	Total number of Equity Shares	Average Cost of Acquisition - Per Equity Share (₹)
Mr. Rakesh Bhatia	28,17,521	3.71
Mrs. Arti Bhatia	19,24,544	4.63

The Book value per share as on March 31, 2011 is ₹ 35 per Equity Share.

3. Public Issue of 67,20,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ [•] per Equity Share aggregating ₹ [•] lakhs (the "Issue"). The Issue constitutes 43.42% of the fully diluted post-Issue paid up capital of our Company.
4. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
5. We have entered into various related party transactions with related parties amounting to ₹ 50.79 lakhs for the financial year 2010-11. For related party transaction refer to section titled "Related Party Transactions" beginning on page no. 114 of this Red Herring Prospectus.
6. There are no transactions relating to sales or purchases between our Company and our Promoter Group Companies / entities exceeding 10% of the sales or purchases of our Company during the last 3 years except as under:

(₹ in lakhs)

	Name of Promoter Group Company/ Entity	FY 2010-11		FY2009-10		FY2008-09	
		Amount	% of sales / purchase	Amount	% of sales / purchase	Amount	% of sales / purchase
Sales Transactions							
1.	BGIL Films & Technologies Limited	Nil	Nil	424.17	9.15%	103.39	3.08%
Purchase transactions							
2.	Kriti Communications Private Limited	Nil	Nil	0.69	0.02%	258.63	9.92%

7. We have not made any allotment of Equity Shares in the twelve months before the date of this Red Herring Prospectus where the price of such issuances would be lower than the Issue Price, except for equity shares issued through bonus issue made on August 27, 2010.
8. No loans and advances have been made to any person(s)/Companies in which the Director(s) of our Company are interested except as stated in the Auditor's Report. For details of loans and advances, please refer to Annexure-X of Auditor's Report under section titled "Financial Statements of the Company" appearing on page no. 127 of this Red Herring Prospectus.
9. Our Promoters/Promoter Group/Directors and their immediate relatives have not purchased/sold/financed/acquired any equity shares of our Company during the past 6 months, preceding the date of the Draft Red Herring Prospectus except as under:

Name of Promoter Group / Transferor	Name/Category of Transferee	Number of shares	Date of Transfer	Price per share (₹)
BGIL Films &	Employees	57,500	September	10.00

Technologies Ltd.			25, 2010	
BGIL Films & Technologies Ltd.	Public (Other than Promoter & Promoter Group)	47,451	September 25, 2010	10.00
Number One Finvest Private Limited	Directors (Mr. Harjit Singh Anand & Ms. Jaya Misra)	2,000	September 25, 2010	10.00
Mr. Kripal Singh	Employees	8,783	September 25, 2010	10.00
	Public (Other than Promoter & Promoter Group)	550		10.00
Ms. Sneh Lata	Public (Other than Promoter & Promoter Group)	666	September 25, 2010	10.00
	Promoter Group - Mr. J.K. Bhatia	11,000		10.00
	Promoter Group - Ms. Abha Singh	667		10.00
Mr. Atul Tomar	Public (Other than Promoter & Promoter Group)	333	September 25, 2010	10.00
Director and their relatives				
Mr. Sanjay Kapoor	Director - Mr. Sanjeev Kumar Mittal	10,000	September 25, 2010	10.00
	Employee - Mr. Rajeev Kumar Agarwal	5,217		10.00
Ms. Shabhnam Kapoor	Employees	20,000	September 25, 2010	10.00
TOTAL		1,64,167		

10. Any clarification or information relating to the Issue shall be made available by the BRLM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any matter whatsoever. Investor may contact the BRLM for any complaint pertaining to the Issue.
11. The Investors are advised to refer to the Para on "Basis for Issue Price" on page no. 43 of this Red Herring Prospectus before making any investment in this Issue.
12. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
13. No part of the Issue proceeds will be paid as consideration to Promoters, Directors, key managerial personnel, associate or Subsidiary.
14. Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Bidders, Non-Institutional Bidders and Retail Individual Bidders shall be on a proportionate basis. For, more information, please refer section titled "Basis of Allocation" on page no. 197 of this Red Herring Prospectus.

SECTION III: INTRODUCTION

SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Red Herring Prospectus, including the information contained in the chapter titled “Risk Factors” and “Financial Statements” and related notes beginning on page nos. iii and 116 of this Red Herring Prospectus before deciding to invest in our Equity Shares.

Summary of our Industry:

Indian IT & BPO industry

Domestic IT-BPO revenues are expected to grow at almost 16 per cent to reach INR 787 billion in FY2011. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organisations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are the key drivers for increased technology adoption in India. IT services is one of the fastest growing segment in the Indian domestic market, rising by 16.8 percent to reach ₹ 501 billion, driven by localised strategies designed by service providers.

- Domestic BPO segment is expected to grow by 16.9 percent in FY2011, to reach ₹ 127 billion, driven by demand from voice based services, in addition to adoption from emerging verticals, new customer segments, and value based transformational outsourcing platforms.
- Indian software product segment is estimated to grow by 14 percent to reach ₹ 157 billion, fuelled by replacement of in-house software applications to standardised products from large organisations and innovative start-ups.
- Government sector is a key catalyst for increased IT adoption-through sectors reforms that encourage IT acceptance, National eGovernance Programmes (NeGP), and the Unique Identification Development Authority of India (UIDAI) programme that creates large scale IT infrastructure and promotes corporate participation.

The underlying theme of 2010 has been the steady recovery from recession. Worldwide GDP, which had declined by 0.6 percent in 2009, grew 5 percent in 2010 and is expected to stabilised at about 4.4 percent in 2011. Developing nations continue to grow faster than the developed countries by atleast three times. IT spend is directly linked to growth in GDP and in line with this trend. IT spend in 2011 is expected to grow nearly 4 percent. Worldwide IT spending will also benefit from the accelerated recovery in emerging markets, which will generate more than half of all new IT spending worldwide in 2011. In 2011, growth will reflect new demand for IT goods and services, not pent-up demand from prior years. 2011 will also see a major surge in the use of private and public cloud and mobile computing on a variety of devices and through a range of new applications. Hardware is likely to grow the fastest at about 7 per cent, led by the refresh cycle in the Government sector. Shipments of app-capable, non-PC mobile devices (smartphones, media tablets) are expected to outnumber PC shipments.

IT services is expected to grow by about 3.5 percent in 2011 and 4.5 percent in 2012. While focus on cost control and efficiency/productivity remain, customers are also evaluating how investments in IT impact can further business goals - ROI led transformation - leading to an increase in project-based spending. Services such as virtualisation, consolidation, and managed services that focus on ROI in the short term will drive opportunities in the market. Emerging Asian enterprises across multiple industries will continue to accelerate services spending in their efforts to challenge existing global MNCs.

Organisations will look for alternative IT models – Cloud, on-demand services and SaaS – in order to reduce hardware infrastructure costs and provide scalability on demand.

(Source: NASSCOM Strategic Review: 2011)

Media & Entertainment industry

Our Company caters to the Films and Animation & VFX sector of the M&E industry with the post-production work. While the filmed entertainment sector had grown by over 15 percent between 2006 and 2008, year 2009 witnessed a significant de-growth for the industry. In 2009 the industry is estimated to have declined by nearly 14 percent to INR 89.3 billion from INR 104.4 billion in 2008. This was largely on account of lower domestic theatrical collections in 2009 compared to the previous year. Though the previous year witnessed a decline for the filmed entertainment industry, the trend is likely to reverse in 2010 to grow at a CAGR of 8.9 percent to reach INR 136.7 billion by 2014. In 2009, the Indian animation industry continued to rely on outsourced work and co-production deals that led to a growth rate of approximately 9 percent over 2008. The Animation and VFX industry has seen an overall growth of 13.6 percent over 2008 and is expected to grow at a CAGR of 18.7 percent in the coming years to reach INR 46.6 billion by 2014 driven by increased consumption of animated content, creation of global IP formats, acceptance of 3D graphics and venturing into international markets.

(Source: FICCI-KPMG Indian Media & Entertainment Industry Report – 2010)

Our Company's Overview

We are a technology based company focussing on the sectors such as Information Technology security and compliance automation software solutions and technology related to media & entertainment industry with focus on Research & Development.

Current business operations consist of Information Technology Based Solutions-RFID & Smart Card and Digital Post Production Studio (Digital Post-Production Studio at Andheri West, Mumbai namely "BGIL Studio"). We have in-house developed software ERP product, customized software development, training, consultancy, trading, animation and RFID based solution. We develop small animated capsules for various projects of the clients. We also design & develop WAP enabled products for clients and mainly focused on the building RFID technology.

Our strengths:

I.T. Division:

Product development services offering services for all stages of the product life cycle

We provide range of solutions to our customers that sustain throughout the full product life-cycle. We offer services designed to address the customers' specific needs as products move from different stages of maturity across early to end-of-life. Our services range from identifying, developing, testing, consulting services, support and maintenance. We believe that our services focus on our ability to manage smaller products, our ability to service customers and our delivery model makes our product offering competitive.

Cost-effective solutions

We believe that our solution eliminates manual efforts and costs that otherwise may be required to become secure and compliant. We provide solutions that identifies and helps correct security vulnerabilities and non-compliant configurations, speeds the investigation of security incidents, and reduces the costs associated with demonstrating compliance. We enable our customers to use fewer solutions and services to achieve and maintain compliance in a cost-effective manner.

Relationships with customers

We have relationships with customers built on our successful execution of prior engagements. We believe the quality of our products and services is demonstrated by the fact that customers have given us repeat orders. Our track record of delivering solutions and our product development experience has helped us in building relationships with our customers.

Experienced and qualified promoters and management team

Our Company has executed several contracts during the last 5 years period and has developed experience in our line of operations. Mr. Sanjeev Kumar Mittal, one of our Director, is having around 18 years of experience in the field of computer hardware and software. Mr. Rakesh Bhatia, our Chairman and Managing Director and one of our Promoters, having more than 20 years of experience in corporate law and finance. Mr. Arpan Talwar, Chief Executive Officer, a graduate in computer application and an MBA from Symbiosis, Pune, has also nine years of experience.

Our strategies

Continue to expand our product and services

Our products are currently customized to meet client specific requirements. We will continue to invest in enhancing the functionality of our existing range of products and services. We intend to invest in technology that will allow the features of each product offering to be aggregated, thus decreasing the level of customization needed to meet a particular client's needs as features can be enabled or disabled as required. We have already identified products and services viz. Mobile application, Tokenless Two Factor Authentication (TTFA), automatic number plate recognition system and ticket dispensing system which will be launched by us. We believe that this investment will allow us to enhance the competitive positioning of our product offerings and expand the size of markets that we target.

Creation of new products

We intend to continue investing in our R&D capabilities, particularly with a view to designing software engineering tools that enhance our ability to execute large, end-to-end projects and develop software solutions that address clients in specific industries. We believe that this investment in new product development and in R&D technology, facilitates our growth by expanding the size of the market space that we address, while mitigating business risk by reducing our dependence on the success of individual product lines.

Increase our customer base

We believe that increasing security threats and regulatory compliance requirements will generate demand for our solutions from new customers. We plan to continue to acquire new customers by addressing their security and compliance needs with our existing and new solutions. We plan to pursue new customers in industry verticals where we have recognition, expertise and existing customer base, as well as in new verticals where growing regulatory requirements and security threats create demand for our solutions. To target new customers with limited IT resources and compliance expertise, we also plan to promote our remote management services and to offer alternative solution delivery methods.

Strengthening our brands

We intend to invest in developing and enhancing recognition of our brands, through brand building efforts, communication and promotional initiatives such as interaction with industry research organizations, participation in industry events, public relations and investor relations efforts. We believe

that these initiatives, as well as the listing of our Equity Shares, will enhance the visibility of our brands and strengthen our recognition in the Indian IT solutions industry.

Further developing our alliances

We intend to grow and strengthen our technology alliances with leading technology companies, which will assist us in sales and delivery. These alliances typically involve systems integration, joint product development and joint "go to market" strategies. We also intend to develop other alliances with local companies that have a strong presence in emerging markets so as to acquire business development capabilities and a credible local presence in these markets. Currently, our Company is working for various technology companies viz. Honeywell Automation India Limited, Johnson & Controls India Private Limited, Cements Building Technologies Private Limited, HCL Infosystems Limited, Schneider Electric India Private Limited for their RFID and smart card services. We get business / work orders through these companies as well as through our own direct marketing channels. We endeavour to grow and strengthen above technology alliances with these companies as well as to add new companies in future to expand our business operations.

SUMMARY OF FINANCIAL DATA

STATEMENT OF AUDITED PROFITS & LOSSES AS RESTATED

(₹ in lakhs)

Year/period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Operating Income					
Income from IT Division	6,846.47	4,361.87	3,192.51	3,075.16	2,593.96
Income from Media & Entertainment Division	253.31	272.23	167.21	344.33	359.23
Total Revenue	7,099.78	4,634.10	3,359.72	3,419.49	2,953.19
Other Income	4.31	-	0.10	0.01	-
Increase / (Decrease) in Stock	(3.47)	2.62	0.85	(0.09)	(2.25)
Total Income	7,100.62	4,636.72	3,360.67	3,419.41	2,950.94
Expenditure					
Purchases	5,636.15	3,612.56	2,608.25	2,641.55	2,141.86
Employee Cost	169.63	149.54	156.96	139.76	145.74
Administration, Selling & Other Expenses	109.63	100.68	111.31	154.30	122.82
Legal Settlement Expenses	85.80	-	-	-	-
Cost of film production	-	-	-	-	154.81
Misc. expenses written off	1.23	-	-	0.58	0.74
Total Expenditure	6,002.44	3,862.78	2,876.52	2,936.19	2,565.97
Profit Before Finance Cost, Taxation & Depreciation	1,098.18	773.94	484.15	483.22	384.97
Depreciation and amortization	346.30	279.84	203.28	143.44	91.61
Profit Before Finance Cost & Taxation	751.88	494.10	280.87	339.78	293.36
Financial charges	75.19	91.41	83.60	37.08	3.64
Profit Before Tax	676.69	402.69	197.27	302.70	289.72
Provision For Taxation	137.29	69.63	28.33	34.79	12.17
Fringe Benefit Tax	-	-	1.40	2.38	5.12
Deferred Tax Liability/(Asset)	84.61	46.16	160.68	(58.30)	22.13
Profit After Tax	454.79	286.90	6.86	323.83	250.30

STATEMENT OF AUDITED ASSETS & LIABILITIES AS RESTATED

(₹ in lakhs)

Year/period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Fixed Assets					
Gross Block	2,551.32	2,095.11	1,661.83	1,218.82	737.89
Less: Depreciation & Amortization	962.49	802.83	528.01	324.73	181.29
Net Block	1,588.83	1,292.28	1,133.82	894.09	556.60
Capital Work in Progress	236.93	271.59	383.50	133.21	144.94
Total Fixed Assets	1,825.76	1,563.87	1,517.32	1,027.30	701.54
Investment	14.45	14.45	191.15	91.15	159.08
Currents Assets, Loans and Advances					
Inventories	397.51	356.72	348.31	346.65	601.78
Cash and Bank Balance	4.35	11.97	8.77	37.73	40.34
Loans and Advances	478.01	589.17	686.82	640.38	129.92
Sundry Debtors	3,041.69	2,227.70	1,069.16	899.26	876.41
Total Currents Assets, Loans and Advances	3,921.56	3,185.56	2,113.06	1,924.02	1,648.45
Total Assets	5,761.77	4,763.88	3,821.53	3,042.47	2,509.07
Liabilities and Provisions					
Secured loans	359.43	468.15	476.59	227.40	165.33
Unsecured Loans	234.65	193.06	151.66	135.92	-
Deferred Tax Liabilities	342.73	258.12	211.96	51.28	109.58
Current Liabilities & Provisions	1,631.54	1,072.74	688.42	340.03	280.53
Total Liabilities and Provisions	2,568.35	1,992.07	1,528.63	754.63	555.44
Net Worth	3,193.42	2,771.81	2,292.90	2,287.84	1,953.63
Represented by:					
Share Capital	912.31	684.23	664.23	664.23	664.23
Share Application Money	-	-	8.00	9.80	-
Reserve and Surplus	2,336.49	2,087.58	1,620.67	1,613.81	1,289.98
Less: Miscellaneous Expenditure to the extend not written off	(55.38)	-	-	-	(0.58)
Net Worth	3,193.42	2,771.81	2,292.90	2,287.84	1,953.63

THE ISSUE

Equity Shares offered:	67,20,000 Equity Shares
QIB Portion including Mutual Funds*	Not more than 33,60,000 Equity Shares constituting 50% of the Issue to the Public (allocation on proportionate basis) out of which 5% i.e. 1,68,000 Equity Shares will be available for allocation to Mutual Funds only and the remaining QIB portion will be available for allocation to all QIBs, including Mutual Funds
Non Institutional Portion*	Not less than 10,08,000 Equity Shares constituting 15% of the Issue to the Public (Allocation on proportionate basis)
Retail Portion*	Not less than 23,52,000 Equity Shares constituting 35% of the Issue to the Public (Allocation on proportionate basis)
Equity Shares outstanding prior to the Issue	91,23,110 Equity Shares
Equity Shares outstanding after the Issue	1,58,43,110 Equity Shares
Objects of the Issue	Please see the section entitled "Objects of the Issue" beginning on Page no. 29 of this Red Herring Prospectus.

* Under subscription, if any, in any of the categories would be allowed to be met with spill over from any of the other categories, at the discretion of our Company in consultation with the BRLM.

GENERAL INFORMATION

Bharatiya Global Infomedia Limited

Our Company was originally incorporated as Bhartiya Global Financial & Allied Services Limited vide Certificate of Incorporation dated November 24, 1994 issued by the Registrar of Companies, NCT of Delhi & Haryana under the provisions of the Companies Act, 1956 and obtained Certificate for Commencement of Business on January 18, 1995. The name of our Company was changed to Bhartiya Global Software Fintec Limited vide fresh incorporation certificate dated May 3, 1999 issued by the Registrar of Companies, NCT of Delhi & Haryana. Our Company further changed its name to Bhartiya Global Software Limited vide fresh incorporation certificate dated June 27, 2001 issued by the Registrar of Companies, NCT of Delhi & Haryana and finally changed its name to Bharatiya Global Infomedia Limited vide fresh certificate of incorporation dated November 13, 2003 issued by the Registrar of Companies, NCT of Delhi & Haryana.

Registered Office of our Company

623, 6th Floor, Devika Tower,
6, Nehru Place, New Delhi- 110 019
Tel No: +91-11- 40765562
Fax No: +91-11-41377519
Website: www.bgilinfo.com

Corporate Office

B-60, Sector-57,
Noida-201301 (U.P.)
Tel.: +91-120-4227792
Fax: +91-120-4227791
Website: www.bgilinfo.com

Changes in the Registered Office of our Company

Date of change	Particulars	Reason for change
August 28, 1995	The registered office of our Company was shifted from B-56, Jhandewalan F.F. Complex, Rani Jhansi Road, New Delhi-110055 to D-51, Vivek Vihar Phase-I Delhi- 110095.	Operational convenience
May 29, 1996	The registered office of our Company was shifted from D-51 Vivek Vihar Phase-I Delhi-110095 to "Regency House", BM - 12 (West) Shalimar Bagh, Delhi - 110056.	Operational convenience
August 16, 1999	The registered office of our Company was shifted from "Regency House" BM-12 (West) Shalimar Bagh, Delhi-110056 to 21, National Park Basement(Cabin No. 5), Lajpat Nagar-IV, New Delhi-110024.	Operational convenience
August 25, 1999	The registered office of our Company was shifted from 21, National Park, Lajpat Nagar-IV, New Delhi to Plot No. E-133. Dilshad Garden, Delhi-110095.	Operational convenience
April 20, 2000	The registered office of our Company was shifted from E - 133, Dilshad Garden, Delhi-110 092 to 1306 Hemkunt House, Rajendra Place, New Delhi 110 008.	Operational convenience

September 1, 2003	The registered office of our Company was shifted from 1306 Hemkunt House, Rajendra Place, New Delhi 110 008 to A-6/8, Krishna Nagar Delhi.	Operational convenience
April 19, 2004	The registered office of our Company was shifted from A-6/8, Krishna Nagar, Delhi to 21, National Park, Lajpat Nagar IV, New Delhi.	Shifting due to acquisition of our Company by the existing Promoters
August 11, 2005	The registered office of our Company was shifted from 21, National Park, Lajpat Nagar, New Delhi-110024 to 601, Devika Towers, 6 th Floor, Nehru Place, New Delhi-110019	Considering the growing business of our Company and future prospects, need was felt for having office with better infrastructure and location, and hence, the registered office was shifted to Nehru Place, which is one of the business hubs in New Delhi
August 12, 2010	The registered office of our Company was shifted from 601, Devika Tower, 6 th Floor, Nehru Place, New Delhi - 110019 to 623, Devika Tower, 6 th Floor, 6, Nehru Place, New Delhi - 110019	Shifting within the same building due to sale of previous office

Registration Number of our Company

062967

Company Identification Number (CIN):

U74999DL1994PLC062967

Address of the Registrar of Companies

Registrar of Companies
National Capital Territory of Delhi and Haryana
4th Floor, IFCI Tower,
61, Nehru Place
New Delhi 110 019, India
Tel: +91 11 26235704
Fax: +91 11 2623 5702

Board of Directors

Name of Director	Designation	Nature of Directorship
Mr. Rakesh Bhatia	Chairman & Managing Director	Executive Director
Mr. Sanjeev Kumar Mittal	Executive Director - Technical	Executive Director
Mrs. Arti Bhatia	Director	Non Executive Non Independent Director
Mr. Harjit Singh Anand	Director	Non Executive Independent Director
Mrs. Jaya Misra	Director	Non Executive Independent Director

Mr. Sanjay Kapoor	Director	Non Executive Independent Director
Mr. Anil Kumar Kapoor	Director	Non Executive Independent Director

For further details of our Company's Directors, please refer to chapter titled 'Our Management' on page 87 of this Red Herring Prospectus.

Compliance Officer & Company Secretary

Mr. Kumar Pushkar

B-60, Sector-57,

Noida-201301 (U.P.)

Tel.: +91-120-4227792

Fax: +91-120-4227791

E mail: kumar.pushkar@bgilinfo.com

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

Bankers to our Company

The Royal Bank of Scotland

Brady House, 14, Veer Nariman Road, Horniman Circle, Fort,

Mumbai - 400 023

Tel: +91-22-66585858 / 66585926

Fax: +91-22-22042673

Website: www.rbs.in

Email: dhaneish.bachhawat@rbs.com / manish.bhatia@rbs.com

Contact Person: Mr. Dhanesh Bachhawat / Mr. Manish Bhatia

Book Running Lead Manager

Almondz Global Securities Limited

3 Scindia House, Janpath, New Delhi - 110001

Tel: +91-11-41514666-69

Fax: +91-11-41514665

Website: www.almondzglobal.com

Investor Grievance: complaint@almondz.com

Email: bgil.ipo@almondz.com

Contact Person: Mr. Puneet Arora/Mr. Deepak Madaan

Syndicate Member

Almondz Global Securities Limited

9, Crescent Chambers, 2nd Floor,

56 Tamarind Lane, Near Bombay Stock Exchange, Fort, Mumbai - 400001

Tel: +91-22- 22618055 / 22618137

Fax: +91-22- 22617942

Website: www.almondzglobal.com

Email: surender.tare@almondz.com

Contact Person: Mr. Surender Tare

Registrar to the Issue**Karvy Computershare Private Limited**

Plot No. 17-24, Vithalrao Nagar Madhapur, Hyderabad – 500 086, Andhra Pradesh

Tel: +91 40 23420815-820 Fax: +91 40 23420814

Email: bgil.ipo@karvy.com

Website: www.karvy.com

Contact Person: Mr. Murali Krishna

SEBI Registration Number: INR 000000221

Legal Advisors to the Issue**Vaish Associates Advocates**

Flat # 5-7, 10 Hailey Road,

New Delhi 110001 (India)

Tel: +91 11 42492713

Fax: +91 11 23320484

Email: delhi@vaishlaw.com

Contact Person: Mr. Satwinder Singh / Mr. Mohit Chaurasia / Ms. Divya Suman

Bankers to the Issue and Escrow Collection Banks**Axis Bank Limited**

Swastya Vihar branch, C-58, Preet Vihar,

Vikas Marg, New Delhi – 110 092

Tel: +91-11-22014245-47

Fax: +91-11-22019730

Email: rajan.arora@axisbank.com

Website: www.axisbank.com

Contact Person: Mr. Rajan Arora

HDFC Bank Limited

FIG-OPS Department

Lodha-I, Think Techno Campus, O-3 Level

Next to Kanjurmarg Railway Station

Kanjurmarg (East)

Mumbai – 400 042

Tel: +91-22-30752928

Fax: +91-22-25799801

Email: deepak.rane@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Mr. Deepak Rane

Dhanlaxmi Bank Limited

Janmabhoomi Bhavan, Janmabhoomi Marg,

Mumbai – 400 001

Tel: +91-22-22022535/61541781

Fax: +91-22-22871637/61541725

Email: venkataraghavan.ta@dhanbank.co.in

Website: www.dhanbank.com

Contact Person: Mr. Venkataraghavan T.A.

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs for ASBA process are provided at <http://www.sebi.gov.in/pmd/scsb-asba.html>.

Statutory Auditors

M/s SNMG & Co.,
Chartered Accountants
E-35, Lower Ground Floor, Lajpat Nagar - II,
New Delhi - 110 024
Tel: +91-11-41022495
Fax: +91-11-41022495
Contact Person: Mr. Neeraj Gupta
Email: ngconsultants@gmail.com

Peer Review Auditor (who has conducted reaudit as per Regulation IX of Part A of Schedule VIII of SEBI (ICDR) Regulations, 2009)

M/s K. Prasad & Co.
C-31, South Extension Part - I,
New Delhi - 110 049
Tel: +91-11-24621607
Fax: +91-11-24632364
Contact Person: Mr. K.M. Agarwal
Email: agarwalkm@rediffmail.com

Statement of inter-se allocation of responsibilities

Since Almondz Global Securities Limited is the sole BRLM to this issue, statement of inter-se allocation of responsibilities among Book Running Lead Manager's is not applicable.

IPO Grading

The Issue has been graded by CARE, a SEBI registered credit rating agency, as "CARE IPO Grade 2" indicating below average fundamentals. For details of grading rationale, please refer to page no. 245 of the Red Herring Prospectus.

Credit Rating

This being an Issue of Equity Shares, Credit rating is not required.

Trustee

This being an Issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

The size of the issue is being less than five hundred crore rupees; there is no requirement of monitoring agency in terms of Regulation 16 of SEBI (ICDR) Regulations, 2009.

Appraising Entity

The objects of this issue have not been appraised by any agency. The objects of this issue and means of finance thereof are based on internal estimates of our Company.

Book Building Process

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

The principal parties involved in the Book Building Process are:

- Our Company;
- Book Running Lead Manager;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and are eligible to act as Underwriters. Syndicate Members are appointed by the BRLM;
- Escrow Collection Bank(s);
- Self Certified Syndicate Banks; and
- Registrar to the Issue

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public 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.

Though the process of Book Building under the SEBI Regulations is not new, investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue.

Our Company shall comply with regulations issued by SEBI for this Issue. In this regard, our Company has appointed Book Running Lead Manager to manage the Issue and to procure subscription to the Issue.

Steps to be taken by the Bidder for bidding:

- Check eligibility for making a bid, see the section titled "Issue Procedure-Who Can Bid?" beginning on page no. 168 of this Red Herring Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form
- Ensure that the Bid cum Application Form / ASBA Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form and
- Ensure that the Bid - Cum - Application Form / ASBA Form is accompanied by the Permanent Account Number. For details please refer to the section titled "Issue Procedure" beginning on page no. 166 of this Red Herring Prospectus. Bidders are specifically requested not to submit their General Index Register number instead of Permanent Account Number as the Bid is liable to be rejected on those grounds.

Illustration of Book Building and Price Discovery Process

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

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 30 to ₹ 34 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below shows the demand for the shares of the company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	34	500	16.67%
1000	33	1500	50.00%
1500	32	3000	100.00%
2000	31	5000	166.67%
2500	30	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 32 in the above example. The issuer, in consultation with the Book Running Lead Manager, will finalize the issue price at or below such cut off price, i.e., at or below ₹ 32. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Bid/Issue Programme

Bidding Period/Issue Period

BID / ISSUE OPENS ON	MONDAY : JULY 11, 2011
BID / ISSUE CLOSES ON	THURSDAY : JULY 14, 2011

Bids and any revision in Bids will be accepted **only between 10 a.m. and 5 p.m.** (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form or in case of Bids submitted through ASBA, the Designated Branches of the SCSBs except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and 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 ₹ 2,00,000 and (ii) A standard cut-off time of 5.00 p.m. for uploading of Bids received from Retail Individual Bidders where the Bid Amount is up to ₹ 100,000 which may be extended up to such time as deemed fit by the BSE and the NSE after taking into account the total number of applications received upto the closure of timings and reported by BRLM to the Stock Exchanges within half an hour of such closure. Bids will be accepted only on Working Days i.e. Monday to Friday (excluding public holidays). 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 1.00 p. m.(Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue and the Issuer/ BRLM and the Syndicate Member will not be responsible for such Bids not being uploaded.

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

electronic book vis-a-vis the data contained in the physical or electronic Bid-cum-ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid / Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of the timing for acceptance of Bid cum Application Form and ASBA Form as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised up or down to the extent 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 Bid/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 period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the websites of the BRLM and at the terminals of the Syndicate Member.

Underwriting Agreement

After the determination of the Issue Price and allocation of our Equity Shares but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be 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 their respective Syndicate Members do not fulfil their underwriting obligations.

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 the Registrar of Companies):

Name and Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ Lakhs)
[•]	[•]	[•]
TOTAL	[•]	[•]

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

In the opinion of the Board of Directors & the BRLM (based on certificates given to them by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the Securities and Exchange Board of India Act, 1992 or registered as brokers with the Stock Exchange(s). The above Underwriting Agreement has been accepted by the Board of Directors at the meeting held on [•] and the Company has issued letters of acceptance to the Underwriter.

Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the Underwriting Agreement will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE

The share capital of our Company, before the Issue and after giving effect to the Issue, as on the date of this Red Herring Prospectus is set forth below:

		(₹ in lakhs)	
S. No.	Particulars	Aggregate value at nominal value	Aggregate value at issue price
A Authorized Capital			
	1,65,00,000 Equity Shares of ₹ 10/- each	1,650.00	
B Issued, Subscribed and Paid-up Capital			
	91,23,110 Equity Shares of ₹ 10/- each	912.31	
C Present Issue to the Public in terms of this Red Herring Prospectus			
	67,20,000 Equity Shares of ₹ 10/- each fully paid up	672.00	[●]
D Paid up Capital after the Issue			
	1,58,43,110 Equity Shares of ₹ 10/- each	1,584.31	
E Share Premium Account			
	Before the Issue	911.86	
	After the Issue		[●]

Details of changes in authorized share capital of our Company:

S. No.	Date	Increased from (₹ in lakhs)	Increased to (₹ in lakhs)	Remarks
1.	November 24, 1994	-	100.00	On Incorporation 10,00,000 Equity Shares of ₹ 10/- each.
2.	March 15, 2001	100.00	140.00	Increased from ₹ 100.00 lakhs divided into 10,00,000 equity shares of ₹ 10/- each to ₹ 140.00 lakhs divided into 14,00,000 equity shares of ₹ 10/- each.
3.	September 25, 2001	140.00	460.00	Increased from ₹ 140.00 lakhs divided into 14,00,000 equity shares of ₹ 10/- each to ₹ 460.00 lakhs divided into 46,00,000 equity shares of ₹ 10/- each.
4.	March 28, 2005	460.00	618.00	Increased from ₹ 460.00 lakhs divided into 46,00,000 equity shares of ₹ 10/- each to ₹ 618.00 lakhs divided into 61,80,000 equity shares of ₹ 10/- each.
5.	June 28, 2005	618.00	700.00	Increased from ₹ 618.00 lakhs divided into 61,80,000 equity shares of ₹ 10/- each to ₹ 700.00 lakhs divided into 70,00,000 equity shares of ₹ 10/- each.
6.	August 27, 2010	700.00	1,650.00	Increased from ₹ 700.00 lakhs divided into 70,00,000 equity shares of ₹ 10/- each to ₹ 1,650.00 lakhs divided into 1,65,00,000 equity shares of ₹ 10/- each.

Notes to Capital Structure:

1. Capital Build up (Equity Share Capital history of our Company):

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Cumulative Securities Premium Account (₹ in lakhs)	Cumulative No. of Equity Shares	Cumulative Paid-up Equity Capital (₹ in lakhs)	Consideration	Nature of Allotment
November 24, 1994	70	10	10	-	70	0.01	Cash	Subscription to Memorandum of Association
March 13, 1995	65,000	10	10	-	65,070	6.51	Cash	Preferential allotment to erstwhile Promoters & others
March 31, 2000	5,00,000	10	20	50.00	5,65,070	56.51	Cash	Preferential allotment to Promoters & Others
March 30, 2001	9,000	10	50	53.60	5,74,070	57.41	Cash	Preferential allotment to SRG Infotech Ltd.
March 31, 2001	812,430	10	20	134.84	13,86,500	138.65	Cash	Preferential allotment to Three-D Communications Ltd., VTV Network Ltd., Midas Netcom Ltd., Bhatia Investments & Finance (P) Ltd.
September 29, 2001	9,24,333	10	-	42.41	23,10,833	231.08	Bonus	Bonus Issue in the ratio of 2:3
September 29, 2001	22,50,000	10	10	42.41	45,60,833	456.08	Other than cash	Preferential allotment under swap arrangement with Visesh Infosystems Limited in the ratio of 3:1
March 31, 2005	13,40,000	10	45	511.41	59,00,833	590.08	Other than Cash	Preferential allotment to VTV Network Limited
May 30, 2005	2,01,500	10	45	581.93	61,02,333	610.23	Cash	Preferential allotment to VTV Network Limited
June 30, 2005	5,40,000	10	80	959.93	66,42,333	664.23	Other than cash	Preferential allotment under swap arrangement with Three-D Communications Limited in the ratio of 1:2
September 1, 2009 *	2,00,000	10	100	1,139.93	68,42,333	684.23	Other than cash	Preferential allotment to Mrs. Richa Mittal
August 27, 2010	22,80,777	10	-	911.86	91,23,110	912.31	Bonus	Bonus Issue in the ratio 1:3

The allotment of Equity shares of our Company is in compliance with the provisions of section 67 (3) of the Companies Act 1956.

* Mrs. Richa Mittal is wife of Mr. Rajeev Mittal and a resident of A-147-148, Sector 55, Noida, Uttar Pradesh, and not related to our Company, our Promoters / Directors or Promoter Group Companies. Mrs. Richa Mittal is the principal managing partner of M/s Gadeo Electronics, a partnership firm, having 97.5% stake. Our Company entered into a Memorandum of Understanding on September 1, 2009 and Supplementary MoU dated June 3, 2010 with M/s Gadeo Electronics for taking over the said firm having immovable property at B-60, Sector 57, Noida, for a total consideration of ₹ 596.00 lakhs for purchase of office. Our Company issued 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 90 per equity share on preferential basis to Mrs. Richa Mittal as part-consideration out of total consideration of ₹ 596.00 lakhs.

2. Details of the issue of Equity Shares in the last one year at a price lower than the issue price are as under:

Date of Allotment	Number of Equity Shares	Issue Price per share (₹)	Name of allottees	Promoter & Promoter Group/Non Promoter	Reason for Issue
August 27, 2010	22,80,777	-	Mr. Rakesh Bhatia	Shareholders as on August 27, 2010	Bonus Issue in the ratio of 1:3
			Mrs. Arti Bhatia		
			Rakesh Bhatia (HUF)		
			Mr. Sanjay Kapoor		
			Mrs. Richa Mittal		
			Mrs. Santoshi Devi		
			Mr. J.K. Bhatia		
			Mr. B.K. Bhatia		
			Mrs. Bharti Singh		
			Mrs. Tanuja Singh		
			Mrs. Shabnam Kapoor		
			Mr. Rajeev Kumar Agarwal		
			Mr. Gaurav Bhatia		
			Mr. Sanjeev Kumar Mittal		
			Mr. Arpan Talwar		
			Mr. Kripal Singh		
			Mrs. Sneh Lata		
			Mr. Atul Tomar		
			Mrs. Abha Singh		
			Mr. Kumar Pushkar		
Jupiter Infraenergy Limited					
Number one Finsec Private Limited					
Grindlay Finman Private Limited					
Bhatia Investment & Finance Private Limited					
Number one Finvest Private Limited					
BGIL Films & Technologies Limited					
M J Commodities Private					

		Limited		
		Mr. Piyush Agarwal		

3. The list of Shareholders of our Company belonging to the category "Promoter and Promoter Group" as on the date of this Red Herring Prospectus is detailed in the table given below:

S. No.	Category	Total Shares held		Shares pledged or otherwise encumbered		
		Number	As a % of total pre-issue paid up equity capital	Number	As a % of total Shares held by the Promoter/Promoter group	As a % of total pre-issue paid up equity capital
(A) Promoters						
1.	Mr. Rakesh Bhatia	2,817,276	30.88	-	-	-
2.	Mrs. Arti Bhatia	1,924,544	21.10	-	-	-
	Total (A)	4,741,820	51.98	-	-	-
(B) Promoter Group						
1.	Number One Finvest Private Limited*	6,86,000	7.52	5,00,000	6.18	5.48
2.	Rakesh Bhatia (HUF)	540,000	5.92	-	-	-
3.	BGIL Films & Technologies Limited	5,14,295	5.64	-	-	-
4.	Grindlay Finman Private Limited	5,00,067	5.48	-	-	-
5.	Number One Finsec Private Limited**	4,99,554	5.48	1,00,000	1.24	1.10
6.	Bhatia Investment & Finance Private Limited	4,92,223	5.40	-	-	-
7.	Mr. Gaurav Bhatia	36,000	0.39	-	-	-
8.	Mrs. Santoshi Devi	33,333	0.37	-	-	-
9.	Mr. J.K. Bhatia	24,333	0.27	-	-	-
10.	Mr. B.K. Bhatia	13,333	0.15	-	-	-
11.	Mr. Kripal Singh	4,000	0.04	-	-	-
12.	Ms. Abha Singh	2,000	0.02	-	-	-
13.	Mrs. Sneha Lata	1,000	0.01	-	-	-
14.	Mr. Atul Tomar	1,000	0.01	-	-	-
	Total (B)	33,47,138	36.69	6,00,000	7.42	6.58
	Total (A + B)	80,88,958	88.66%	6,00,000	7.42%	6.58%

*Number One Finvest Private Limited has pledged 5,00,000 equity shares on October 1, 2010 held by them as under:

Sr.No.	Name of pledge	Number of shares pledged	Loan amount (₹ in lakhs)
1.	Sunlight Financial Advisory (P) Limited	2,00,000	60.00
2.	Tora Marketing (P) Limited	2,00,000	60.00
3.	Kamlesh Beheti	1,00,000	30.00
	TOTAL	5,00,000	150.00

**Number One Finsec Private Limited has pledged 1,00,000 equity shares on November 2, 2010 to Mrs. Renu Jain for loan amount of ₹ 30 lakhs. Mrs. Renu Jain is wife of Mr. Laxmi Lal Jain and a resident of 201-202A, Sonal Classic Co-operative Housing Society Limited, Bhardawadi Path, Andheri West, Mumbai - 400058. She is not, in any manner, related to our Company, our Promoters / Directors or Promoter Group Companies. The secured loans taken by Number One Finsec Private Limited from Mrs. Renu Jain against the shares of our Company for an aggregate amount of ₹ 30 lakhs. Out of this, an amount of ₹ 12.50 lakhs were given to our Company as inter-corporate loan and remaining amount of ₹ 17.50 lakhs was used by Number One Finsec Private Limited for its internal purpose.

The above shares are kept as collateral security against advance for a period of six months and rate of interest will be decided from time to time between the parties. In the event of default of payment of debt, the pledge shall have full rights to foreclose on the pledged shares and exercise its rights as a secured party pursuant to law requirements.

4. Details of promoters' contribution and lock in

(a) Build up of Promoters

Name	Date of Allotment / Transfer / Acquisition	Date when made fully paid-up	Nature of allotment / Consideration (cash / bonus / kind, etc)	No. of Equity Shares	Face Value (₹)	Issue / Acquisition price	%age of post-issued share capital	%age of pre-issue share capital	Lock-in period (years)
Mr. Rakesh Bhatia	Sep 30, 2003	Sep 30, 2003	Transfer in cash from VTV Network Limited	1,50,000	10	3.50			1 year*
	Sep 30, 2004	Sep 30, 2004	Transfer in cash to Kartik Share Traders Private Limited	(1,00,217)	10	(6.25)			
	Sep 30, 2004	Sep 30, 2004	Transfer in cash from Visesh Infotecnics Limited	1,77,667	10	2.25			3 years
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from VTV Network Limited	6,00,000	10	3.53			3 years
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from Three-D Communications Limited	1,01,524	10	9.55			1 year
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from Kartik Share Traders Private Limited	5,00,000	10	6.25			3 years
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from Shubh Finsec Private Limited	3,22,333	10	6.95			3 years
	Sep 29, 2007	Sep 29, 2007	Transfer in cash from VTV Network Limited	3,00,000	10	5.32			3 years
				1,500	10	5.32			1 year
	Sep 29, 2008	Sep 29, 2008	Transfer in cash from Jeewal Financial Services Private Limited	50,150	10	2.00			1 year
	Sep 30, 2009	Sep 30, 2009	Transfer in cash from Mr. JK Bhatia	10,000	10	1.00			1 year
Aug 27, 2010	Aug 27, 2010	Bonus Issue in the ratio of 1:3	7,04,319	10	-			1 year	

Total (A)				28,17,276			17.78%	30.88%	
Mrs. Arti Bhatia	Sep 30, 2003	Sep 30, 2003	Transfer in cash from VTV Network Limited	1,40,000	10	3.57			1 year*
	Sep 30, 2004	Sep 30, 2004	Transfer in cash to Kartik Share Traders Private Limited	(734)	10	(6.81)			-
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from Ms. Monica Jain	39,750	10	3.52			3 years
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from Three-D Communications Limited	1,69,676	10	3.08			3 years
	Sep 30, 2005	Sep 30, 2005	Transfer in cash from Midas Netcom Limited	8,58,383	10	7.22			3 years
	Sep 29, 2007	Sep 29, 2007	Transfer in cash from VTV Network Limited	2,00,000	10	6.70			3 years
	Sep 30, 2009	Sep 30, 2009	Transfer in cash from Ms. Tanuja Singh	8,333	10	1.00			3 years
	Sep 30, 2009	Sep 30, 2009	Transfer in cash from Ms. Bharati Singh	20,000	10	6.00			3 years
	Sep 30, 2009	Sep 30, 2009	Transfer in cash from Mr. Atul Tomar	1,858	10	10.00			3 years
	Sep 30, 2009	Sep 30, 2009	Transfer in cash from Ms. Abha Singh	4,142	10	10.00			1 year
	Sep 30, 2009	Sep 30, 2009	Transfer in cash from Ms. Abha Singh	2,000	10	16.00			3 years
Aug 27, 2010	Aug 27, 2010	Bonus Issue in the ratio of 1:3	4,81,136	10	-			1 year	
Total (B)				19,24,544			12.15%	21.10%	
Total (A + B)				47,41,820			29.93%	51.98%	

* the balance shares left after transfer are locked in for a period of one year.

(b) Lock-in of Minimum Promoters' Contribution

Pursuant to the SEBI (ICDR) Regulations, an aggregate of 20.20% of the post-Issue equity share capital i.e. 32,00,000 Equity Shares of our Company held by the Promoters shall be locked in for a period of three (3) years from the date of allotment. The details of the same are as follows:

Name of Promoter	No. of shares locked-in	Face Value (₹)	% of Pre-Issue paid up capital	% of Post-Issue paid up capital
Mr. Rakesh Bhatia	19,00,000	10	20.83%	11.99%
Mrs. Arti Bhatia	13,00,000	10	14.25%	8.21%
Total	32,00,000		35.08%	20.20%

- The Equity Shares to be locked-in for a period of three years have been computed as 20.20% of Equity Share Capital after the Issue. It is confirmed that the Equity Shares offered by the Promoters for three years lock-in are not pledged to any creditor. Further all the Equity Shares, which are being locked in for 3 years, are not ineligible for computation of minimum promoters' contribution and lock-in as per Regulation 33(1) of SEBI (ICDR) Regulations.
- The Promoters have vide their letter dated November 3, 2010 given their consent for lock-in of shares as stated above. The lock-in shall start from the date of allotment in the public issue and the last date of the lock-in shall be reckoned as three years from the date of allotment in the issue.

- iii. In addition to above promoters' contribution which is locked in for a period of three years, the entire remaining pre-issue equity capital of our Company i.e. 59,23,110 equity shares will be locked in for a period of one year from the date of allotment of equity shares in this Issue constituting 37.39% of the post issue equity share capital of our Company.
- iv. In terms of Regulation 39 of SEBI (ICDR) Regulations, locked-in Equity Shares held by the Promoters can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the condition that (i) if the equity shares are locked-in in terms of clause (a) of Regulation 36, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of loan; and (ii) if the equity shares are locked-in in terms of clause (b) of Regulation 36 and the pledge of equity shares is one of the terms of sanction of the loan.
- v. In terms of Regulation 40 of SEBI (ICDR) Regulations, 2009, Equity Shares held by the Promoter may be transferred to and amongst the Promoters / Promoter group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeover Regulations), 1997 as applicable. Further, in terms of Regulation 40 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and in compliance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, locked in Equity Shares held by persons other than the Promoters may be transferred to any other person holding shares which are locked-in as per Regulation 37 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, subject to continuation of the lock-in in the hands of the transferees for the remaining period and such transferee shall not be eligible to transfer them till the lock-in period stipulated under the Regulations has expired.

Further, in the preceding three years, shares considered for minimum promoter's contribution have not been acquired for consideration other than cash and revaluation of assets or resulting from bonus issue out of revaluation reserves or reserves created without accrual of cash resources or against shares which are otherwise ineligible for minimum promoter's contribution. Also, minimum promoter's contribution does not include any shares acquired during last one year at a price lower than the Issue price.

5. There is no "buyback" or "standby" arrangement for purchase of Equity Shares by our Company, its Directors, its Promoters, or the BRLM for the Equity Shares offered through this Red Herring Prospectus.
6. Except as stated below our Company has not issued any equity shares for consideration other than cash.

Date of Allotment	Reasons for the Issue	Name of allottees	Number of equity shares	Issue Price	Benefits accrued to our company
September 29, 2001	Bonus Issue	Shareholders of our Company as on September 29, 2001 in the ratio of 2:3	9,24,333	-	Increase in capital base of our Company
September	Under swap	Visesh Infosystems	22,50,000	10	Investment in

29, 2001	arrangement with Visesh Infosystems Limited in the ratio of 3:1	Visesh Infosystems Limited				Visesh Infosystems Limited
March 31, 2005	Preferential allotment to VTV Network Ltd.	VTV Network Ltd.	13,40,000	45		Business takeover of VTV Network Ltd.
June 30, 2005	Under swap arrangement with Three-D Communications Limited in the ratio of 1:2	Three-D Communications Limited	5,40,000	80		Investment in Three-D Communications Limited
September 1, 2009	Preferential allotment for entering into MOU for takeover of M/s Gadeo Electronics	Mrs. Richa Mittal	2,00,000	100		Takeover of property by taking over M/s Gadeo Electronics
August 27, 2010	Bonus Issue	Shareholders of our Company as on August 27, 2010 in the ratio of 1:3	22,80,777	-		Increase in capital base of our Company

7. An over-subscription to the extent of 10% of Issue to the Public can be retained for the purpose of rounding off to the nearer multiple of 1, while finalizing the Basis of Allotment.
8. As on date of filing of this Red Herring Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up.
9. The Equity Shares offered through this Issue shall be made fully paid up.
10. 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.
11. (a) Details of top ten shareholders of our Company as on the date of filing of this Red Herring Prospectus with SEBI are as follows: -

Sr. No.	Name	No. of Shares	% of shareholding
1.	Mr. Rakesh Bhhatia	28,17,276	30.88%
2.	Mrs. Arti Bhatia	19,24,544	21.10%
3.	Number One Finvest Private Limited	686,000	7.52%
4.	Rakesh Bhhatia (HUF)	5,40,000	5.92%
5.	BGIL Films & Technologies Limited	5,14,295	5.64%
6.	Grindlay Finman Private Limited	5,00,067	5.48%
7.	Number One Finsec Private Limited	4,99,554	5.48%
8.	Bhhatia Investment & Finance Private Limited	4,92,223	5.40%
9.	Mrs. Richa Mittal	2,66,667	2.92%
10.	M J Commodities (P) Limited	2,66,667	2.92%
	Total	85,07,293	93.25%

(b) Details of top ten shareholders of our Company as on ten days prior to filing of this Red Herring Prospectus with SEBI are as follows:

Sr. No.	Name	No. of Shares	% of shareholding
1.	Mr. Rakesh Bhhatia	28,17,276	30.88%
2.	Mrs. Arti Bhatia	19,24,544	21.10%
3.	Number One Finvest Private Limited	686,000	7.52%
4.	Rakesh Bhhatia (HUF)	5,40,000	5.92%
5.	BGIL Films & Technologies Limited	5,14,295	5.64%
6.	Grindlay Finman Private Limited	5,00,067	5.48%
7.	Number One Finsec Private Limited	4,99,554	5.48%
8.	Bhatia Investment & Finance Private Limited	4,92,223	5.40%
9.	Mrs. Richa Mittal	2,66,667	2.92%
10.	M J Commodities (P) Limited	2,66,667	2.92%
Total		85,07,293	93.25%

(c) Details of top ten shareholders of our Company as on two years prior to filing of this Red Herring Prospectus with SEBI are as follows:

Sr. No.	Name	No. of Shares	% of shareholding
1.	Mr. Rakesh Bhhatia	20,52,807	30.00%
2.	Mrs. Arti Bhatia	14,07,075	20.56%
3.	BGIL Films & Technologies Limited	4,89,434	7.15%
4.	Rakesh Bhhatia(HUF)	4,05,000	5.92%
5.	Kriti Communications Private Limited	4,00,000	5.85%
6.	Grindlay Finman Private Limited	3,75,050	5.48%
7.	Number One Finsec Private Limited	3,74,665	5.48%
8.	Bhhatia Investment & Finance Private Limited	3,69,167	5.40%
9.	Kartik Share Traders Private Limited	3,50,000	5.12%
10.	Number One Finvest Private Limited	1,00,000	1.46%
Total		63,23,198	92.41%

The above shareholders do not hold any shares, which they would be entitled to upon exercise of warrant, option, rights to convert a debenture, loan or other instrument.

12. Pre-Issue & Post-issue shareholding pattern of our Company:

Category of shareholder	No. of shareholders	Total no. of shares	Total shareholding as a percentage of total number of shares		Total post-Issue shareholding*		Shares pledged for otherwise encumbered	
			As a %age of (A+B)	As a %age of (A+B+C)	Total number of shares	As a %age of (A+B+C)	Total number	As a percentage of post-issued (A+B+C)
(A) Promoters' holding								
(1) Indian Promoters								

Individuals / HUFs	2	47,41,820	51.98	51.98	47,41,820	29.93	-	-
Trusts	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-
Promoter Group								
Individuals/HUFs/Trusts	9	6,54,999	7.18	7.18	6,54,999	4.13	-	-
Bodies Corporate	5	26,92,139	29.51	29.51	26,92,139	16.99	6,00,000	3.79
Sub-total (A) (1)	16	80,88,958	88.66	88.66	80,88,958	51.06	6,00,000	3.79
(2) Foreign								
Individuals/HUFs	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-
Any other (please specify)	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-
Total shareholding of Promoter & Promoter Group (A) = (A)(1) + (A)(2)	16	80,88,958	88.66	88.66	80,88,958	51.06	6,00,000	3.79
(B) Public shareholding (Non-Promoters')								
Individuals	58	6,68,595	7.33	7.33	[•]	[•]	NA	NA
Bodies Corporate	3	3,65,557	4.01	4.01	[•]	[•]	NA	NA
Institutions (FIs, Banks, MFs, etc.)	-	-	-	-	[•]	[•]	NA	NA
Sub-total (B) (Non-Promoters' holding)	61	10,34,152	11.34	11.34	[•]	[•]	NA	NA
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	[•]	[•]	NA	NA
Grand Total (A + B + C)	77	91,23,110	100.00%	100.00%	[•]	[•]	6,00,000	3.79

13. In compliance with Regulation 26(5) of the SEBI (ICDR) Regulations, 2009 our Company has no outstanding convertible securities and has not provided any right which would entitle any person any option to receive Equity Shares after the initial public offer, which may restrict it from issuing securities.

14. Our Promoters/ Promoter Group/Directors and their immediate relatives have not purchased / sold / financed / acquired any equity shares of our Company during the past 6 months, immediately preceding the date of the Draft Red Herring Prospectus, except for the following:

Name of Promoter Group / Transferor	Name/Category of Transferee	Number of shares	Date of Transfer
BGIL Films & Technologies Ltd.	Employees	57,500	September 25, 2010
BGIL Films & Technologies Ltd.	Public (Other than Promoter & Promoter Group)	47,451	September 25, 2010

Number One Finvest Private Limited	Directors (Mr. Harjit Singh Anand & Ms. Jaya Misra)	2,000	September 25, 2010
Mr. Kripal Singh	Employees	8,783	September 25, 2010
	Public (Other than Promoter & Promoter Group)	550	
Ms. Sneh Lata	Public (Other than Promoter & Promoter Group)	666	September 25, 2010
	Promoter Group - Mr. J.K. Bhatia	11,000	
	Promoter Group - Ms. Abha Singh	667	
Mr. Atul Tomar	Public (Other than Promoter & Promoter Group)	333	September 25, 2010
Director and their relatives			
Mr. Sanjay Kapoor	Director - Mr. Sanjeev Kumar Mittal	10,000	September 25, 2010
	Employee - Mr. Rajeev Kumar Agarwal	5,217	
Ms. Shabnam Kapoor	Employees	20,000	September 25, 2010
TOTAL		1,64,167	

15. Our Company has not raised any bridge loan against the proceeds of the present issue.
16. We presently do not intend or propose any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue, public issue or in any manner during the period commencing from submission of this Red Herring Prospectus with SEBI till the Equity Shares offered through this Red Herring Prospectus/Red Herring Prospectus/Prospectus have been listed on the Stock Exchanges.
17. At present, our Company does not have any intention or proposal to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or issue of specified securities on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutional placement.
18. Our Company does not have any Employee Stock Option Scheme (ESOS) / Employee Stock Purchase Scheme (ESPS) 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 ESOS scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
19. Our Company has not issued any shares out of revaluation reserves.
20. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
21. We shall ensure that transaction in the Equity Shares by the Promoters and Promoter Group between the date of registering the Red Herring Prospectus with the Registrar of Companies and the Bid Closing Date shall be reported to the Stock Exchanges within 24 hours of such transaction.

22. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms specified by SEBI from time to time.
23. Our Company has 77 shareholders as on the date of filing of this Red Herring Prospectus with SEBI.
24. Our Company has not revalued its assets since its incorporation.
25. Neither the BRLM nor their associates hold any Equity Shares in the Company.
26. This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public 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 our sole discretion, in consultation with the BRLM.
27. An applicant in public category cannot make an application for the number of Equity Shares exceeding the number of Equity Shares offered to the public.
28. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in Para on "Basis of Allocation" appearing on page no. 197 of this Red Herring Prospectus.

OBJECTS OF THE ISSUE

The proceeds from the proposed Issue of shares are intended to be deployed for:

1. Setting up of our Corporate office at Noida & Branch Office at Mumbai;
 - a. Purchase of owned Corporate office at Noida & relocation of Branch Office at Mumbai
 - b. Upgradation of Digital Post Production Studio and Investment in IT division
2. Expansion of R&D technology centre;
3. Repayment of bank borrowings;
4. Meeting long term working capital requirements;
5. Meeting general corporate purposes; and
6. Meeting Issue Expenses

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

Fund requirements

The details of fund requirement for objects mentioned above are given in the following table:
(₹ in lakhs)

S. No.	Particulars	Amount
1.	Setting up of our Corporate Office at Noida & Branch Office at Mumbai -	
	(a) Purchase of owned Corporate Office & relocation of Branch Office	989.60
	(b) Upgradation of Digital Post Production Studio and Investment in IT division	2204.67
2.	Expansion of R&D technology centre	656.73
3.	Repayment of bank borrowings	269.72
4.	Meeting long term working capital requirements	505.00
5.	General Corporate Purpose*	[•]
6.	Issue Expenses*	[•]
Total		[•]

* will be incorporated after finalization of Issue Price

Means of Finance*

		(₹ In lakhs)
S. No.	Particulars	Amount
1.	Proceeds of the Issue	[•]
2.	Internal Accruals	[•]
Total		[•]

* will be incorporated after finalization of Issue Price

As on March 31, 2011 our Company has cash & bank balance of ₹ 4.35 lakhs and total reserves and surplus of ₹ 2336.49 lakhs which will form part of internal accruals.

The aforesaid requirement of funds is proposed to be financed by the Issue proceeds and internal accruals as mentioned in the above table. Thus provisions of Regulations (VII)(C)(1) of Schedule VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 in connection with firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed public issue and internal accruals does not apply to our Company as we do not propose to avail any borrowed funds for part financing the Objects of the Issue.

The fund requirements and the intended use of the issue proceeds as described herein are based on management estimates and various quotations received by us from different suppliers. Our project has not been appraised by any bank or financial institution or any independent organisation. We may have to revise our expenditure and fund requirements as a result of variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our management. In addition, the estimated dates of completion of the expansion project as described herein are based on management's current expectations and are subject to change due to various factors, some of which may not be in our control.

The fund requirement is proposed to be met through internal accruals and the Issue proceeds. Any shortfall in meeting the objects of the issues would be met from internal accruals. Further, the amount that is in excess of the funds required for the objects proposed and Issue expenses will be utilized for general corporate purposes, which would be in accordance with the policies of our Board made from time to time.

Appraisal

The fund requirements and the funding plans are as per our management's estimates, and have not been appraised by any bank / financial institution.

Details of utilisation of issue proceeds

- **Setting up of our Corporate Office at Noida & Relocation of Branch Office at Mumbai**

- (a) **Purchase of Corporate Office & Relocation of Branch Office at Mumbai:**

In order to cater to the increase in employee's strength and to save on increasing rentals, our Company propose to set up its owned Corporate office at Noida (Uttar Pradesh) and Branch Office at Mumbai (Maharashtra). We have entered into a Memorandum of Understanding on September 1, 2009 and Supplementary MoU dated June 3, 2010 with M/s Gadeo Electronics for taking over the said firm having immovable property at B-60 Sector-57 Noida for the total consideration of ₹ 596.00 lakhs for purchase of Office. We have already issued 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 90 per equity share of our Company as part-consideration out of total consideration of ₹ 596 lakhs. The balance consideration of ₹ 396 lakhs would be paid out of IPO proceeds. The details of MoU/Supplementary MoU are disclosed in the section titled "History and certain corporate matters" appearing on page no. 85 of the Red Herring Prospectus. In respect of our owned branch office at Mumbai for relocating ourselves, we have not yet identified any location, however, we propose to purchase 4,000 to 5,000 sq.ft. area near Vile Parle (West) to Jogeshwari (West) within 3-4 months of receipt of IPO proceeds at an estimated cost of ₹ 593.60 lakhs, including cost of stamp duty and brokerage. Our estimate is based on an estimate

received from Home Linkers, Property Consultant & Developers vide their quotation dated August 30, 2010. We propose to allocate half of the area for Media & Entertainment division and half for the purpose of IT division. The total cost of purchase of the said offices works out to ₹ 989.60 lakhs. The total amount to be allocated from the IPO proceeds for purchase of Corporate Office at Noida and relocation of Branch Office at Mumbai is ₹ 989.60 lakhs, the details of which are as under:

(₹ in lakhs)

Details	Total Amount	Amount funded from IPO Proceeds
Relocation of Branch Office at Mumbai	593.60	593.60
Purchase of Corporate Office at Noida:		
(a) Consideration paid out of issue of 2,00,000 equity shares at ₹ 100 per equity share	200.00	Nil
(b) Balance consideration to be paid in cash	396.00	396.00
Total expenses	1,189.60	989.60

(b) Upgradation of Digital Post Production Studio and Investment in IT division

We propose to invest a total of ₹ 2204.67 lakhs as under:

(₹ In lakhs)

S. No.	Particulars	Amount
1.	Upgradation of Digital Post Production Studio	1365.46
2.	Investment in IT Division	839.21
	Total	2204.67

(a) Machineries for Digital Post Production Studio

We propose to upgrade Digital Post Production Studio in Mumbai at an estimated cost of ₹ 1365.46 lakhs, details of which are as under:

S.No.	Equipment	Estimated Cost** (₹ in lakhs)	Name of the supplier	Date of quotation
1.	Project work for planning, workflow, Designing, Equipment supply, installation, commissioning and technical training. The facilities include data scanning with scanity, off line suite on smoke on Linux, Data conform/DI grading, Digital film recording with ARRI recorder, Audio for Video, Digital Film restoration with revivals and Central SAN storage with Bright SAN	1075.00*	Cineom Broadcast India Private Limited	June 10, 2011
2.	Softwares viz. Auto Cad LT 2009, Coral Drarw 12, Oracle, Microsoft office (Professional), Windows, Visual Studio 2005, Windows 2003, Maya Unlimited 2009	155.04	Softmart Solutions	May 30, 2011

	single user CD and 3D Studio Max 2009 CD			
3.	Hardware viz. Computer Laptops (16 nos.), Servers (6 nos.) and Desktops (14 nos.)	40.82	Dell India Private Limited	May 23, 2011
4.	Office equipments viz. Networking router/switches (40 nos.), UPS (2 nos.), printers & faxes (2 nos.)	32.53	Contec Systems	June 1, 2011
5.	Office equipments viz. Security & surveillance equipments (2 nos.), projectors (1 no.), air conditioning and back-up control systems (2 nos.)	22.07	Nirmal Enterprises	May 22, 2011
6.	Furniture & fixtures (2500 sq.ft @ ₹ 1600 per sq.ft.)	40.00	K.V. Arts	May 27, 2011
	Total	1365.46		

* we have received quotation from Cineom Broadcast India Private Limited, for an estimated value of ₹ 1545.00 lakhs including cost towards system designing, implementation, training and handover. The VAT and other charges would be extra. We are already having an existing facility of post-production studio at Mumbai and expect that we would be in a position to negotiate this cost of ₹ 1545.00 lakhs at an estimated total cost of ₹ 1075.00 lakhs after disposal/exchange of existing equipments.

** including taxes, wherever applicable.

(b) Equipments for IT division

We propose to expand our existing facilities at our Mumbai and Noida offices, at an estimated cost of ₹ 839.21 lakhs, details of which are as under:

S.No.	Equipment	Estimated Quantity & Cost* (Amount ₹ in lakhs)				Name of the supplier	Date of quotation
		Noida		Mumbai			
	Computer Hardwares						
		Quantity	Total Price	Quantity	Total Price		
1.	Laptops, servers & desktops					Dell India Private Limited	May 23, 2011
	Laptops	81	79.19	48	46.92		
	Servers	20	58.31	8	23.32		
	Desktops	40	21.96	27	14.82		
2.	Software:					Softmart Solutions	May 30, 2011
	Auto Cad LT2009	3	35.74	1	11.91		
	Coral Draw	10	0.90	8	0.72		
	SQL Server 2005	3	33.92	3	33.92		
	Oracle	15	3.29	15	3.29		
	Microsoft Office (Professional)	9	1.09	9	1.09		
	Microsoft Windows	15	1.16	13	1.00		
	Visual Studio 2005	6	1.53	6	1.53		
Windows 2008	6	2.40	6	2.40			
3.	Hardware Equipments:					Orizin Technologies Private Limited	May 22, 2011
	UHF RFID readers	5	5.72	3	3.43		
	HF RFID readers	5	3.64	3	2.18		
	Hand held RFID readers	5	7.80	6	9.36		

	Hand held barcode computer	5	6.50	4	5.20		
4.	Router CISCO and Fireball CISCO					Contec Systems	June 1, 2011
	Router CISCO	1	2.31	2	4.62		
	Fireball CISCO	1	1.73	2	3.47		
5.	UVSS and AVCC		19.34		5.06	AJS Scale International	May 26, 2011
6.	Boom Barriers, flap barriers, tire killers and Bollards					FAAC India Private Limited	May 21, 2011
	Boom Barriers	1	1.02	-	-		
	Flap barriers	1	5.10	1	5.10		
	Tire killers	1	4.29	1	4.39		
	Bollards	1	4.86	2	9.72		
7.	Loop detectors	5	1.01	7	1.42	Nirmal Enterprises	May 20, 2011
8.	Kiosk	2	0.60	2	0.60	Prokraft India	May 26, 2011
9.	Ticket dispenser and touch screens					Adaptek Automation Technology	May 21, 2011
	Ticket dispenser	1	2.19	1	2.19		
	Touch screens	5	0.84	3	0.51		
10.	Thermal printer	5	1.19	7	1.66	Palas Software Private Limited	May 23, 2011
11.	Tools & fixtures**	-	2.00	-	2.00		
Office Equipments & Miscellaneous hardwares							
12.	Networking Routers & Router switches, UPS, Printer & Fax					Contec Systems	June 1, 2011
	Networking routers/switches	6	3.15	3	1.58		
	Online UPS	3	15.44	2	10.29		
	Printers & Fax	10	5.90	4	2.48		
13.	Security & surveillance equipments, projectors, air conditioning and back-up control systems					Nirmal Enterprises	May 22, 2011
	Security & surveillance equipments	13	32.72	5	12.58		
	Projectors	6	11.86	3	5.93		
	Airconditioning monitoring and back-up control systems	11	82.83	3	22.59		
14.	Furniture & fixtures	-	80.03	-	40.01	V. Kumar &	May 27, 2011

						Co.	
	TOTAL	541.92	297.29				

* including taxes, wherever applicable.

**management estimates

We confirm that none of the machinery or equipment that we propose to purchase out of the Public Issue proceeds are second hand in nature.

- Expansion of R&D technology centre**

The main objective of the R&D technology center will be to understand emerging technologies in various domains, in which our Company is operating and the activities that are proposed to be carried out. We shall be procuring different technology products and will be building applications around them in RFID. We also plan to venture into mobile application and Token-less Two Factor Authentication (TTFA) services. We believe that one of the important focus areas would be a constant development model to reduce input costs resulting in reduced product cost which is critical for ensuring the product acquisition cost to consumers, a core area in the competitive market place.

The total expenditure estimated for expansion of R&D technology center is ₹ 656.73 lakhs, details of which are as under:

S.No.	Equipment	Estimated Cost* (₹ in lakhs)	Name of the supplier	Date of quotation
1.	BMS Components and lump-sum engineering (includes energy monitoring, HVAC monitoring & control, fire protection system, DG monitoring, control & synchronization, water pump monitoring & control, lighting controls, access controls, AC breakers & couple monitoring, security & surveillance, DG fuel management & pilferage check, vehicle guidance and asset tracking.	530.00	Avance Technologies Limited**	May 27, 2011
2.	4 & 2 port RFID reader (14 nos.)	6.92	Westcon India (P) Ltd.	May 11, 2011
3.	Propalm Software based SSL-VPN with 10 licenses, Array Networks hardware SSL-VPN with 10 licenses, Sonicwall hardware SSL-VPN with 10 licenses (5 nos. each)	47.51	Netlab Solutions (India) Pvt. Ltd.	May 27, 2011
4.	F5 firepass hardware based SSL-VPN Appliance with 10 licenses, Juniper SSL-VPN hardware Appliance with 10 licenses & checkpoint connectra hardware based SSL-VPN Appliance with 25 licenses (5 nos. each)	72.29	Avance Technologies Limited**	May 27, 2011
	TOTAL	656.73		

* including taxes, wherever applicable.

** We have already made advance of ₹ 265 lakhs to Avance Technologies Limited against our purchase order dated June 1, 2011.

We confirm that none of the above vendors / suppliers is related to us in any manner.

We have relied on quotations received from various suppliers for orders of equipments and utilities or equipments yet to be placed. Where more than one quotation has been sought, we have indicated the lowest of such quotations. We are also negotiating with several suppliers and the actual supplier may vary from the one mentioned above. Further, the specification of our equipments may also differ considering the conditions prevailing at the time of placing the orders.

Our Company plans to meet the above expenditure out of the proceeds of this Issue. However, pending receipt of the Issue proceeds, we might be required to make certain initial payments/ deposits with the vendors / suppliers in order to avail the competitive rates quoted by them in their quotations. We plan to deploy the same out of our existing cash & bank balance/internal accruals and would recoup the amounts deployed from the issue proceeds

- **Meeting long term working capital requirements**

We believe that in order to further enhance our financial capabilities to ensure timely execution and completion of the contracts procured by our Company, it would be necessary to supplement our existing working capital requirements. Considering the existing growth rate of our business, the working capital needs of our Company is expected at approximately ₹ 1220.72 lakhs for FY 2011-12.

The long term working capital requirement has been calculated on the basis of working capital which will be required for FY 2011-12 based on expansion plans of our Company. These expansions are expected to increase the operations of our Company and the requirement of working capital.

The total working capital requirements for FY 2011-12, estimated by us and as certified by Statutory Auditor, as follows:

(₹ in lakhs)

Particulars	FY 2011-12 (Estimated)	FY 2010-11 (Audited)
	Amount	Amount
Inventory	478.16	397.51
Receivables	2015.15	2410.54
Sub-total (A)	2493.31	2808.05
Less:		
Creditors	838.45	1249.05
Sub-total (B)	838.45	1249.05
Net Current Assets (A - B)	1654.86	1559.00
Funding Pattern:		
Estimated Bank Finance available	-	300.00
Proposed to be funded through Issue Proceeds	505.00	
Working capital proposed from banks	1149.86	-

Internal Accruals	-	1259.00
Total	1654.86	1559.00

	Holding level (days)
Inventories	36 days
Receivables	120 days
Creditors	30 days

On the basis of holding period for the FY 2009-10, we have projected the total working capital requirements for the FY 2011-12 and on this basis, our total requirement works out to ₹ 1220.72 lakhs, which we propose to meet through bank finance to the extent of ₹ 715.72 lakhs and the balance of ₹ 505.00 lakhs from IPO proceeds.

- **Repayment of Bank borrowing**

We are currently availing cash credit limit of ₹ 300 lakhs from The Royal Bank of Scotland N.V. (RBS) (erstwhile ABN Amro Bank). The current PLR of RBS is 15.75% and our applicable interest rate is also 15.75% p.a. In order to reduce the leverage and allow flexibility in financial management of our operations, we intend to repay the entire outstanding cash credit facilities as on the date of repayment.. However, the current outstanding amount as on June 1, 2011 is ₹ 269.72 lakhs. The repayment of debt through equity infusion will reduce interest outflow on the loans and improve financials of the Company. The brief details of the facilities enjoyed by us are as under:

Name of the Lender	Date of sanction	Amount sanctioned (₹ in lakhs)	Current Amount outstanding as on June 1, 2011 (₹ in lakhs)	Rate of Interest (% per annum)	Purpose of availing cash Credit limit
The Royal Bank of Scotland (RBS)	July 15, 2008	300.00	269.72	Bank's base rate plus 9.25% p.a. The current applicable rate is 15.75% p.a.	Working Capital Requirement

M/s SNMG & Co., Chartered Accountants, the Statutory Auditors of our Company, vide their certificate dated October 18, 2010, have confirmed that the above credit facilities were utilized for the purpose for which they were availed.

- **General corporate purposes**

We, in accordance with the policies set up by the Board will have flexibility in applying the net proceeds of the Issue, after the aforesaid objects are met, for general corporate purposes including, but not restricted to meeting contingencies for any cost overrun in the expansion project, strategic initiatives, acquisitions, expanding into new geographies, brand building exercise, strengthening of market capabilities, future projects and meeting exigencies which we in the ordinary course may not foresee. As on the date of this Red Herring Prospectus, we have not entered into any commitment for any strategic

initiatives. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

- **Meeting the Issue expenses***

The expenses for this issue include issue management fees, underwriting and selling commission, (including commission to SCSB/Syndicate/sub-syndicate for ASBA applications) & brokerage, registrar's fees, grading fee, legal advisor's fees, advisors & banker's fees, statutory auditor's fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange among others. The total expenses for this issue are estimated to be ₹ [●] lakhs, details of which are as under:

(₹ in lakhs)			
Activity	Amount (₹ in lakhs)	% of total issue size	% of issue expenses
Issue management fees	[●]	[●]	[●]
Underwriting, selling commission and brokerage	[●]	[●]	[●]
Processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process	[●]	[●]	[●]
Fees to the Escrow Collection Banks, Public Issue Account Banks and Refund Banks	[●]	[●]	[●]
Registrars fees	[●]	[●]	[●]
Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
Other expenses (IPO Grading Agency, Monitoring Agency, Legal Advisors, Auditors and other Advisors etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* will be incorporated after finalization of issue price.

Funds deployed till date

The details of the amount spent by our Company as of June 8, 2011 as part of the 'Objects of the Issue' and as certified by M/s SNMG & Co., Chartered Accountants, vide certificate dated June 11, 2011 are provided in the table below:

(₹ in lakhs)		
S. No	Activity	Amount
1.	Investment in IT division at Noida	35.00
2.	Expansion of R&D technology centre	295.00
3.	Issue Expenses	50.44
	Total	380.44

Sources of Funds	Amount
Internal Accruals	380.44
Total	380.44

Schedule of Implementation

S. No	Activity	Expected month of commencement	Expected month of completion
1.	Setting up of our Corporate office at Noida & Branch Office at Mumbai - (a) Purchase of Corporate office at Noida & Relocation of Branch Office at Mumbai	-	November, 2011
	(b) Upgradation of Digital Post Production Studio & Investment in IT division	July, 2011	November, 2011
2.	Expansion of R&D technology Centre	July, 2011	October, 2011
3.	Repayment of bank borrowings	July, 2011	July, 2011

The break-up of proposed deployment of funds is mentioned below:

(₹ in lakhs)

Particulars	Already incurred till date	Fiscal year 2011-12		Total
	June 8, 2011	H1	H2	
Purchase of Corporate Office & Relocation of Branch Office	-	400.00	589.60	989.60
Upgradation of Digital Post Production Studio and Investment in IT division	35.00	1200.00	969.67	2204.67
Expansion of R&D technology Centre	295.00	368.82		663.82
Repayment of bank borrowings	-	269.72	-	269.72
General corporate purposes	-	[•]		[•]
Issue expenses	50.44	[•]		[•]
Total	380.44	[•]		[•]

Interim use of proceeds

Our Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds and deposits with banks. Such investments would be in accordance with the investment policies approved by the Board from time to time. We confirm that pending utilization of Issue proceeds; we shall not use the funds for any investments in the Equity markets.

Monitoring of utilisation of funds

The appointment of monitoring agency is not required in accordance with Clause 16 of SEBI (ICDR) Regulations, 2009. We have therefore not appointed any Monitoring Agency for the purpose of monitoring the utilization of issue proceeds. We will disclose the utilization of the proceeds under a separate head in our Company's balance sheet for the FY 2011-12 and FY 2012-13 clearly specifying the purpose for which such proceeds have been utilised. We, in our balance sheet for the FY 2011-12 and FY 2012-13, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any of such unutilized proceeds of the Issue.

Pursuant to Clause 49 of the Listing Agreement, our Company shall on quarterly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of fund utilized for purposes other than stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Our Company shall be required to inform the material deviations in the utilization of the issue proceeds to the Stock Exchanges and shall also be required to simultaneously make the material deviation / adverse comments of the Audit Committee public through advertisement in newspaper.

No part of the issue proceeds, will be paid by our Company, as consideration to Promoters, Directors, Promoter Group Entities, and Key Managerial Personnel.

BASIC TERMS OF ISSUE

PUBLIC ISSUE OF 67,20,000 EQUITY SHARES OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE, AGGREGATING ₹ [●] LAKHS (THE "ISSUE"). THE ISSUE WOULD CONSTITUTE 42.42% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY

Price band: ₹ 75 to 82 per Equity Share of face value of ₹ 10/- each.

The Issue price is 7.5 times the face value at the lower end of the price band and 8.2 times the face value at the higher end of the price band.

	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allocation*	Not more than 33,60,000 Equity Shares	Not less than 10,08,000 Equity Shares	Not less than 23,52,000 Equity Shares
Percentage of Issue Size Available for allocation	Not more than 50% of the Issue of which 5% will be available for proportionate allocation to Mutual Funds only. Mutual funds participating in the 5% reservation in the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs	Not less than 15% of Issue	Not less than 35% of Issue
Basis of Allocation if respective category is oversubscribed	Proportionate as follows: a. Equity Shares shall be allocated on proportionate basis to Mutual Funds in the Mutual Funds Portion; b. Equity Shares shall be allocated on proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of 75 Equity Shares so that the Bid Amount exceeds ₹ 2,00,000.	Such number of Equity Shares in multiples of 75 Equity Shares so that the Bid Amount exceeds ₹ 2,00,000.	75 Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of 75 Equity Shares so that the Bid amount does not exceed the Issue, subject to applicable limits.	Such number of Equity Shares in multiples of 75 Equity Shares so that the Bid amount does	Such number of Equity in multiples of 75 Equity Shares so that the Bid amount does not

		not exceed the Issue, subject to applicable limits.	exceed ₹ 2,00,000
Mode of Allotment	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode	Compulsorily in dematerialised mode
Allotment Lot	75 Equity Shares and in multiples of one Equity Share thereafter	75 Equity Shares and in multiples of one Equity Share thereafter	75 Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One	One	One
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 investors and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, 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 with minimum corpus of ₹ 2500 lakhs, pension funds with minimum corpus of ₹ 2500 lakhs, National Investment Fund and Insurance funds set up and managed by army, navy or air force of the Union of India in accordance with applicable laws.	Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, Eligible NRIs, scientific institutions, societies and trusts.	Individuals including NRIs and HUFs (in the name of the Karta) applying for Equity Shares such that the Bid amount does not exceed ₹ 2,00,000 in value.
Terms of Payment***	The entire bid amount shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members	The entire bid amount shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members	The entire bid amount shall be payable at the time of submission of the Bid-cum-Application Form to the Syndicate Members

Margin Amount	100% of the bid amount	100% of the bid amount	100% of the bid amount
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* Subject to valid Bids being received at or above the Issue Price.

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public 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 any of the other category or combination of categories, at the discretion of our Company in consultation with the BRLM.

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

*** In case of ASBA Bidders, SCSB shall be authorized to block such funds in the bank account of the ASBA Bidders that are specified in the Bid-cum-ASBA Forms.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares is ₹ 10/- and Issue Price is ₹ [●] per Equity Share and is [●] times the face value.

Investors should read the following summary with the Risk Factors appearing on page no. iii of this Red Herring Prospectus and the details about our Company and its financial statements included in this Red Herring Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

Qualitative Factors

For details in respect of our qualitative factors, please refer to the section “Our Strengths” appearing on page no. 66 of this Red Herring Prospectus.

Quantitative Factors

1. Adjusted Earning per Equity Share

Period (Financial Year)	Earnings per Equity Share (₹)	Weight
2008-09	0.08	1
2009-10	3.18	2
2010-11	4.99	3
Weighted Average	3.57	

2. Price / Earning Ratio (P/E)

Particulars	At the lower band of ₹ 75 per Equity Share	At the upper band of ₹ 82 per Equity Share
Based on the Adjusted EPS for the year ended March 31, 2011	15.03	16.43
Based on the weighted average EPS	21.01	22.97

Industry P/E

Sr. No.	Particulars	Industry P/E
Industry - Computers - Softwares - Medium/Small		
(i)	Highest	113.6
(ii)	Lowest	2.7
(iii)	Average	10.7
Industry - Entertainment / Electronic Media Software		
(i)	Highest	43.2
(ii)	Lowest	0.90
(iii)	Average	19.7

(Source: Capital Market dated May 30 – June 12, 2011)

3. Return on Networth (RONW)

Period (Financial Year)	RONW%	Weight
2008-09	0.30%	1

2009-10	10.35%	2
2010-11	14.24%	3
Weighted Average	10.62%	

4. Minimum Return on increased Net Worth required to maintain pre-issue EPS.

Particulars	At the Lower Band of ₹ 75 per Equity Share	At the Upper Band of ₹ 82 per Equity Share
Minimum required RONW for maintaining EPS	9.60%	9.08%

5. Net Asset Value per share (NAV)

Particulars	Adjusted NAV
a. As on March 31, 2011 (₹)	35.00
b. After Issue (at lower band of ₹ 75)	51.97
c. After Issue (at upper band of ₹ 82)	54.94

NAV per share = Paid up share capital + Reserves and surplus - Miscellaneous expenditure not yet written off / Number of Equity Shares outstanding.

6. Comparison with Industry Peers

The comparable ratios of companies, who are in similar line of business and similar size of operations in terms of total income, are given below:

Name of the Company	Face Value (₹)	Diluted E.P.S. (₹)	P/E	Book Value (₹)	RONW (%)
Industry - Computers - Softwares - Medium/Small					
Bartronics India	10	15.09	4.18	143.09	13.35
Industry - Entertainment / Electronic Media Software					
Prime Focus Ltd.	10	8.85	7.02	165.26	6.01
Bharatiya Global Infomedia Limited	10	4.99	-	35.00	14.24%

Note: The restated financial information of the industry peers is not ascertainable, the ratios disclosed in the Red Herring Prospectus for the purpose of comparison with the accounting ratios of our Company are not based on restated financial statements of the industry peers. The EPS, RONW and Book value figures are based on the last available standalone audited results for the year ended March 31, 2010. Accordingly, the EPS, RONW and Book Value per equity share figures for our Company are also disclosed for the year ended March 31, 2010. For Peer group companies, the EPS figures have been sourced from the website of Bombay Stock Exchange Limited i.e. www.bseindia.com. The figures for RONW and Book Value per equity share are calculated from the annual reports of respective peer group companies. P/E ratio is based on the standalone Basic and Diluted EPS for the financial year ended March 31, 2010 and Market Price (BSE) as on June 10, 2011.

The face value of the shares of our Company is ₹ 10/- per share and the Issue Price of ₹ [●] per share is [●] times of the face value of the Shares of our Company.

The BRLM believes that the Issue price of ₹ [●] is justified in view of the above qualitative and quantitative factors. See the section titled "Risk Factors" and "Financial Statements of the Company" beginning on page no. iii and 116 of this Red Herring Prospectus, including important profitability and return ratios, as set out in the Auditor's Report beginning on page no. 129 for further information.

STATEMENT OF TAX BENEFITS

Board of Directors,
Bharatiya Global Infomedia Limited
623, 6th Floor, Devika Tower,
Nehru Place, New Delhi – 110019

We hereby report that the enclosed annexure states the possible tax benefits available to **Bharatiya Global Infomedia Limited**, (the “Company”) and its shareholders under the current tax laws presently in force in India as amended by the Finance Act, 2011/ Direct Tax laws relevant to the Assessment Year 2012-13. 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 below are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences 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:

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

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

For M/s SNMG & Co.,
Chartered Accountants
Firm Registration No. 004921N

CA NEERAJ GUPTA
Membership No: 087004

Place: New Delhi
Date: June 02, 2011

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO BHARATIYA GLOBAL INFOMEDIA LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

The following benefits shall be available to the Company.

SPECIAL TAX BENEFITS

- (1) There are no special tax benefits available to the Shareholders.
- (2) There are no special tax benefits available to the Company.

GENERAL TAX BENEFITS:

A. BENEFITS AVAILABLE UNDER THE INCOME TAX ACT - 1961 (THE "ACT")

I. TO THE COMPANY

1) Depreciation under Section 32

In accordance with and subject to the provisions of section 32 of the Income Tax Act, the company will be allowed to claim depreciation on specified tangible and intangible assets as per the rates specified.

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

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

3) Preliminary Expenses Under Section 35D

In accordance with and subject to the provisions of Section 35D of the Income Tax Act, the company will be entitled to amortize, over a period of five years, all expenditure in connection with the proposed public issue subject to the overall limit specified in the said section.

4) Dividends exempt under Section 10(34)

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

5) Lower Tax Rate under Section 112 on Long term Capital gains

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

6) Lower Tax rate Under Section 111A on short term Capital gains

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

7) Exemption of Long term capital gain under Section 10(38)

According to Section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from tax.

8) Exemption of Long term capital gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year cannot exceed Rs. 50 lakhs

9) Benefit under Section 115JAA (1A)

Under Section 115JAA (1A) of the Act, tax credit shall be allowed of any tax paid (MAT) under Section 115JB of the Act. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set-off beyond 5 years succeeding the year in which the MAT becomes allowable.

II. TO RESIDENT SHAREHOLDERS

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) read with Section 115-O of the Act.

2) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of equity shares or units of an equity oriented fund where the transaction of sale is chargeable to STT shall be exempt from tax.

3) Lower Tax rate under Section 112 on long term capital gains

As per the provisions of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to Section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation

benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess.)

4) Lower Tax rate under Section 111A on long term capital gains

As per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

5) Exemption of Long term capital gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year cannot exceed Rs. 50 lakhs.

6) Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family(HUF), gains arising on transfer of a long term capital asset (not being a residential house), other than gains exempt under section 10(38), are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

III. TO NON- RESIDENT INDIAN SHAREHOLDERS

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) read with Section 115-O of the Act.

2) Lower Tax rate under Section 112 on long term capital gains

In case investment is made in Indian rupees, the long term capital gain is to be computed after indexing the cost. According to the provision of section 112 of the Act, long term gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). However, as per the proviso to section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the a rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess)

3) Lower Tax rate under Section 111A on long term capital gains

As per the provisions of section 111A of the Act, short term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 percent (plus applicable surcharge and education cess).

4) Options available under the Act

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

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

- i) According to the provision of section 115D read with Section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of an Indian company's shares, will be subject to tax at the rate of 10 percent (Plus applicable surcharge and education cess), without indexation benefit.
- ii) According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six month in any specified asset or savings certificates referred to in section 10 (4B) of the Act then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.
- iii) As per the provisions of Section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139 (1) of the Act, if their only source of income is income from investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- iv) Under section 115H of the Act, Where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for the year and subsequent assessment years until such assets are converted into money.

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

5) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be exempt from tax.

6) Exemption of Long term capital gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956. If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year cannot exceed Rs. 50 lakhs.

7) Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house), other than gains exempt under section 10(38), are not chargeable to tax the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

8) Tax Treaty benefits

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

IV. TO OTHER NON-RESIDENTS

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) read with Section 115-O of the Act.

2) Lower Tax rate under Section 112 on long term capital gains

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

3) Lower Tax rate under Section 111A on long term capital gains

As per provisions of section 111A of the Act, short-term capital gains on sale of equity shares, where the transaction of sale is chargeable to STT, shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess)

4) Exemption of long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term, capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be exempt from Tax.

5) Exemption of long term capital gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year cannot exceed Rs. 50 lakhs.

6) Exemption of Long term capital gain under Section 54D

According to the provisions of section 54ED of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising from transfer of long term assets, being listed securities or units shall not be chargeable to tax to the extent such gains are invested in acquiring equity shares forming part of an “eligible issue of share capital” within six months from the date of transfer of

the long term assets (provided they are not transferred within one year of acquisition). Eligible issue of share capital has been defined as an issue of equity shares which satisfies the following conditions:

- i. the issue is made by a public company formed and registered in India; and
- ii. the shares forming part of the issue are offered for subscription of the public
- iii. However, if the above specified shares are sold or otherwise transferred within a period of one year from date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the shares are sold or otherwise transferred.
- iv. Where the benefit of section 54ED has been availed of on investments in the equity shares forming part of an eligible issue of share capital, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

7) Exemption of Long term capital gain under Section 54F

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or HUF, gains arising on transfer of a long term capital asset (not being a residential house), other than gains exempt under section 10(38), are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If part of such net consideration is invested within the prescribed period in a residential house, then such gains would not be chargeable to tax on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accrued as a result of transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

8) Tax Treaty benefits

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

V. TO FOREIGN INSTITUTIONAL INVESTORS ('FIIs')

1) Dividends exempt under section 10(34)

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

2) Benefits on taxability of capital gains

As per the provisions of section 115 AD of the Act, FIIs will be taxed on the capital gains that are not exempt under 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	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided by Section 48 of the Act are not available to FIIs. According to Section 111A of the Act, short-term capital gains on sale of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 10 per cent (plus applicable surcharge and education cess).

3) Exemption of Long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of shares where the transaction of sale of shares is chargeable to STT shall be exempt from tax.

4) Exemption of Long term capital gain under Section 54EC

Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gain is invested within 6 months after the date of such transfer in the bonds (long term specified assets) issued by:

- a. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion. The cost of the long term specified assets, which has been considered under this Section for calculating capital gain, shall not be allowed as a deduction from the income-tax under Section 80C of the Act for any assessment year beginning on or after April 1, 2006. Further, the investment made on or after 1st day of April, 2007 in the above specified assets by an assessee during any financial year can not exceed Rs. 50 lakhs.

- 5) As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII.

6) Tax Treaty benefits

A non-resident investor has an option to be governed by the provisions of the Act or the provisions of a Tax Treaty that India has entered into with the county in which the investor is a tax resident, whichever is more beneficial.

VI. TO APPROVED INFRASTRUCTURE CAPITAL FUNDS/ COMPANIES/ CO-OPERATIVE BANKS

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) read with Section 115-O of the Act.

2) Exemption of long term capital gain under Section 10(38)

According to section 10(38) of the Act, long-term capital gains on sale of shares where the transaction of sale is chargeable to STT shall be exempt from Tax.

VII. TO MUTUAL FUNDS

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) read with Section 115-O of the Act.

2) Exemption of Income under Section 10(23D)

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

VIII. TO VENTURE CAPITAL COMPANIES / FUNDS

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) read with Section 115-O of the Act.

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

A. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Exemption from Wealth Tax

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.

B. BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

Exemption from Gift Tax

Gift tax is not liable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax. However in the hands of Donee the same will be treated as the income unless the Gift is from relative as defined under Explanation to section 56(vi) of the Income Tax Act.

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. The statements made above are based on the tax laws in force and as interpreted by the relevant taxation authorities as of date. Investors are advised to consult their tax advisors with respect to the tax consequences of the purchase, ownership and disposal of equity shares.

SECTION IV - ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section about IT Division is derived from 'NASSCOM Strategic Review 2011' and about Media & Entertainment Division from FICCI-KPMG Indian Media & Entertainment Industry Report – 2010. We have not verified or attempted to verify this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, investment decisions should not be based to an undue extent on such information. Industry sources and publications are also prepared based on information and estimates as of specific dates and may no longer be current. The data may have been re-classified by us for the purpose of presentation.

The Information Technology – Business Process Outsourcing Sector (IT-BPO)

Over the past decade, the Indian IT-BPO sector has become the country's premier growth engine, crossing significant milestones in terms of revenue growth, employment generation and value creation, in addition to becoming the global brand ambassador for India. However, the industry performance was affected by the recessionary headwinds as the clients cut their IT budgets, cancelled deals, delayed payments and deals, went bankrupt while others renegotiated pricing, looking for severe pricing cuts and stretching the dollar. Year 2009 was instrumental for more ways than one for the industry. While the industry displayed tenacity and resilience, it also commenced its journey to achieve its aspirations in view of the altered landscape. It commenced working on its agenda to diversify beyond core offerings and markets through new business and pricing models, specialise to provide end-to-end service offerings with deeper penetration across verticals, transform the process delivery through re-engineering and enabling technology, innovate through research and development and drive inclusive growth in India by developing targeted solutions for the domestic market. All these measures, along with India's game changing value proposition has helped India widen its leadership position in the global sourcing market.

Global Sourcing Trends

Worldwide technology products and services related spend is estimated to reach USD 1.6 trillion in 2010, a growth of 4 per cent over 2010, with emerging verticals and emerging geographies. Worldwide hardware spends increased by 6.4 per cent on the back of a global refresh cycle. IT services spend increasing by 1.4 per cent in 2010, within which IT outsourcing grew by 2.4 per cent. Continuous ROI focus led to BPO growing by 4 per cent, while software products rose by 3.7 per cent led by increased focus on security, storage, and application development. Within IT outsourcing, global sourcing grew by 10.4 percent in 2010, validating the industry's integral position in service delivery chain. With customers demanding more immediate value from IT and forward-looking strategies that support growth and innovation, service providers are adopting agile methods focusing on operational excellence through ongoing innovation, diversification, renewed partnerships/alliances and new business models.

Indian IT-BPO Performance

The industry is estimated to aggregate revenues of USD 88.1 billion in FY2011, with the IT software and services industry accounting for USD 76.1 billion of revenues. During this period, direct employment is expected to reach nearly 2.5 million, an addition of 2,40,000 employees, while indirect job creation is estimated at 8.3 million. As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 6.4 per cent in FY2011. Its share of total Indian exports (merchandise plus services) increased from less than 4 per cent in FY1998 to almost 26 per cent in FY2011.

Exports market: Export revenues are estimated to gross USD 59 billion in FY2011, employing around 2.0 million employees.

- **Geographic focus:** The year was characterised by a strong revival in the US, which increased its share to 61.5 per cent. Emerging markets of Asia Pacific and rest of the world also contributed significantly to overall growth.
- **Vertical markets:** While the sector's vertical market mix is well balanced across several mature and emerging sectors, FY2011 was characterized by broad based demand across traditional segments such as Banking, Financial Services and Insurance (BFSI), but also new emerging verticals of retail, healthcare, media and utilities.

Service lines: Within exports, IT Services segment was the fastest growing segment, growing by 22.7 per cent over FY 2010, and aggregating export revenues of US 33.5 billion, accounting for 57 percent of total exports. Indian IT service offerings have evolved from application development and maintenance, to emerge as full service players providing testing services, infrastructure services, consulting and system integration. The coming of a new decade heralds a strategic shift for IT services organizations, from a 'one factory, one customer' model to a 'one factory, all customers; model. Central to this strategy is the growing customer acceptance of Cloud-based solutions which offer best in class services at reduced capital expenditure levels.

The engineering design and products development segments generated revenues of USD 9 billion in FY2011; growing by 13.6 percent, driven by increasing use of electronics, fuel efficiency norms, convergence of local markets, and localised products. Increasing confidence in relationship between customers and service providers successfully executing a variety of activities across low-medium-high complexity projects has led to increasingly larger sizes of projects being sourced from India.

- **Domestic market:** Domestic IT-BPO revenues are expected to grow at almost 16 per cent to reach INR 787 billion in FY2011. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organisations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are the key drivers for increased technology adoption in India. IT services is one of the fastest growing segment in the Indian domestic market, rising by 16.8 percent to reach ₹ 501 billion, driven by localised strategies designed by service providers.
- Domestic BPO segment is expected to grow by 16.9 percent in FY2011, to reach ₹ 127 billion, driven by demand from voice based services, in addition to adoption from emerging verticals, new customer segments, and value based transformational outsourcing platforms.
- Indian software product segment is estimated to grow by 14 percent to reach ₹ 157 billion, fuelled by replacement of in-house software applications to standardised products from large organisations and innovative start-ups.
- Government sector is a key catalyst for increased IT adoption-through sectors reforms that encourage IT acceptance, National eGovernance Programmes (NeGP), and the Unique Identification Development Authority of India (UIDAI) programme that creates large scale IT infrastructure and promotes corporate participation.

IT-BPO Value Proposition

India has retained its' position as the leading global shoring destination with a 55 percent of global IT and BPO market in 2010, and been able to increase its market share in spite of competitive challenges presented by emerging offshoring destinations. This has been only possible due to the development of a set of factors unique to India, that multiply India's value proposition manifold. While the cost advantage is unparalleled, India has the world's largest pool of employable talent, service delivery

infrastructure across multiple geographically dispersed locations within the country, and a supportive policy regime. However, the Indian global sourcing industry is no longer hinging its value proposition on cost, talent, infrastructure and processes which are considered as basic tools to operate in the global sourcing landscape. With customers also pushing for more collaborative contracts where there is business metric performance measurement and greater risk-reward sharing. Indian industry is increasingly being driven by the following four factors:

- **Transformational Business impact** – Client business transformation happening through:
 - **Verticalised solutioning** – A number of organisations have restructured themselves around verticals and Centres of Excellences – so as to develop and deliver end to end services keeping in mind customer needs, creating products aimed at growing emerging markets and creating a substantial revenue impact for them. These verticalised business units act as a source of innovation and development of proof of concept solutions
 - **Technology enablement** – Development of solutions around platforms, cloud based products integrating business intelligence, and application development tools are proving to be game changers for an increasing set of customers. This is also prompting customers to move from CAPEX to OPEX based models.
 - **Process innovation/re-engineering** – Coupled with automation and six sigma skills, incremental set of enhancements imbibing best in class learning and practices in established service delivery processes also have the ability to create wide ranging transformation for clients.
- **Service Delivery maturity** – India is the most mature outsourcing market, with Indian service providers having developed end to end service delivery capabilities around all verticals. Further, there is increased globalisation in service delivery, cross border collaboration and partnerships to enhance service offerings, and reengineering of the talent pool for greater productivity and efficiency.
- **Scalability** – India’s scale and flexibility is unique – a vast labour pool, network of Tier II/III cities offering further cost reduction and increased infrastructure spend are the cornerstones to this advantage offered by India over other locations. The demand side has also been maturing gradually moving away from commoditised services at lowest possible cost to demand for higher end solutions and measurable business value. There is a highly rationalised and competent provider base which is again one factor where India scores over other countries.
- **Sustainability** – Industry focussing on sustainable practices – including diversity, green and corporate social responsibility.

Future Outlook

The underlying theme of 2010 has been the steady recovery from recession. Worldwide GDP, which had declined by 0.6 percent in 2009, grew 5 percent in 2010 and is expected to stabilised at about 4.4 percent in 2011. Developing nations continue to grow faster than the developed countries by atleast three times. IT spend is directly linked to growth in GDP and in line with this trend. IT spend in 2011 is expected to grow nearly 4 percent. Worldwide IT spending will also benefit from the accelerated recovery in emerging markets, which will generate more than half of all new IT spending worldwide in 2011. In 2011, growth will reflect new demand for IT goods and services, not pent-up demand from prior years. 2011 will also see a major surge in the use of private and public cloud and mobile computing on a variety of devices and through a range of new applications. Hardware is likely to grow the fastest at about 7 percent, led by the refresh cycle in the Government sector. Shipments of app-capable, non-PC mobile devices (smartphones, media tablets) are expected to outnumber PC shipments.

IT services is expected to grow by about 3.5 percent in 2011 and 4.5 percent in 2012. While focus on cost control and efficiency/productivity remain, customers are also evaluating how investments in IT impact can further business goals – ROI led transformation – leading to an increase in project-based spending. Services such as virtualisation, consolidation, and managed services that focus on ROI in the short term will drive opportunities in the market. Emerging Asian enterprises across multiple industries will continue to accelerate services spending in their efforts to challenge existing global MNCs. Organisations will look for alternative IT models – Cloud, on-demand services and SaaS – in order to reduce hardware infrastructure costs and provide scalability on demand.

In the future, the global IT-BPO industry is likely to go through a paradigm shift across five parameters:

Markets – Growth will be driven by new markets – SMBs, Asia, public sector and government-influenced entities which will become a priority customer base.

Customers – Customers will demand ‘transformative’ value propositions, that go beyond lower-cost replication, as technology creates virtual supply chains, customer will require a seamless experience across time zones and geographies; increasing demand for innovation and end-to-end transformation.

Service Offerings – Offerings that are high-end, deeply embedded in customer value chains will emerge. Services and delivery will become location-agnostic leading to new opportunities such as design services in manufacturing, Remote Infrastructure Management (RIM), etc. Solutions for the domestic market will be a key focus area.

Talent – Government pressures to create local jobs and the need for local knowledge will alter the employee mix – a higher proportion of non-Indians with multilingual and localised capabilities. There will be a much greater focus on ongoing development of specialised skills and capabilities.

Business models – Driven by a focus on expertise and intellectual property, offerings will shift from piecemeal, technology-centric applications to a range of integrated solutions and higher-end services, spanning new service lines (e.g. green IT).

While developed markets constitute the largest share of IT spend, increasingly emerging markets are spearheading growth as a large consumer base becomes increasingly tech-savvy and enterprises adopt IT solutions to improve their global competitiveness. Given this scenario, the Indian supply base has begun to explore market opportunities beyond US and UK. By 2020, new segments (SMBs), new verticals (Public sector and Defence, Healthcare, Utilities, Printing and Publishing) and new geographies (BRIC) will account for 50-55 percent growth in the addressable market. India supply base is well placed to tap this potential, with their two decade long experience, mature service capabilities, presence in almost all verticals, global footprint and an abundant talent pool.

Suitably exploiting these emerging opportunities both in the global and domestic markets can help India reach USD 130 billion in IT-BPO revenues by FY2015, a CAGR of 14 percent. By 2015, the Indian IT-BPO industry is expected to contribute about 7 percent to annual GDP and create about 14.3 million employment opportunities (direct and indirect).

Further, the India supply base has also begun to look for expansion across various non-metros both to control costs and have access to a large talent pool. This expansion has resulted in the development of a local talent pool and the physical and social infrastructure. The industry is now moving to rural areas

creating employment, improving living standards, positively impacting career and personal development, empowering women and developing a social infrastructure, thus leading to balanced regional growth.

The government will be a key driver for increased adoption of IT-based products and solutions. It has embarked on various IT-enabled initiatives including in Public services (Government to citizen services, citizen identification, public distribution systems), Healthcare (telemedicine, remote consultation, mobile clinics), Education (eLearning, virtual classrooms, etc) and Financial service (mobile banking/payment gateways), etc. These initiatives are expected to substantially improve the economic conditions of a large, under-served population, thereby reducing the government's fiscal burden.

Media & Entertainment Industry (M&E)

The overall M&E industry size grew from INR 579 billion in 2008 to INR 587 billion at a rate of 1.4 percent. The growth rate is expected to increase to ~11.2 percent in 2010, as the industry witnesses a recovery. The CAGR from 2006 to 2009 has remained at 10 percent and the industry is expected to grow at a rate of 13 percent in next five years.

M&E Industry (INR billion)	2006	2007	2008	2009	CAGR (2006-09)	2010 P	2011 P	2012 P	2013 P	2014 P	CAGR (2009-14)
Films	78	93	104	89	5%	96	105	115	125	137	9%
Television	183	211	241	257	12%	289	337	382	448	521	15%
Print	139	160	172	175	8%	190	206	225	246	269	9%
Radio	6	7	8	8	9%	9	10	12	14	16	16%
Music	8	7	7	8	2%	9	10	12	14	17	16%
Animation & VFX	12	14	17	20	18%	23	28	33	39	47	19%
Gaming	3	4	7	8	38%	10	14	20	26	32	32%
Internet	2	4	6	8	56%	11	15	18	23	29	30%
Outdoor	12	14	16	14	5%	15	17	19	21	24	12%
Total Size	443	516	579	587	10%	652	742	835	956	1091	13%

'P' stands for projected.

Our Company cater to the Films and Animation & VFX sector of the M&E industry with the post-production work. While the filmed entertainment sector had grown by over 15 percent between 2006 and 2008, year 2009 witnessed a significant de-growth for the industry. In 2009 the industry is estimated to have declined by nearly 14 percent to INR 89.3 billion from INR 104.4 billion in 2008. This was largely on account of lower domestic theatrical collections in 2009 compared to the previous year. Though the previous year witnessed a decline for the filmed entertainment industry, the trend is likely to reverse in 2010 to grow at a CAGR of 8.9 percent to reach INR 136.7 billion by 2014. In 2009, the Indian animation industry continued to rely on outsourced work and co-production deals that led to a growth rate of approximately 9 percent over 2008. The Animation and VFX industry has seen an overall growth of 13.6 percent over 2008 and is expected to grow at a CAGR of 18.7 percent in the coming years to reach INR 46.6 billion by 2014 driven by increased consumption of animated content, creation of global IP formats, acceptance of 3D graphics and venturing into international markets.

(Source: FICCI-KPMG Indian Media & Entertainment Industry Report – 2010)

OUR BUSINESS

We are a technology based company focussing on the sectors such as Information Technology security and compliance automation software solutions and technology related to media & entertainment industry with focus on Research & Development.

Current business operations consist of Information Technology Based Solutions-RFID & Smart Card and Digital Post Production Studio (Digital Post-Production Studio at Andheri West, Mumbai namely "BGIL Studio"). We have in-house developed software ERP product, customized software development, training, consultancy, trading, animation and RFID based solution. We develop small animated capsules for various projects of the clients. We also design & develop WAP enabled products for clients and mainly focus on building RFID technology. We have received ISO9001:2008 certificate of compliance in respect of IT based safety security and automation products/solutions.

Our Company currently focuses on the following business areas:

A. Information Technology based solutions:

We have designed our products and services to provide automated solution that helps enterprises to meet the challenges of making IT infrastructure secure and compliant. Our solution provides visibility across the IT infrastructure, intelligently identifies security threats and compliance breaches, and automates security and compliance processes to reduce risk. We have total of 32 Radio Frequency Identification solutions, out of which we got registration for 8 solutions from Government of India, Copyright office and six applications are pending with the concerned authority.

Safety, Security & Automation system ensures undisturbed and safe operations. It encompasses security of assets and premises from data loss, terrorism, or sabotage by providing the integrated physical & logical security solutions. It facilitates in monitoring the movement of people and assets of an organization.

In Safety, Security & Automation, we analyse, evaluate, design, implement and maintain a coherent set of processes and systems for effectively managing infrastructure safety and security. As with all management processes, safety and security management remains effective and efficient in the long term, adapting to change in the internal organization and external environment. We stand for protection against unauthorized access from both inside and outside the company.

Our location

Our existing IT division operates from B-60, Sector-57 Noida, Uttar Pradesh and 8th Floor, Heritage Plaza, Opposite Indian Oil Nagar, J.P.Road, Andheri (West), Mumbai. Our Digital Post Production Studio is also located at 8th Floor, Heritage Plaza, Opposite Indian Oil Nagar, J.P.Road, Andheri (West), Mumbai. Our Registered Office is located at 623, 6th floor, Devika Tower, 6, Nehru Place, New Delhi.

Technology

The IT division of our Company has developed products in house in its R&D centre in Noida using Radio Frequency Identification (RFID) technology. RFID is our key technology and used for identification and tracking of the identity, location and conditions of assets, tools, inventory, people using radio waves.

Radio Frequency Identification (RFID) uses special data carriers, or tags, to hold data. Readers use RF signals to communicate with the tags. Generally, range, Data Transfer Rate (DTR), and the dampening effects of overlying materials increase with frequency.

RFID systems are currently being used for:

- Electronic article surveillance (EAS);
- Intermodal container identification;
- Rail and truck rolling stock identification;
- Animal (livestock and domestic) identification;
- Automated livestock feeding stations;
- Flexible manufacturing (tracking and control);
- Cutting tool identification;
- Asset identification;
- Laundry tracking;
- Vehicle identification / access control;
- Automated debit or credit cards (gasoline);
- Automated toll collection;
- Personnel identification / access control.

The advantages of RFID technology are reading/writing capabilities or permanent (non-erasable) ID; Non-contact, non-line-of-sight reading; Virtual immunity from obscuring paint, dirt, grease, etc., (depending on frequency); Automatic operation; Low cost-per-use; Wide range of tag options; Range to 100 feet; Reading speeds to 60 mph; high data integrity; and difficult to counterfeit.

We provide different kind of client based solutions which are as under;

- **Traffic Engineering** includes Parking Management System, Parking Guidance System, Toll Management System, Automatic Vehicle Counter-cum-Classifer System, License Plate recognition System, Vehicle Surveillance System etc.
- **Facility Management** includes Smart Campus System, Visitor Management System, Canteen Management System, Asset Tracking System, Laptop Tracking System, File Tracking System, Lighting Management System, CCTV (Access Control, Perimeter Fencing) etc.
- **Personnel Management** includes Employee Tracking System, Time-Attendance System, Library Automation & Management System, and Student Information System etc.
- **Custom solutions** includes Automated Binning System, BGIL's Intelligent Converters, GSM based Mast or I/O Controllers, GSM Logic Controller, Boom Barriers, Loop Detectors, LED Panels (single/multi line), other customizable Converters, Counters and Ticket Dispenser etc.

Our main Product Components include Boom Barrier, RFID System (Readers, Antennas, Tags), Spike Busters, Boom Barriers, Controllers (in house developed), Loop Detectors, Ultra Sonic Sensors, Ticket Dispensers, LED Signal Lights, LED Displays, Under Vehicle Surveillance System, Ticket Printers, Barcode Readers, Face Tracking Camera, AVCC (Automatic Vehicle Counter Cum Classifier), BGIL Parking Management Software, Computer Server and Clients Machine, Kiosk cabinets/Mini Embedded PC, Microsoft & Open Source Programming Platform, Handheld Devices etc.

Implementation Process:

For cost-effective implementation of our products and solutions, we undergo:

- **Site Survey:** Initial Site survey needs to be completed to supply enough information to determine the number, placement and the area of installation of every component that provides adequate coverage which vary depending on the facility.
- **Wiring Layout & Conducting** is to be accomplished;
- **Hardware Installation;**
- **Hardware Connection** with our client software;
- **Server Installation** with PMS & PGS application.

Some of our key products are:

RFID Based Parking Management System

BGIL's PMS is a system and method for managing a permit-based parking environment governed by a parking program. The permit-based parking environment includes a number of parking permits each including a unique tag and tag number. One or more readers are used to scan the vehicles parked in the parking environment to determine if a tag is associated with the parked vehicle. The results of the scan along with information related to the parked vehicle are provided to a permit management system to determine if the vehicle is parked within the scope of privileges pre-defined for that vehicle, pursuant to the parking program governing the parking environment. The permit management system stores, manages, and monitors data related to the permits controlled under the parking program.



Non stop parking access control systems eliminate employees need to fumble for change, swipe cards or punch numbers in a keypad. Vehicles can move smoothly through controlled entrances. There are no cards to read, tickets to read and sort, and the whole system is a convenient, hands-free way to ensure easy vehicle parking.

RFID based Asset Tracking System

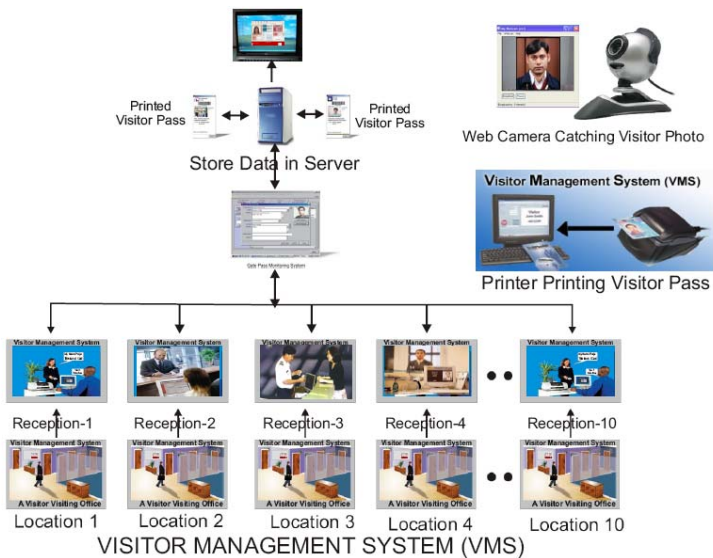
Asset Tracking System may be defined as the Monitoring of Laptops of an organization to avoid a loss of profits, due to, misuse of information, theft of both hardware and software, breakdowns etc.

THIS RFID CHIP IS EMBEDDED IN THE LAPTOP WITH THE SERIAL NUMBER (EG: MK23908) SAVED IN THE SAME.



Visitors Management System

Visitor Management System is designed to promote the security of a community. This system may be used for gated communities and communities who place restrictions on visitors, vehicles, or parking. BGIL’s VMS streamlines the flow of authorized visitors while keeping unauthorized intruders from gaining entry to a facility.



This system record visitor with photo identity; monitor movement of visitors in the organization; access control for visitors; security alert in case visitor is hanging around after meeting.

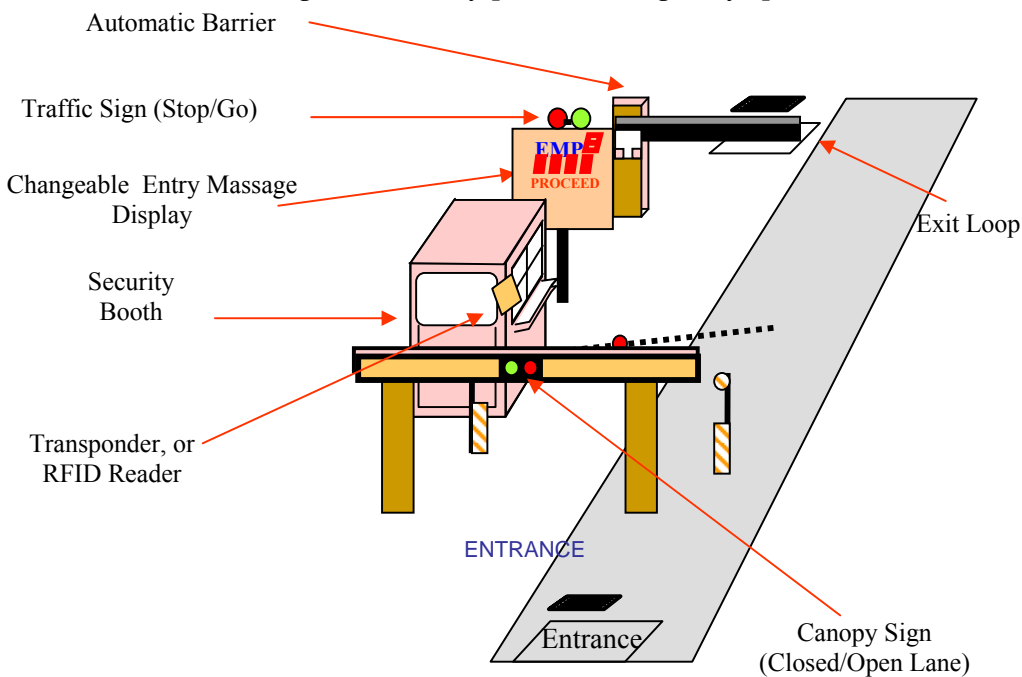
Canteen Management System

The objective of the system is to automate all the activities of the canteen right from purchases to delivery of food/beverage items. The system maintains a detailed account of all provisions bought and food served at the canteen. In addition to this, it maintains the daily expenses incurred by the staff. The system provides an interface to payroll for deductions. Several inquiry facilities provided to view the expenses incurred/ planned menus/ cash payment etc.



Toll Management System

Toll management system is the use of various technologies to allow the manual in-lane toll collection process to be automated in such a way that customers do not have to stop and pay cash at a toll booth. With Toll management system, an actual toll plaza is not even a requirement to collect tolls. The Toll management system equipment can be mounted on overhead gantries and/or in the pavement which allows vehicles to be charged while they proceed at highway speeds.



Research & Development, R&D

Our research and development (R&D) efforts are focused primarily on improving and enhancing our existing products and developing new features and functions for our software division. We work closely with our customers to understand their current and future needs and have designed a product development process in which we take their feedback into account. The breadth of our technology, its potential application and the number of open issues on their way to implementation and market acceptance still require substantial R&D support in many domains for our business.

In the course of our research and development activities, we create a range of intellectual property rights in which we attempt to protect through copyright protection, confidentiality procedures and contractual provisions.

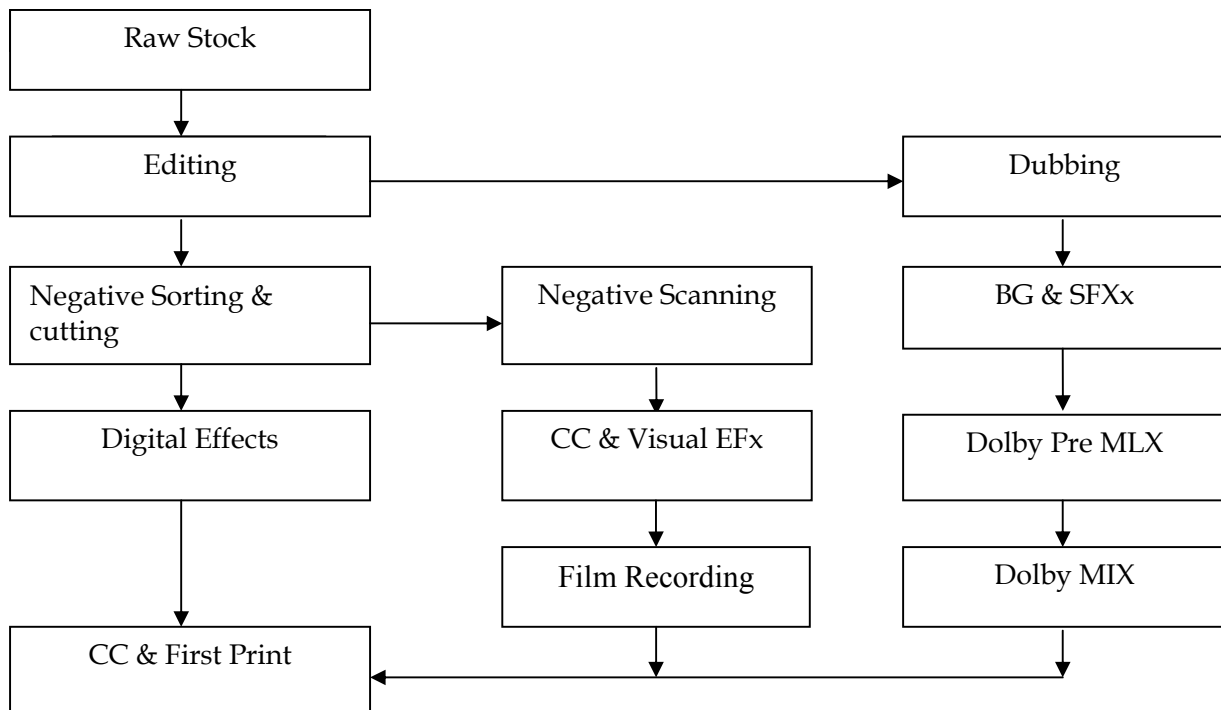
Our top 10 clients on the basis of sales made during 2010-11 are as under:

S.No.	Particulars	Amount (₹ in lakhs)	% of Sales for FY 2010-11
1.	Top client	917.77	12.93%
2.	Top 5 clients	2542.46	35.81%
3.	Top 10 clients	3487.04	49.11%

B. Media and Entertainment Division:

In this Media and Entertainment Division, we have a Digital Post Production Studio, known as *BGIL Studio* at Andheri (West), Mumbai. It is an integrated end to end Film’s Post Production and Visual Effects Services House. *BGIL’s Studio* offers services ranging from visual effects, digital film lab (digital intermediate, high-resolution film scanning and film recording) and editing and motion control to High Definition production. It helps its clients to define their style and design through an ongoing interaction and close relationship coupled with the experienced inputs during each and every project which ultimately translates into a special customized product being delivered to our clients.

Digital Post Production Process of film Process:-



Process: Post Production studio comes into effect once the shooting of the film is completed. The Studio gets the negative of movie from the film processing lab which is in an exposed form. The exposed

negative is then transferred to 2 beta tapes or copies. One tape is used for film editing and the other is used for sound dubbing and recording. The editing copy goes into the FCP department where the first editing is done using FCP machine or Mac Pro. Once the work is completed on the FCP machine the copy then goes to the D.I. (Digital Intermediate) department for the purpose of scanning, color correction and visual & special effects which is done using smoke, luster, and different special effects using ADOBE AFTER EFFECTS, MAYA & 3D MAX. After the D.I. process the final copy of movie is ready in visual format. The sound department works on dubbing and dolby sound at the same time. Both the final output of D.I. negative and the sound negative are then merged into one final copy which is known as married copy.

Types of plant & machineries require for digital post production of film are FCP & MAC PRO is used for offline editing, Smoke (Autodesk) is used for adding effects to the film, Film Scanner (Cintel) is used to enhance the quality of film and then transfer to Digital Media, Autodesk Lustre is used for colour grading and enhancement of Image, ARRI is used for film recording as final output to the Digital Negative, Adobe after effects and MAYA & 3D MAX Process are used on windows based workstations for graphics and animation work.

Our total revenue from both the segments during the last three years is as under:

(₹ in lakhs)

S. No.	Divisions	2010-11	2009-2010	2008- 2009
1	IT Division	6,846.47	4,361.87	3,192.51
2	Media & Entertainment Division	253.31	272.23	167.21
	Total Revenue	7,099.78	4,634.10	3,359.72

Our Memberships with Industrial Associations

Our Company has some memberships of industrial associations such as Association of Motion Pictures & T.V. Programme Producers (AMPTPP), Asian Professional Security Association, Indian Motion Picture Producers Association (IMPPA), and Association of Motion Picture Studios for our BGIL Studio.

Our strengths:

I.T. Division:

Product development services offering services for all stages of the product life cycle

We provide range of solutions to our customers that sustain throughout the full product life-cycle. We offer services designed to address the customers' specific needs as products move from different stages of maturity across early to end-of-life. Our services range from identifying, developing, testing, consulting services, support and maintenance. We believe that our services focus on our ability to manage smaller products, our ability to service customers and our delivery model makes our product offering competitive. Further, our IT based safety security and automation products / solutions are ISO 9001:2008 compliant.

Cost-effective solutions

We believe that our solution eliminates manual efforts and costs that otherwise may be required to become secure and compliant. We provide solutions that identify and help correct security vulnerabilities and non-compliant configurations, speeds the investigation of security incidents, and reduces the costs associated with demonstrating compliance. We enable our customers to use fewer solutions and services to achieve and maintain compliance in a cost-effective manner.

Relationships with customers

We have relationships with customers built on our successful execution of prior engagements. We believe the quality of our products and services is demonstrated by the fact that customers have given us repeat orders. Our track record of delivering solutions and our product development experience has helped us in building relationships with our customers.

Experienced and qualified promoters and management team

Our Company has executed several contracts during the last 5 years period and has developed experience in our line of operations. Mr. Sanjeev Kumar Mittal, one of our Director, is having around 18 years of experience in the field of computer hardware and software. Mr. Rakesh Bhhatia, our Chairman and Managing Director and one of our Promoters, having more than 20 years of experience in corporate law and finance. Mr. Arpan Talwar, Chief Executive Officer, a graduate in computer application and an MBA from Symbiosis, Pune, has also nine years of experience.

Our strategies

Continue to expand our product and services

Our products are currently customized to meet client specific requirements. We will continue to invest in enhancing the functionality of our existing range of products and services. We intend to invest in technology that will allow the features of each product offering to be aggregated, thus decreasing the level of customization needed to meet a particular client's needs as features can be enabled or disabled as required. We have already identified products and services viz. Mobile application, Tokenless Two Factor Authentication (TTFA), automatic number plate recognition system and ticket dispensing system which will be launched by us. We believe that this investment will allow us to enhance the competitive positioning of our product offerings and expand the size of markets that we target.

Creation of new products

We intend to continue investing in our R&D capabilities, particularly with a view to designing software engineering tools that enhance our ability to execute large, end-to-end projects and develop software solutions that address clients in specific industries. We believe that this investment in new product development and in R&D technology, facilitates our growth by expanding the size of the market space that we address, while mitigating business risk by reducing our dependence on the success of individual product lines.

Increase our customer base

We believe that increasing security threats and regulatory compliance requirements will generate demand for our solutions from new customers. We plan to continue to acquire new customers by addressing their security and compliance needs with our existing and new solutions. We plan to pursue new customers in industry verticals where we have recognition, expertise and existing customer base, as well as in new verticals where growing regulatory requirements and security threats create demand for our solutions. To target new customers with limited IT resources and compliance expertise, we also plan to promote our remote management services and to offer alternative solution delivery methods.

Strengthening our brands

We intend to invest in developing and enhancing recognition of our brands, through brand building efforts, communication and promotional initiatives such as interaction with industry research organizations, participation in industry events, public relations and investor relations efforts. We believe

that these initiatives, as well as the listing of our Equity Shares, will enhance the visibility of our brands and strengthen our recognition in the Indian IT solutions industry.

Further developing our alliances

We intend to grow and strengthen our technology alliances with leading technology companies, which will assist us in sales and delivery. These alliances typically involve systems integration, joint product development and joint "go to market" strategies. We also intend to develop other alliances with local companies that have a strong presence in emerging markets so as to acquire business development capabilities and a credible local presence in these markets. Currently, our Company is working for various technology companies viz. Honeywell Automation India Limited, Johnson & Controls India Private Limited, Siemens Building Technologies Private Limited, HCL Infosystems Limited, Schneider Electric India Private Limited for their RFID and smart card services. We get business / work orders through these companies as well as through our own direct marketing channels. We endeavour to grow and strengthen above technology alliances with these companies as well as add to new companies in future to expand our business operations.

Competition

The market for IT products and services is both highly competitive and rapidly evolving. We primarily face competition from Indian IT services companies as well as international technology services companies which offer broad-based services. We anticipate this competition to grow as the demand for these products and services increases and we also expect additional companies to enter the Indian market. We expect that further competition will increase and potentially include firms in countries with lower personnel costs than those prevailing in India. However, we recognize that price alone cannot constitute sustainable competitive advantage. We compete with the other IT products and services companies such as Bartronics India Limited, Radiant Info Systems Ltd., Barcode India. In our Media & Entertainment sector, we compete with Prime Focus Limited and UTV Limited. Some of our competitors may have greater financial, research & development and marketing resources than us.

Approach to marketing and proposed marketing set-up

Our growth in recent years has been driven by new client acquisitions as well as an increase in revenues from our existing clients. Our senior management are actively involved in managing client relationships and business development through targeted interaction with multiple contacts at different levels in the client organization. We have marketing office at Noida and Mumbai. Our marketing initiatives include participating in major industry events, sponsoring user group events, analyst briefings and proactively using the media and press to increase awareness of our activities. In addition, we have several technology alliances with leading IT vendors, which typically involve systems integration and in certain cases joint marketing efforts.

Existing capacity & Capacity Utilization

Capacity and Capacity Utilization is not applicable to our Company.

Export possibilities and Export obligations

Currently, we do not have any export obligations.

Employees

As on May 31, 2011, our Company had 81 employees, details of which are as under:

Department	No. of employees
Corporate Affairs	4

Finance & Accounts	6
Marketing	12
IT - Hardware	10
IT - Software	31
Administration	18
Total	81






Insurance

We have insured our assets and stocks through various insurance policies, details of which are as under:
(₹ in lakhs)

S. No.	Nature of the Policy	Particulars/Risk Address	Description/	Sum Insured	Premium Amount	Date of Expiry
1	Group Personal Accident	Group personal policy to cover 74 employees with medical benefits.		89.00	0.18	September 12, 2011
2	Keyman Insurance Policy	Life of key managerial personnel		25.00	1.12	June 26, 2022
3	Burglary B.P.	Stocks in trade and goods held in trust/commission at Corporate Office		162.00	0.23	April 17, 2012
4	Standard Fire & Special Perils Policy	All types of furniture, fixture, fittings, interior work, computers, laptops, printers, peripherals, etc. at Corporate Office at Noida		162.00	0.26	April 17, 2012
5	Standard Fire & Special Perils Policy	Stocks in trade - furniture, fixture, fittings, interior work, computers, laptops, printers, peripherals, etc. at Registered Office		10.00	0.01	April 17, 2012
6	Burglary B.P.	Stocks in trade - furniture, fixture, fittings, interior work, computers, laptops, printers, peripherals, etc. at Registered Office		10.00	0.01	April 17, 2012
7	Burglary - Miscellaneous Traditional Business Policy	All types of plant & machinery, spares, tools at Branch Office in Mumbai		140.00	0.17	April 21, 2012
8	Standard Fire and Special Perils Policy	Cinemaphotography File Editing, Labrotary and sound recording rooms where films processing are carried out at Branch Office, Mumbai		140.00	0.22	April 21, 2012

Intellectual Property Rights

Our Company has following registered trademarks:



Trademark (Logo)	Particulars	Class	Authority
	Trademark No. 1472174. Registered on July 21, 2010	35 All types of services in relation to advertising	Trade Marks Registry, Delhi
	Trademark No. 1472175. Registered on July 21, 2010	41 All types of services in relation to entertainment	Trade Marks Registry, Delhi
	Trademark No. 1472176. Registered on July 21, 2010	42 All types of services in relation to computer, hardware, software programming	Trade Marks Registry, Delhi
	Trademark No. 1472177. Registered on July 21, 2010	42 All types of services in relation to computer, hardware, software programming,	Trade Marks Registry, Delhi
	Trademark No. 1472178. Registered on July 21, 2010	Class 42 All types of services in relation to computer, hardware, software programming.	Trade Marks Registry, Delhi

Our Company has following registered copyrights:

Registration No./Date	Class & Description	Title	Authority
SW-4466/2010 Registered on April 8, 2010.	Software	BGIL Toll Management Systems	Copyright Office
SW-4467/2010 Registered on April 8, 2010.	Software	BGIL Canteen Management System	Copyright Office
SW- 4468/2010 Registered on April 8, 2010.	Software	BGIL Ticket Dispensing System	Copyright Office
SW- 4469/2010 Registered on April 8, 2010.	Software	BGIL Tokenless Two Factor Authentication System	Copyright Office
SW- 4470/2010 Registered on April 8, 2010.	Software	BGIL Asset Tracking System	Copyright Office
SW- 4471/2010 Registered on April 8, 2010.	Software	BGIL Employee Tracking System	Copyright Office

SW- 4472/2010 Registered on April 8, 2010.	Software	BGIL Automatic Number Plate Recognition System	Copyright Office
SW- 4473/2010 Registered on April 8, 2010.	Software	BGIL Parking Management System	Copyright Office

In addition to the above, we have applied to Registrar of Trade Marks, Delhi for the registration of following Trademarks:

Trademark(logo)	Date of application	Class No. & Description	Status
	September 28, 2010	35 All types of services in relation to advertising	Pending
	September 28, 2010	42 All types of services in relation to computer, hardware, software programming,	Pending
"Bharatiya Global Infomedia Limited"	December 23, 2010	42 Design and development of computer hardware and software, computer consultancy services and maintenance, installation, and repair of computer software	Pending

Further, we have applied to Copyright Office, Delhi for the registration of following Intellectual Properties Rights:

Application Date	Class & Description	Title	Status
August 25, 2010	Computer Programming	BGIL Smart Campus System	Pending
August 25, 2010	Computer Programming	BGIL Parking Guidance System	Pending
August 25, 2010	Computer Programming	BGIL Laptop Tracking System	Pending
August 25, 2010	Computer Programming	BGIL Intelligent Mast Controller	Pending
August 25, 2010	Computer Programming	BGIL File Tracking System	Pending
August 25, 2010	Computer Programming	BGIL Visitor Management System	Pending
September 23, 2010	Literary Work	BGIL website	Pending

Our Property

The brief details of our existing properties are as under:-

Leased Property

S. No.	Details of Agreement	Description of the Property	Consideration (In lakhs)	Purpose
1.	Lease Agreement with Mr. Naveen Kumar Gupta and BGIL Films & Technologies Limited jointly with Bharatiya Global Infomedia limited dated July 29, 2010. Term: 2 years from August 1, 2010 to July 31, 2012.	623, 6 th Floor, Devika Tower, 6, Nehru Place, New Delhi- 110 019.	0.35 plus service tax per month	Registered office
2.	Leave and License Agreement with Mrs. Varkha Deepak Melwani and Bhharatiya Global Infomedia Limited dated December 31, 2010 Term: 33 months from January 1, 2011 to September 30, 2013	8 th Floor, Heritage Plaza, Opposite Indian Oil Nagar, J.P.Road, Andheri (West), Mumbai - 400053	1.10 per month	Branch office (Studio)

Other Properties

S. No.	Details of Agreement	Description of the Property	Total Consideration	Purpose
1.	Memorandum of Understanding dated September 1, 2009 and Supplementary Memorandum of understanding dated June 3, 2010 between M/s. Gadeo Electronics, a partnership firm and Bhharatiya Global Infomedia limited to acquire and purchase the property by taking over the said firm. Term: on or before May 31, 2011.	B-60, Sector-57, Noida-201 301, Uttar Pradesh	₹ 596.00 lakhs Paid ₹ 200.00 lakhs by way of issuing equity shares of our Company	Corporate office

M/s Gadeo Electronics is a partnership formed on September 1, 2001 between Mrs. Richa Mittal, Mr. Sanjeev Mittal and Mr. R.K. Mittal. Mr. Sanjeev Mittal took retirement w.e.f. March 31, 2008 and Mrs. Richa Mittal and Mr. R.K. Mittal entered into a fresh partnership deed on April 1, 2008 and agreed to start and run the business of manufacturing, marketing and selling of electronics and electrical items and components. As per partnership deed, partnership was having principal head office at Delhi, W.E.A., Karol Bagh, New Delhi and carry out its manufacturing activities at B-60, Sector-57, Noida with profit sharing ratio of 97.5:2.5 between Mrs. Richa Mittal and Mr. R.K. Mittal.

Our Company entered into a Memorandum of Understanding on September 1, 2009 and Supplementary MoU dated June 3, 2010 with M/s Gadeo Electronics for taking over the said firm having immovable property at B-60 Sector-57 Noida for the total consideration of ₹ 596.00 lakhs for purchase of Office. Our Company has issued 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 90 per equity share of the Company on preferential basis to Mrs. Richa Mittal, as part-consideration out of total consideration of ₹ 596.00 lakhs. The valuation was done by Mr. R.K. Gupta, a registered valuer, and as per valuation report dated August 27, 2009, the property was valued at ₹ 555.65 lakhs. After negotiations with M/s Gadeo Electronics, a final price of ₹ 596 lakhs was decided, which was payable in the form of equity shares to the extent of ₹ 200 lakhs and balance shall be payable before 31st May, 2011 or any extended period as may be mutually agreed between the parties. Further to the supplementary agreement considering the fact that closing of transaction is taking some time, the parties have vide letter dated May 30, 2011 of the company duly acknowledged by M/s Gadeo Electronics extended the period upto December 31, 2011.

Since the above land / property are not owned by us, therefore no charge has been created in favour of any property by us.

Purchase of property

Except as stated in section titled "Objects of the Issue" appearing on page no. 29 of this Red Herring Prospectus, there is no property which our Company has purchased or acquired or propose to purchase or acquire which is to be paid wholly, or in part, from the net proceeds of the Issue or the purchase or acquisition of which has not been completed as on the date of filing of this Red Herring Prospectus with SEBI, other than property:

- the contract for the purchase or acquisition whereof was entered into in the ordinary course of the business, the contract not being made in contemplation of this Issue, nor this Issue in contemplation of the contract; or
- In respect of which the purchase money is not material.

Our Company has not purchased any property in which any Directors, have any direct or indirect interest in any payment made thereof.

OUR FINANCIAL INDEBTEDNESS

The following is the details of our fund based limits:

Name of the Bank	Type of the Loan Facility	Amount (In ₹ Lakhs)	Interest	Repayment	Security
The Royal Bank of Scotland	Overdraft Limit	300.00 Amount outstanding as on 31/3/2011 - ₹ 300.15 lakhs	Bank's base rate plus 9.25% p.a. The current applicable rate is 15.75%p.a.	On demand	<p>First and exclusive charge by way of hypothecation on the entire current assets of the Company both present and future.</p> <p>First and exclusive charge by way of hypothecation on the moveable fixed assets of the company both present and future.</p> <p>First and exclusive charge by way of equitable mortgage on the property situated at House Number 93; Block A, Sector 26, Noida standing in the name of Mr. Rakesh Bhatia and Mrs. Arti Bhatia.</p> <p>First and exclusive charge by way of equitable mortgage on the property situated at B - 14/16, 3rd Floor, Himgiri Apartments, Sector - 34, Noida in the name of Mrs. Arti Bhatia.</p> <p><i>Personal guarantee</i> of Mr. Rakesh Bhatia and Mrs. Arti Bhatia.</p>

Financial covenants

- i) Current Ratio not to be less than 1.50 during the tenor of the facilities.
- ii) Gearing Ratio not to exceed 1 during the tenor of the facilities.

Restrictive covenants in secured loan agreements

It shall not in any way pledge, charge, mortgage, encumber or hypothecate or create a lien upon / in respect of the hypothecated assets or any part thereof specifically or otherwise in favour of any other party nor create any security ranking pari passu with and / or subject to the security hereby created without obtaining the Bank's prior written consent for the same. Further, the Company shall not, without the prior written permission of the Bank, carry out substantial change in the shareholding pattern of the Company or its management/control and alter the ownership structure of the Company or dilute the shareholding of Mr. Rakesh Bhatia and Mrs. Arti Bhatia and BGIL Films and Technologies

Private Limited or issue the capital. No fresh borrowing to be made without prior written permission of Bank.

Pursuant to the aforesaid we have received no objection certificate from The Royal Bank of Scotland Bank vide letter October 26, 2010 subject to the condition that atleast 51% of the post-issued capital will be held by the Promoter/Promoter Group.

Unsecured loans:

We have availed following unsecured loans from private corporate bodies/banks and from Promoter Group as on March 31, 2011:

	Name of Lender	Amount of loan disbursed (₹ in lakhs)	Amount outstanding as on March 31, 2011 (₹ In lakhs)	Amount overdue as on March 31, 2011	Purpose of Loan	Repayment terms
1	India Bulls Financial Services Limited	35.00	10.58	1.04	Business Loan	48 monthly installments of ₹ 1.046 lakh each, starting from March 2008 to February 2012
2	Money Line Credit Limited	30.00	13.42	Nil	Business Loan	48 monthly installments of ₹ 91.292 lakh each, starting from September, 2008 to August 2012
3	ABN Amro Bank	16.00	0.78	Nil	Business Loan	36 monthly installments of ₹ 0.57 lakh each, starting from June 2008 to May 2011
4	Barclays Bank plc	20.00	5.72	2.35	Business Loan	48 monthly installments of ₹ 0.587 lakh each, starting from May 2008 to April 2012
5	Reliance Capital Limited	30.00	10.34	7.93	Business Loan	48 monthly installments of ₹ 0.88 lakh each ,starting from April 2008 to March 2012
6	Avisha Credit Capital Limited*	10.00	10.00	Nil	Business Loan	No specified terms with regard to repayment and payment of interest, if any
7	Omkam Global Capital Private Limited (formerly Omkam Finvest Private Limited)*	31.00	31.00	Nil	Business Loan	No specified terms with regard to repayment and payment of interest, if any
8	Mass Services	7.38	7.38	Nil	Business	No specified terms with

	Limited*				Loan	regard to repayment and payment of interest, if any
9	Decent Financial Services Private Limited	35.00	35.00	Nil	Business Loan	No specified terms with regard to repayment and payment of interest, if any
10	Mr. Kalpesh Patel	15.00	15.00	Nil	Business Loan	No specified term with regard to repayment and payment of interest, if any
11	Promoter & Promoter Group*					
a.	Number One Finsec Private Limited	36.75	36.75	Nil	Business Loan	No specified terms
b.	Number One Finvest Private Limited	12.17	12.17	Nil	Business Loan	No specified terms
c.	Mr. Rakesh Bhhatia	44.07	44.07	Nil	Business Loan	No specified terms
d.	Mrs. Santoshi Devi	2.45	2.45	Nil	Business Loan	No specified terms
	TOTAL	324.82	234.65	11.32		

* Our Company has outstanding unsecured loans amounting to ₹ 234.65 lakhs as on March 31, 2011, out of which unsecured loans to the extent of ₹ 193.82 lakhs have no specific terms with regard to the repayment of these loans as they are also not secured by a charge on any of the assets of our Company. Due to the absence of any specific terms regarding their repayment, the said loans can be recalled by their respective lenders at any given point of time.

We have delayed payment of interest in some of the above secured & unsecured loans. The total overdue amount (including capital and interest overdue) as on March 31, 2011 is ₹ 11.32 lakhs in case of India Bulls Financial Services Limited, Barclays Bank plc and Reliance Capital Limited and ₹ 0.62 lakh in case of vehicle loan availed from HDFC Bank Limited.

	Name of Lender	Amount of loan disbursed (₹ in lakhs)	Amount overdue as on March 31, 2011 (₹ in lakhs)
1	India Bulls Financial Services Ltd.	35.00	1.04
2	Barclays Bank plc	20.00	2.35
3	Reliance Capital Limited	30.00	7.93
4	HDFC Bank Limited (vehicle loan)	6.80	0.62
	TOTAL		11.94

Reasons for delayed payment of statutory dues:

Mr. Rakesh Bhhatia, acquired our Company during 2004-05, when our Company was having limited operations. The total income and profit after tax was ₹ 183.25 lakhs and ₹ 9.19 lakhs respectively during 2003-04, which gradually increased to ₹ 4636.72 lakhs and ₹ 272.20 lakhs respectively. Since our

Company was involved in the research and development of emerging technology based products/solutions, substantial time and funds were invested to establish products/technology, and building long term business relationship with clients. The working capital requirement was not available to the extent required and thus our Company faced pressure on cash-flow. Moreover, we being in the IT Sector, there was not much of fixed assets like plant & machinery, factory building, etc. were available with us to hypothecate and take secured loans from banks. Our Promoters had, generally submitted their personal guarantee and pledged their personal assets to secure credit facilities from various lenders. Therefore, because of stressed cash-flow, our Company could not make payment of statutory dues on time. However, we had never defaulted on any payments. As on date, we have cleared all our pending statutory dues of provident fund, employees' state insurance, income tax, sales tax, wealth tax, excise duty, service tax etc. including the interest on service tax as on date. With the growth in business and profits, our Company is confident of following corporate governance practice in letter and spirit.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies applicable to the Company as prescribed by the central and state governments in India. The regulations set out below are not exhaustive, are only intended to provide general information only.

1. Income Tax Act, 1961

The Company is required to obtain the PAN and TAN as per the requirement of the Income Tax Act, 1961. Permanent Account Number (“PAN”) is a ten-digit alphanumeric number issued by the Income Tax Department, Government of India. All assesses or taxpayers or persons who are required to furnish a return of income, must obtain PAN. It is mandatory to quote PAN on return of income.

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

2. Import Export Certificate

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

3. Registration under Central Sales Tax and Value Added Tax Laws

(a) Value Added Tax:

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

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

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

(b) Central Sales Tax:

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

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

4. Service Tax

Service Tax was introduced in India in 1994 by Chapter V of the Finance Act, 1994. The Central Board of Excise & Customs, Department (“CEBC”) of Revenue, Ministry of Finance, deals with the task of formulation of policy concerning levy and collection of Service Tax. Only those services which have been expressly made taxable under the provisions of the Finance Act, 1994 are charged to service tax.

The liability of paying service tax to the government rests upon the service provider, but being an indirect tax, the service provider is allowed to recover the same from the recipient of the taxable service. Every person whose gross receipts on account of rendering taxable service exceeds the limits prescribed in a financial year is required to get himself registered under the provisions of the Finance Act, 1994 with the Government. However, liability to deposit service tax arises only when gross receipts exceed limited prescribed in a financial year.

5. Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (hereinafter referred to as "EPF Act") provides for social security by way of provident fund, family pension fund and deposit linked insurance for employees working in factories and other establishments for the benefit of the employees. The EPF Act is applicable to (i) every establishment which is a factory engaged in any industry specified in Schedule I in which twenty or more persons are employed, and (b) to any other establishment employing twenty or more persons or class of such establishments which the Central Government may specify. Presently, an establishment covered under EPF Act is required to mandatorily contribute under the EPF Act for an employee getting wages up to ₹ 6,500/-. Further the contribution to be made by the employee and employer is 12% of the basic pay, DA, retaining allowance and cash value of food concessions. If any of the establishment is not satisfying the conditions for coverage of EPF Act and if the employer and majority of the employees are willing, the Act may be applicable to such establishment through voluntary coverage. Further, the employees of an establishment getting more than ₹ 6,500 p.m. fall under the category of the excluded employees for the purposes of the EPF Act. However, if the establishment and excluded employees so decide, EPF Act can be made voluntarily applicable on such excluded employees as well.

6. The Employees' State Insurance Act, 1948

The Employees State Insurance Act ("ESI Act") is a social security legislation which provides for medical care benefits in case of sickness, maternity, employment injury and pension for dependants in the event of the death through accidents at the workplace. The ESI Act specifies a deposit of 6.5% of the salary, of which 1.75% is to be contributed by the employee, the rest by the employer, and applies to all employees with salaries below ₹ 15,000 per month under this Act.

8. The Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 ("Gratuity Act") provides for payment of gratuity to an employee engaged in factories, shops, other establishments on the termination of his employment or on his superannuation, retirement/resignation, or death or disablement due to accident or disease provided he has rendered continuous service of at least five years. Presently, the amount of maximum gratuity payable by an employer under the Gratuity Act to an employee is ₹ 10,00,000/-.

9. The Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 ("Bonus Act") provides for payment of bonus to persons employed in certain establishments on the basis of profits or on the basis of production or productivity and for matters connected therewith.

The Bonus Act applies to every factory, every other establishment employing 20 or more persons (including part time employees) on any day during an accounting year and any establishment specified by the Central Government, which employs less than 20 persons but more than 10 persons. The Bonus Act covers all employees doing any skilled or unskilled manual, supervisory, managerial, administrative, technical and clerical work for hire or reward and whose salary does not exceed

₹10,000/- per month. The minimum bonus to be paid to each employee is either 8.33% of the salary or wage or rupees one hundred, whichever is higher, and must be paid irrespective of the existence of any allocable surplus or profits. As per the provisions of the Bonus Act, the bonus shall be paid in cash within a period of eight months from the closure of the accounting year.

10. Contract Labour (Regulation & Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 (“**CLA Act**”) is applicable to (i) every establishment in which twenty or more workmen are employed directly or indirectly, on any day in the preceding twelve months as contract labour and (ii) to every contractor who employs or who employs on any day of the preceding twelve months twenty or more workmen. The CLA Act aims to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances so as to ensure the welfare and health of contract labour and to ensure timely payment of wages. To ensure the welfare and health of the contract labour, the CLA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid and other facilities.

Every establishment covered by CLA Act is mandatorily required to obtain registration in accordance with the provisions of CLA Act. Further, every contractor, to whom the CLA Act applies, is required to obtain a license in accordance with the provisions of CLA Act to undertake or execute any work through contract labour and to comply with all the terms and conditions prescribed in the license so obtained under CLA Act. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fine and imprisonment, may be levied for contravention of the provisions of the CLA Act. It is also important to note that in case the contractor fails to pay statutory dues to its contract labour, the company may be held responsible to clear such dues in the capacity as principal employer.

11. Shops and Establishment Laws

The State Governments have come up with their respective legislation to regulate the conditions of work and employment in shops and commercial establishments. The legislation on shops and establishments broadly provides the guidelines for regulating the hours of work, payment of wages, leave, holidays, terms of service, overtime and other conditions for employment of a person in a shop or establishment covered within the ambit of such legislation.

Every shop and establishment in a particular State is required to obtain registration under the respective State legislation on shops and establishment.

HISTORY AND CERTAIN CORPORATE MATTERS

Overview

Our Company was originally incorporated as Bhartiya Global Financial & Allied Services Limited vide Certificate of Incorporation dated November 24, 1994 issued by the Registrar of Companies, NCT of Delhi & Haryana under the provisions of the Companies Act, 1956 and obtained Certificate for Commencement of Business on January 18, 1995. The name of the Company was changed to Bhartiya Global Software Fintec Limited vide fresh incorporation certificate dated May 3, 1999 issued by the Registrar of Companies, NCT of Delhi & Haryana. The Company further changed its name to Bhartiya Global Software Limited vide fresh incorporation certificate dated June 27, 2001 issued by the Registrar of Companies, NCT of Delhi & Haryana and finally changed its name to Bharatiya Global Infomedia Limited vide fresh certificate of incorporation dated November 13, 2003 issued by the Registrar of Companies, NCT of Delhi & Haryana. Mr. Rakesh Bhhatia was appointed as Managing Director of the Company w.e.f. April 1, 2004, and thereafter by acquisition of shares of the company in tranches, he acquired control over management as well as shareholding of the Company.

The erstwhile promoters of our Company are:

1. Mrs. Monica Jain, wife of Mr. Karun Jain, a resident of 150, II Floor, Ram Vihar, Vikas Marg Extension, Delhi - 110092. Mrs. Monica Jain was one of the subscribers of our Company and thereafter, was appointed as Director of our Company. She resigned on August 3, 1999 and her shareholding as on March 31, 2004, was 39,750 Equity Shares of ₹ 10 each aggregating to ₹ 3.97 lakhs (i.e. 0.87%). All the equity shares of Mrs. Monica Jain were transferred to Mrs. Arti Bhatia as on September 30, 2005.
2. Mr. Karun Jain s/o of Shri S. K. Jain, a resident of 150, II Floor, Ram Vihar, Vikas Marg Extension Delhi-110092. Mr. Karun Jain was one of the subscribers of our Company and thereafter, was appointed as Director of our Company. He resigned on March 13, 1999 and his shareholding as on 31st March, 2004 was 104,664 Equity Shares of ₹ 10 each aggregating to ₹ 10.47 lakhs (i.e. 4.48%). All the equity shares were transferred to Rakesh Bhhatia (HUF) as on September 30, 2005.

We are a technology based company focussing on the sectors such as Information Technology security and compliance automation software solutions and technology related to media & entertainment industry with focus on Research & Development.

Current business operations consist of Information Technology Based Solutions-RFID & Smart Card and Digital Post Production Studio (Digital Post-Production Studio at Andheri West, Mumbai namely "BGIL Studio"). We have in-house developed software ERP product, customized software development, training, consultancy, trading, animation and RFID based solution. We develop small animated capsules for various projects of the clients. We also design & develop WAP enabled products for clients and mainly focused on the building RFID technology.

For further details in relation to our business, see the section titled "Our Business" beginning on page no. 60 of this Red Herring Prospectus.

Milestones achieved by our Company:

Year	Milestone
2004-05	Change in management by acquisition of shares by existing Promoters.

2005 -2006	Purchasing of complete business set up consisting of film studio for post-production facility located at Andheri (West), Mumbai
2009 -2010	Central Public Work Department has enrolled our Company name in the list of Approved Marks Companies for execution of RFID Software, Vehicle Application Software, and Employee Tracking Software for their Building Management and Control System.
2009 -2010	Awarded contract for Parking Management system for ICICI Hyderabad for managing 20,000 vehicles simultaneously till floor six of the building.
2010-11	<ul style="list-style-type: none"> • Membership certificate from Asian Professional Security Association • Received ISO9001:2008 certificate of compliance in respect of IT based safety security and automation products/solutions.

Changes in the registered office of our Company

Date of change	Particulars	Reason for change
August 28, 1995	The registered office of our Company was shifted from B-56, Jhandewalan F.F. Complex, Rani Jhansi Road, New Delhi-110055 to D-51, Vivek Vihar Phase-I Delhi- 110095.	Operational convenience
May 29, 1996	The registered office of our Company was shifted from D-51 Vivek Vihar Phase-I Delhi-95 to Regency House, BM - 12 (West) Shalimar Bagh, Delhi - 110056.	Operational convenience
August 16, 1999	The registered office of our Company was shifted from "Regency House" BM-12 (West) Shalimar Bagh, Delhi-110056 to 21, National Park Basement(Cabin No. 5), Lajpat Nagar-IV, New Delhi-110024.	Operational convenience
August 25, 1999	The registered office of our Company was shifted from 21, National Park, Lajpat Nagar-IV, New Delhi to Plot No. E-133. Dilshad Garden, Delhi-110095.	Operational convenience
April 20, 2000	The registered office of our Company was shifted from Plot No. E-133, Dilshad Garden, Delhi-110 092 to 1306 Hemkunt House, Rajender Place, New Delhi 110 008.	Operational convenience
September 1, 2003	The registered office of our Company was shifted from 1306 Hemkunt House, Rajender Place, New Delhi 110 008 to A-6/8, Krishna Nagar Delhi.	Operational convenience
April 19, 2004	The registered office of our Company was shifted from A-6/8, Krishna Nagar Delhi to 21, National Park, Lajpat Nagar IV, New Delhi.	Shifting due to acquisition of our Company by the existing Promoters
August 11, 2005	The registered office of our Company was shifted from from 21, National Park, Lajpat Nagar, New Delhi-110024 to 601, Devika Towers, 6 th Floor, Nehru Place, New Delhi-110019	Considering the growing business of our Company and future prospects, need was felt for having office with better infrastructure and location, and hence, the registered office was

shifted to Nehru Place, which is one of the business hubs in New Delhi.

August 12, 2010	The registered office of our Company was shifted from 601, Devika Tower, 6 th Floor, 6, Nehru Place, New Delhi - 110019 to 623, Devika Tower, 6 th Floor, Nehru Place, New Delhi - 110019	Shifting within the same building due to sale of previous office
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Changes in Memorandum of Association of our Company

Date of Shareholders' approval	Changes
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December 30, 1998	Alteration in Main Object Clause and Commencement of new business.
February 2, 1999	Alteration in Main Object Clause and Commencement of new business.
March 5, 1999	Change of name from Bhartiya Global Financial & Allied Services Limited to Bhartiya Global Software Fintec Limited.
July 5, 1999	Alteration in Main Object Clause
April 16, 2001	Change of name from Bhartiya Global Software Fintec Limited to Bhartiya Global Software Limited.
March 15, 2001	Increase in Authorised Share Capital from ₹ 100.00 lakhs divided into 10,00,000 equity shares of ₹ 10/- each to ₹ 140.00 lakhs divided into 14,00,000 equity shares of ₹ 10/- each.
September 25, 2001	Increase in Authorised Share Capital from ₹ 140.00 lakhs divided into 14,00,000 equity shares of ₹ 10/- each to ₹ 460.00 lakhs divided into 46,00,000 equity shares of ₹ 10/- each.
October 9, 2003	Change of name from Bhartiya Global Software Limited to Bharatiya Global Infomedia Limited.
October 9, 2003	Alteration in Main Object Clause by inclusion of film distribution, production, editing and related activities.
March 28, 2005	Increase in Authorised Share Capital from ₹ 460.00 lakhs divided into 46,00,000 equity shares of ₹ 10/- each to ₹ 618.00 lakhs divided into 61,80,000 equity shares of ₹ 10/- each.
June 28, 2005	Increase in Authorised Share Capital from ₹ 618.00 lakhs divided into 61,80,000 equity shares of ₹ 10/- each to ₹ 700.00 lakhs divided into 70,00,000 equity shares of ₹ 10/- each.
August 27, 2010	Increase in Authorised Share Capital from ₹ 700.00 lakhs divided into 70,00,000 equity shares of ₹ 10/- each to ₹ 1,650.00 lakhs divided into 1,65,00,000 equity shares of ₹ 10/- each.

Main Objects of Company

The main objects of the Company as stated in the Memorandum of Association are:

1. To carry on the business of Computer Hardware/Software covering all its business aspects viz its Manufacturing, Development, Import- Export. Implementation, Providing Human resource/Body sopping/Computer consultancy, Computer Processing, Renting of computer

Harwares/Softwares and Seminars/Debates etc. and also to carry on the business of internet, E-mail, E-commerce, and website, including Softwares relating to telecommunications etc.

2. To manufacture/deal in computer and communication software/software development/import of software/export of software and manufacture of computer peripherals and to carry on the business as manufacture, assemblers, buyers, sellers, indenters, hiers, repaires, importers, exporters, promoters, agents, representatives, designers, system engineers , systems analyst and consultant of all types of computer including mini computers and micro processor based system intelligent terminals, main frame system, intelligent controllers personal computers, word processors, computerized automation system systems, peripheral systems, computerized power systems and other computerized and micro processor based systems for communication, medical business, commercial industrial , environmental, process control, chemical and scientific applications or in the maintenance repair and working thereof.
3. (a) To Carry on the business of producers and processors of all type of, feature films, documentary films and distributors of cinematography films and to do all the things necessary and expedient in connection with the business of the films, and to carry on the business of editing, photograph, recording, re-recording and all other work related with the production and transmission of TV serials, News Reels, other programmes on television, radio, on self owned or private channels.

(b) To carry on in India or elsewhere the business to produce , promote , project , participate, manufacture, manipulate, treat , process, prepare, alter, develop, expose, edit, exhibit, make, re-make , display , print, re-print, convert, duplicate finish, buy, sell , run, import, export and to act as broker, agent, distributor, proprietor, copy right owners, video right owners, cinema studio owner, dance music and other studio owners, job owners etc of all kinds of video films, telefilms, news reels, slides in all languages prevailing in the world and to do all other business related to Television Industry in General.
4. To carry on business as designers, engineers, manufacturers, buyers, sellers, indenters, hiers, importers, exporters, agents and dealers of all types of computer software including operating systems, higher level languages, new languages, compilers, loaders, software debugging techniques and packages, input-output control systems, job control languages, file managers, peripherals and instrument controllers , new system buses, dataways, highways, peripherals equipment drivers, controllers and other aspects of systems software including system Consultancy.

Business acquisitions

- (a) Our Company had entered into a Business sale agreement on March 2, 2005 (effective from March 31, 2005) with M/s VTV Network Limited which was approved by our Shareholders in the Extra Ordinary General Meeting held on March 29, 2005, by which VTV Network Limited agreed to sell whole of the fixed assets, investments & other assets standing in its Balance sheet as on March 31, 2005 for total consideration of ₹ 607.07 lakhs, which is partly paid by allotting 13,40,000 equity shares of ₹ 10 each at a premium of ₹ 35/- per share of the Company and the balance in cash of ₹ 4.07 lakhs.
- (b) In 2005, Mr. Rakesh Bhatia, Mrs. Arti Bhatia and our Company, had acquired 16,87,300 (36.29%) equity shares of "Nam Credit & Invetsment Consultants Limited (Target Company, now known as BGIL Films & Technologies Limited)" from Mr. Rajinder Paul Jindal, Ms. Kiran Jindal and Mr. Shiv Mitter Jindal, by entering into a Share Purchase Agreement dated July 12, 2005 for a total

consideration of ₹ 42.18 lakhs. Pursuant to SEBI Takeover Regulations, an open offer was made to acquire 9,30,000 (20.00%) equity shares of the Target Company. Our Company had acquired total 5,72,134 equity shares, out of which 5,62,434 equity shares were acquired under Share Purchase Agreement and 9,700 equity shares were acquired under open offer which was made alongwith Mr. Rakesh Bhatia and Mrs. Arti Bhatia in October, 2005.

- (c) Our Company entered into an agreement dated November 1, 2005 with M/s STV Enterprises Ltd. for purchasing the complete business set up consisting of film studio for post production facility alongwith the machineries, furniture & fixtures, tools, accessories, gadgets and other equipments, whether tangible or intangible located at Andheri, Mumbai, as on October 31, 2005. The total consideration for the said purchase was ₹ 235 lakhs (including ₹ 20 lakhs for security deposit – paid to Amaltas Group Housing Society for the use of premises), which was paid in cash.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

Subsidiaries of our Company

Our Company has no subsidiaries.

Shareholders

As on the date of this Red Herring Prospectus, the total number of shareholders are 77 (seventy seven).

Shareholders Agreement

Our Company has not entered into a shareholders' agreement.

Other Agreements

Our Company has executed following agreements:-

1. Memorandum of Understanding with M/s. Gadeo Electronics, Partnership firm

1.	Date of Memorandum of understanding	Supplementary Memorandum of Understanding entered on June 3, 2010 in addition to the Memorandum of Understanding entered on September 1, 2009.
2.	Parties to the Agreement	M/s. Gadeo Electronics, Partnership firm through its principal Managing Partner Mrs. Richa Mittal (" Transferor "). She is holding 95% rights of the firm.
3.	Base of the Agreement	i) Transferor is the original allottee and owner of the immovable property situated at B-60, Sector 57, Noida. ii) Transferor agreed to sell and transfer and our Company i.e " Transferee " agreed to acquire and purchase the property by taking over the said firm.
4.	Validity of the Agreement	The transaction is intended to be completed on or before May 31, 2011 or any extended period as may be mutually agreed.
5.	Terms of the Agreement	i) The total purchase consideration of the property is ₹ 596.00 lakhs, out of which ₹ 200.00 lakhs has been paid by way of issuing 2,00,000 equity shares of ₹ 10 each at a premium of ₹ 90 per equity share of our Company to Mrs. Richa Mittal, Transferee as per the Supplementary MoU.

		<ul style="list-style-type: none"> ii) The said Memorandum of understanding shall be converted into a suitable legally enforceable binding document upon completion of the formalities and obligations undertaken by the Transferee and Transferee. iii) As per Memorandum of Understanding dated September 1, 2009, the Transferor can put the possession of the part of the property (2nd and 3rd Floor). iv) The Transferee shall take the entire control over the firm/property only after receipt of the total consideration.
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Strategic Partners

Our Company does not have any strategic partners.

Financial Partners

Our Company does not have any financial partners.

OUR MANAGEMENT

As per Article 129 of Articles of Association, our Company must have a minimum of three and a maximum of twelve Directors. As on the date of this Red Herring Prospectus, our Company has seven Directors out of which four are Independent Directors.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Red Herring Prospectus.

Name, designation, father's name, tenure, DIN and occupation	Age	Address	Other Directorships, Proprietorship, Partnership, association etc.
Mr. Rakesh Bhatia <i>Chairman & Managing Director</i> S/o Late Mr. Om Prakash Singh Bhatia DIN: 00046983 Tenure: 5 years effective from April 1, 2009 to March 31, 2014 and liable to retire by rotation Occupation: Business	49	A-93, Sector-26, Noida -201301, U.P.	1. BGIL Films & Technologies Ltd. 2. Bhatia Investment & Finance Private Limited 3. Grindlay Finman Private Limited 4. Number One Finsec Private Limited 5. Number One Finvest Private Limited 6. Kriti Communications Private Limited 7. Rakesh Bhatia (HUF) - Karta
Mrs. Arti Bhatia <i>Director</i> D/o Mr. Kripal Singh DIN: 00047040 Tenure: Liable to retire by rotation Occupation: Business	43	A-93, Sector-26, Noida -201301, U.P.	1. Bhatia Investment & Finance (P) Ltd. 2. Grindlay Finman Private Limited. 3. Number One Finsec Private Limited 4. Number One Finvest Private Limited
Mr. Sanjeev Kumar Mittal <i>Executive Director- Technical</i> S/o Mr. Ram Kishan Mittal DIN: 00047280 Tenure: 5 years effective from April 1, 2009 to March 31, 2014 and liable to retire by rotation Occupation: Service	48	D-51/B, Sector-26 Noida-201 301, U.P.	NIL

Mr. Sanjay Kapoor <i>Independent Director</i>	50	18, Savita Vihar, Delhi - 110 092	BGIL Films & Technologies Limited A to Z Barter Private Limited
S/o Mr. Bal Kishan Kapoor			Proprietor: M/s Kapoor & Kapoor, Chartered Accountants
DIN: 00047651			
Tenure: Liable to retire by rotation			Partner: M/s Glacier Contraction
Occupation: Professional			
Mr. Harjit Singh Anand <i>Independent Director</i>	45	3 rd Floor, Naaz Cinema Compound, 397-A	HR Exim Private Limited
S/o Mr. Hardit Singh Anand		Dr Bhadkamkar Marg, Grant Road (E), Mumbai -400 004	
DIN: 03168663			
Tenure: Liable to retire by rotation			
Occupation: Service			
Mrs. Jaya Misra <i>Independent Director</i>	48	364, Sector-29 Gautam Budh Nagar, Noida -201 301	Proprietor: M/s Credence Global
D/o Mr. Avinash Chandra Chaturvedi			
DIN: 03224759			
Tenure: Liable to retire by rotation			
Occupation: Business			
Mr. Anil Kumar Kapoor <i>Independent Director</i>	58	56 Osgood street, Andover, MA 0181, United States America	Nil
S/o Mr. Om Prakash Kapoor			
DIN: 00218434			
Tenure: Liable to retire by rotation			
Occupation: Service			
None of our directors except, Mr. Rakesh Bhatia who is husband of Mrs. Arti Bhatia, are related to each other.			

Our Company has not entered into any service contracts with any Directors which provide for any benefits to the said Directors upon termination of employment. Our Company has not entered into any arrangement or understanding with its major shareholders, customers, suppliers or others pursuant to which any of the directors were selected as a director or member of senior management. Further, except for statutory benefits upon termination of their employment in our Company or upon retirement, no officer of our Company, including our Directors and our key managerial persons, are entitled to any benefits upon termination of employment with our Company.

Brief Profile of the Directors:

Mr. Rakesh Bhatia

Mr. Rakesh Bhatia, aged 50 years, is a Post Graduate in commerce from Jiwaji University, Gwalior, Fellow member of The Institute of Companies Secretaries of India and Associate Member of All India Management Association. He started his career in 1989 by starting his own practice and in 1991 he joined SRG Infotech India Limited where he worked till 1996 as Managing Director (date of resignation: April 14, 1996). He had taken over Visesh Infotecnics (India) Limited (engaged in the business of IT solution product support and IT enabled servies) in 1996 as one of the main promoter and later on he became the sole promoter of the company. He resigned as Chairman and Managing Director and diposed off his entire shareholding in the company in March, 2004 with a gap of around 8 months on account of his personal reasons. He took over the management of our Company in April, 2004 and started his focus in the field of Information Technology. In the meantime, he also acquired BGIL Films & Technologies Limited in July, 2005. He also disassociated himself from Nexgen Capital Services Limited on account of his increased focus on IT sector in October, 2006. He has more than 20 years experience in Corporate Law & Finance, Information Technology, Investment Banking and activities relating to Media & Entertainment.

Mrs. Arti Bhatia

Mrs. Arti Bhatia, aged 44 years is a Bachelor in Arts & Sociology from Kota Open University, Rajasthan. She is a Promoter Director (Non-Executive) of our Company. She has overall experience of 17 years in the field of HR management and administration.

Mr. Sanjeev Kumar Mittal

Mr. Sanjeev Kumar Mittal, aged 48 years has done B.Tech from Aligarh Muslim University and has 18 years of experience in the fields of system design, frontline sales, dealers' training, installation, commissioning and customer support in various sector viz. IT, telecom, electronic safety, security and building automation industry. He had experience of working with NALCO, Godrej & Boyce, India Tele-Com Ltd., Intecon India Limited, RBH India Private Limited before joining our Company at various positions. Presently he is invoved in our Company and looking after Information Technology (IT) related activities.

Mr. Sanjay Kapoor

Mr. Sanjay Kapoor, aged 50 years is a Graduate from Delhi University and a fellow member of the Institute of Chartered Accountants of India and possesses over 20 years of experience in corporate accounting, finance, Investment banking and taxation. He is a practicing Chartered Accountant with M/s Kapoor & Kapoor, Chartered Accountants.

Mr. Harjit Singh Anand

Mr. Harjit Singh Anand, aged 45 years is PHD in International Business Management from Canterbury UK. He is Chairman of MRCC Humans Rights Departments, Director in Abhinav Sahakari Corporative Bank, Vice President of Trans Asia Chamber of Commerce & Industry, Member of Indian Merchant Chamber of Commerce & Industry, and Owner & Chief Editor of Human Rights, Mumbai and Das Times.

Ms. Jaya Misra

Ms. Jaya Misra, aged 48 years has done post-graduate diploma course from the Institute of Productivity and Management, Lucknow, India and has also done advanced training in Personnel Management from Carl Duisberg Gesellschaft, Germany. She has more than 25 years of working experience, out of which 10 years of experience in the field of marketing, human resources, training & consulting. During her professional tenure, she worked with companies like NIS Sparta Ltd and also associated with Hewitt Associates, a North American HR Consulting Firm. She is the Head of Credence Global an HR consulting firm and training firm. In addition, she is also the Managing Director of South Asia of Global Exec Logistic Consulting Group (firm).

Mr. Anil Kumar Kapoor

Mr. Anil Kumar Kapoor, aged 58 years, an NRI, is Master in Business Administration from Northeastern University, Boston; Master of Science in Engineering from University of Lowell and Graduate Science in Engineering from University of Roorkee. He has more than 25 years of technical management experience. He has knowledge in technology and software development to collaborate with all levels of management to address strategic business challenges including shaping business strategy, acquisitions, divestitures, change management, recruitment, training and strategic business planning.

Details of borrowing powers

As per the provisions of Section 292 of the Companies Act, 1956, the Board of Directors are authorised to borrow from time to time, any sum of moneys, on such terms and conditions and with or without security as the Board of Directors may think fit under the provisions of Section 292 of the Companies Act, 1956 i.e. within the limit of the paid-up share capital of the Company and its free reserves.

Details of Compensation of Chairman & Managing Director and Whole Time Directors**Mr. Rakesh Bhatia**

1. Salary up to ₹ 1.25 lakhs per month
2. Perquisites such as house rent allowance, house maintenance allowances/expenses, reimbursement of actual medical expense, travel concession / assistance (domestic & overseas), reimbursement of membership fee for the clubs, personal accident insurance policy, gratuity, leave with full pay or encashment thereof, conveyance facilities, telephone, telefax & other communication facilities at residence, contribution to provident fund and superannuation fund and other persquisites subject to overall ceiling on remuneration.

Mr. Sanjeev Kumar Mittal

1. Salary up to ₹ 1 lakh per month
2. Perquisites such as house rent allowance, house maintenance allowances/expenses, reimbursement of actual medical expense, travel concession / assistance (domestic & overseas), reimbursement of membership fee for the clubs, personal accident insurance policy, gratuity, leave with full pay or encashment thereof, conveyance facilities, telephone, telefax & other

communication facilities at residence, contribution to provident fund and superannuation fund and other perquisites subject to overall ceiling on remuneration.

The following tables set forth total compensation paid by the Company to the executive directors for the financial year 2010-11:

(₹ in lakhs)	
Name of Director	Amount
Mr. Rakesh Bhatia	14.40
Mr. Sanjeev Kumar Mittal	9.00

Remuneration to Independent and Non-Executive Directors

Our Independent and Non-Executive Directors are being paid a sitting fee of ₹ 1000/- (Rupees one thousand only) for every meeting of the Board of Directors attended by them with effect from September 1, 2010.

There has been no compensation paid by the Company to the Independent / non-executive Directors for the financial year 2010-11.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance shall be applicable to us immediately upon listing of our Company's Equity Shares on the Stock Exchanges. Our Company has complied with the requirements of Corporate Governance, particularly those relating to composition of board of directors, constituting the committees such as Audit Committee, Shareholding/Investor Grievance Committee, Remuneration Committee and IPO Committee etc.

Audit Committee

The Audit Committee was originally constituted on April 1, 2004 and reconstituted on September 1, 2010. The present composition of the audit committee is as under:

Name of Director	Status in Committee	Nature of Directorship
Mr. Sanjay Kapoor	Chairman	Independent Director
Ms. Jaya Misra	Member	Independent Director
Mr. Harjit Singh Anand	Member	Independent Director
Mr. Sanjeev Kumar Mittal	Member	Executive Director
Mr. Rakesh Bhatia	Member	Executive Director

The responsibilities and powers of the Audit Committee are:

- Meetings periodically as it may deem necessary and, one meeting before finalization of annual accounts.
- overseeing the Company's financial reporting process,
- recommending to the Board, the appointment re- appointment, if required the replacement or removal of the statutory auditor, external auditors and the fixation of audit fee(s),
- approval of payment of statutory auditors and external auditors for any other services rendered by the statutory auditors

- reviewing the annual financial statements before submission to the Board for approval, with the particular reference to:
 - a) Matters require to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause No. (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.
 - h) The going concern assumption.
 - i) Compliance with accounting standards.
- 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 utilised for purposes other than those stated in the offer documents/prospectus/notice and the report, if any, 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.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Shareholder / Investor Grievance Committee

The Shareholder / Investor Grievance Committee were constituted on September 1, 2010. The present composition of the Shareholder / Investor Grievance committee is as under:

Name of Director	Status in committee	Nature of directorship
Ms. Jaya Misra	Chairman	Independent Director
Mr. Sanjeev Kumar Mittal	Member	Executive Director
Mr. Rakesh Bhhatia	Member	Executive Director

The Power of the Shareholder / Investor Grievance committee is:

- reviewing of the shareholders' / debenture holders' complaints relating to transfer of shares / debentures, non-receipt of balance sheets, declared dividend, interest, redemption payment etc.,
- monitoring and reviewing of systems, procedures relating to processing of transfer of shares, debentures etc.,
- investigating any activity and seek information from any employee of the Company, in discharging its duties,
- fixing record date for the purposes as required under the Companies Act, 1956, and/or Listing Agreement,
- considering and approving issue of duplicate share certificates in lieu of reported lost, misplaced, torn, mutilated certificates; and other related matters etc.,
- monitoring the matters of litigation related to shareholders and take decisions relating thereto,
- considering, reviewing and monitoring the matters related to the shareholders grievances,
- considering, and finalizing the report on Corporate Governance to be annexed with the Annual Report of the company,
- dealing with matters such as non-receipt of balance sheet, non-receipt of declared dividend, etc,
- To perform the tasks of Share transfer Committee relevant under the Companies (Issue of Share Certificate) Rules, 1960.
- dealing with any other matters related and/or incidental to the shareholders.

Remuneration Committee

The Remuneration Committee was originally constituted on September 1, 2010. Its constitution is as follows:

Name of Director	Status in committee	Nature of directorship
Ms. Jaya Misra	Chairman	Independent Director
Mr. Sanjay Kapoor	Member	Independent Director
Mr. Harjit Singh Anand	Member	Independent Director

The scope and terms of reference of the Remuneration Committee shall be as follows:

- finalize the appointment, terms of engagements, remuneration payable by our Company to its chairman, chief financial officer, managing director, chief executive officer, chief operation officer or any other Director including the functional Directors from time to time keeping in view the provisions of the Companies Act, 1956 read with relative Schedules thereto and that such committee be and is hereby authorized to recommend to the Board such entitlements of remuneration; and
- ensure proper compliance of the conditions precedent to appointment(s) and to generally to attend to all other formalities incidental to or connected with the payment of remuneration to Directors and or managerial person, to decide the revision in remuneration and payment of commission to them within the sanction of the shareholders.

IPO Committee

The IPO Committee was originally constituted on August 21, 2010 and reconstituted on September 1, 2010. The present members of the committee are as under:

Name of Director	Status in committee	Nature of directorship
Mr. Rakesh Bhatia	Chairman	Executive Director
Mr. Sanjay Kapoor	Member	Independent Director

Ms. Jaya Misra	Member	Independent Director
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The scope and terms of reference of the IPO Committee shall be as follows:

- Taking decision to open the issue, decide opening and closing date;
- Deciding on the terms of the IPO which inter-alia include the issue price, the number of securities to be offered for allotment, amount payable on application, allotment, calls, premium payable, the basis of allotment and allotment of securities;
- Appointment of various intermediaries, which inter-alia include Book Running Lead Manager (BRLM), Escrow Bankers to the Issue, Legal Counsel to the Issue, Registrar to the Issue, Advertisement Agency, Printers, underwriters, syndicate members or any other agency, as may be required for the completion of the proposed IPO;
- Arranging the delivery and execution of all contracts, agreements and all other documents, deeds and instruments as may be required or desirable in connection with the issue of securities by the Company;
- Opening separate special account(s) with Escrow bank(s) to receive monies in respect of the issue of the Securities and to enter into any agreement, if required, with such banks;
- Making applications for listing of the Securities of the Company on one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s) including payment of necessary fee to such stock exchange(s) and taking all actions that may be necessary in connection with obtaining such listing;
- Approving the allotment of securities in consultation with the Designated Stock Exchange and the BRLM. ;
- Approval of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (including amending, varying or modifying the same, as may be considered desirable or expedient) as finalized in consultation with the Book Running Lead Manager in accordance with applicable laws, rules, regulations and guidelines;
- Authorisation of any director or directors of the Company or other officers or officers of the Company, including by the grant of power of attorneys, to do such acts, deeds and things as authorized persons in its absolute discretion may deem necessary or desirable in connection with the issue and allotment of the Securities;
- Giving or authorising the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time; and
- Doing all those activities which are required to successfully complete the process of IPO.

Shareholding of Directors in the Company

The Articles of Association of the Company do not require the Directors to hold any equity shares in the Company as qualification shares. The following table sets out the shareholding of the Directors who hold shares either in their personal capacity or as joint holder, as on the date of this Red Herring Prospectus.

Sr. No.	Name of the Directors	Number of Equity Shares	% to pre-issue paid up equity share capital
1.	Mr. Rakesh Bhhatia	28,17,276	30.88
2.	Mrs. Arti Bhatia	19,24,544	21.10
3.	Mr. Sanjeev Kumar Mittal	30,000	0.33
4.	Mr. Harjit Singh Anand	1,000	0.01
5.	Ms. Jaya Misra	1,000	0.01
6.	Mr. Sanjay Kapoor	45, 652	0.50

7.	Mr. Anil Kumar Kapoor	Nil	Nil
	Total	48,17,472	52.81

Interest of Directors

All the Directors may be deemed to be interested to the extent of the sitting fees payable to them for attending meetings of the Board or any committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them. Further, directors may also be deemed to be interested to the extent of Equity Shares held by them or that may be subscribed for and allotted to them out of the present issue, if any. Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

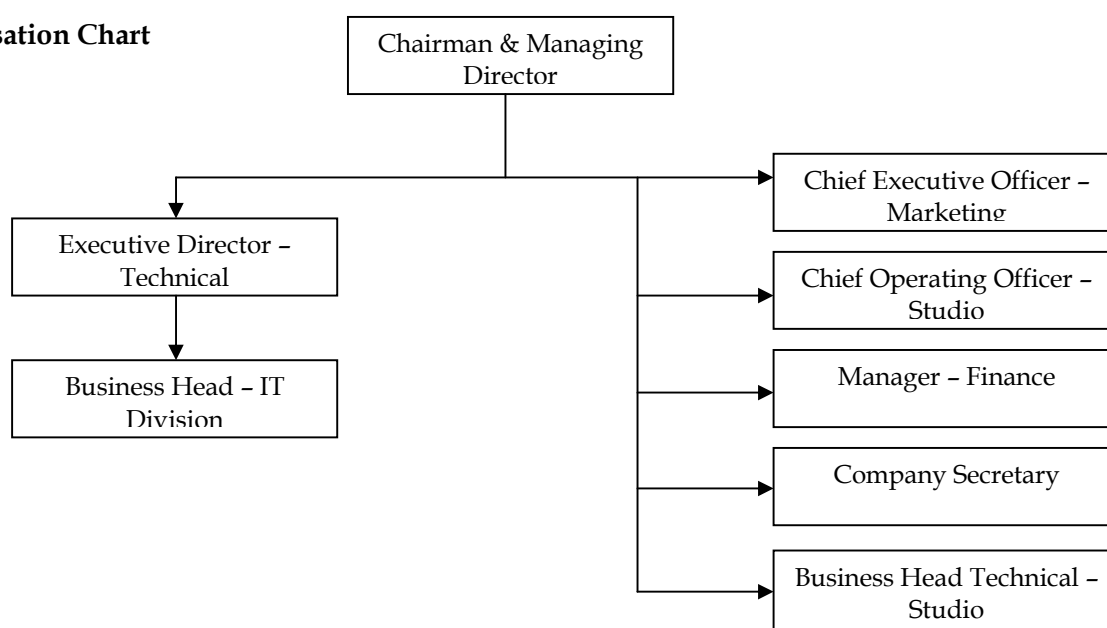
Further, except as stated in "Related Party Transactions" beginning on page no. 114 of this Red Herring Prospectus, to the extent of shareholding in our Company either by themselves or shareholding of companies in which they are interested, our Directors do not have any other interest in our Company. Our Directors do not have any interest in any property acquired by our Company in a period of two years before filing this Red Herring Prospectus with SEBI or proposed to be acquired by us as on date of filing this Red Herring Prospectus with SEBI.

Changes in the Directors in the last three years

The following changes have taken place in the Board of Directors of the Company during the last three years:

S. No.	Name of Director	Date of Appointment	Date of Resignation / Cessation	Reason for change
1.	Mr. J. K. Bhatia	-	June 21, 2008	Resignation
2.	Mr. Sanjay Kapoor	-	February 28, 2009	Resignation
3.	Mr. Sanjeev Kumar Mittal	February 28, 2009	-	Appointment
4.	Mr. Sanjay Kapoor	September 1, 2010	-	Appointment
5.	Mr. Anil Kumar Kapoor	September 1, 2010	-	Appointment
6.	Ms. Jaya Misra	September 1, 2010	-	Appointment

Organisation Chart



Key Management Personnel

The details of the key managerial personnel of the Company are as follows:

S. No	Name	Age (Yrs)	Date of Joining	Designation	Overall experience (in Yrs)	Previous Employment
1.	Mr. Arpan Talwar	28	December 1, 2007	Chief Executive Officer	9	Macro Software Systems LLC, Muscat, Sultanate of Oman
2.	Mr. Amarjeet Dahiya	43	April 1, 2010	Chief Operating Officer -Media & Entertainment	17	One2One Entertainment
3.	Mr. Aditya Tyagi	31	November 6, 2006	Business Head- IT Division	7	Nature Technologies Pvt. Ltd
4.	Mr. Rajeev Kumar Agarwal	38	April 1, 1997	Manager- Finance	14	-
5.	Mr. Kumar Pushkar	34	August 21, 2010	Company Secretary	10	BGIL Films & Technologies Ltd.
6.	Mr. Deepak Kumar Singh	28	February 24, 2005	Business Head- Technical Digital Post Production Studio	10	M/s Fast Forward

1. All the persons named as our Key Managerial Personnel are the permanent employees of our Company.
2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.
3. None of the above mentioned Key Managerial Personnel are related to each other.

Brief profiles of Key Managerial Personnel

Mr. Arpan Talwar, Chief Executive Officer

Mr. Arpan Talwar is a graduate in Computer Application from Bhimrao Ambedkar University and Masters in Business Administration from Symbiosis, Pune. He has overall experience of 9 years in business development. Prior to joining our Company, he worked for Macro Software Systems LLC, Muscat, Sultanate of Oman where he was responsible for business development. In our Company, he is in charge of business development in Information Technology division. For Financial Year 2010-11, he was paid a gross remuneration of ₹ 8.97 lakhs.

Mr. Amarjeet Dahiya, Chief Operating Officer –Media & Entertainment Division

Mr. Amarjeet Dahiya is a graduate in Science from Allahabad University. He has more than 17 years of experience of sales & marketing. Earlier he was working with One2One Entertainment, where he worked at the position of Chief Executive Officer and worked in the division of sales and marketing, execution of projects, day to day operations of events and clients relations. In our Company, he is looking after sales & marketing, multi sites operations and field sales. He is overall incharge of Media & Entertainment Division. For Financial Year 2010-11, he was paid a gross remuneration of ₹ 6.60 lakhs.

Mr. Aditya Tyagi, Business Head- IT Division

Mr. Aditya Tyagi, he is a Post Graduate in Computer Application from Uttar Pradesh Technologies University. He has more than 7 years of experience, out of which around five years of experience of working in Information Technology related operations and project development. Before joining our Company, he was working with Nature Technologies Private Limited. He is responsible for Information Technology related operations and project development. For Financial Year 2010-11, he was paid a gross remuneration of ₹ 6.24 lakhs.

Mr. Rajeev Kumar Agarwal, Manager- Finance

Mr. Rajeev Kumar Agarwal is a Graduate in Commerce from Rohilkhand University. He has more than 14 years of experience in financial management, accounts and commercial operations. For Financial Year 2010-11, he was paid a gross remuneration of ₹ 7.75 lakhs.

Mr. Kumar Pushkar, Company Secretary

Mr. Kumar Pushkar is a Graduate in Arts from Allahabad University and has also become an associate member of Institute of Company Secretaries of India in 2010. He was earlier working with M/s. Narinder Khanna & Associates, a practising firm of Company Secretaries before joining our Promoter Group Company viz. BGIL Films & Technologies Limited, from where he shifted to our Company. For Financial Year 2010-11, he was paid a gross remuneration of ₹ 2.20 lakhs.

Mr. Deepak Kumar Singh, Business Head Technical - Digital Post Production Studio

Mr. Deepak Kumar Singh is a graduate in Arts from Ranchi University. He is having 10 years of experience in the field of editing of Music Videos, Documentary and Corporate films, Films Promos, Trailor etc. Before joining our Company he worked with M/s Fast Forward and M/s Edit Zone and had experience of catering to editing & telecasting, performing on digi beta & beta cam catering to music video, events, documentary & serials for different channels. In our company, he is looking after client relationship along with marketing of DPP division. For 2010-11, he was paid a gross remuneration of ₹ 3.90 lakhs.

Shareholding of Key Managerial Personnel

The shareholdings of the key managerial personnel are as under:

S.No.	Name of the Employee	No. of Shares
1	Mr. Arpan Talwar	30,000
2	Mr. Rajeev Kumar Agarwal	30,000
3	Mr. Kumar Pushkar	10,000
4	Mr. Aditya Tyagi	8,000
5	Mr. Amarjeet Dahiya	2,000
6	Mr. Deepak Kumar Singh	3,000

Changes in the key managerial personnel during the last three years

There have been no changes in the Key Managerial Personnel in our Company during the last three years except as stated below:

Name of the Key Managerial Personnel	Current Designation	Date of Appointment	Date of Resignation / Cessation	Reason
Mr. Sumit Jain	Chief Executive Officer	-	January 21, 2009	Resignation
Mr. Amarjeet Dahiya	Chief Operating Officer	April 01, 2010	-	Appointment
Mr. Kumar Pushkar	Company Secretary	August 21, 2010	-	Appointment

Interest of key managerial personnel

The key managerial personnel of our Company do not have any interest in our Company other than their shareholding in our Company and to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. Further, Mr. Rajeev Kumar Agarwal hold 1,000 equity shares in Bhhatia Investment and Finance Private Limited, one of the Promoter Group Companies. Moreover, Mr. Kumar Pushkar is one of the Directors in Kriti Communications Private Limited, one of the Promoter Group Companies.

Except as stated otherwise in this Red Herring Prospectus, we have not entered into any contract, agreement or arrangement during the preceding two years from the date of this Red Herring Prospectus in which the key managerial personnel 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.

Bonus or profit sharing plan for the key managerial personnel

Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.

Employees Share Purchase Scheme / Employees Stock Option Scheme to Employees

Presently, we do not have ESOP/ESPS scheme for our employees.

Other benefits to our key managerial personnel

There is no other benefit payable to our Key Managerial Personnel other than listed above.

OUR PROMOTERS

Mr. Rakesh Bhatia



Driving License Number	P03062003366209
Voter Identification Card Number	XYH0091124

For details of Mr. Rakesh Bhatia, please refer to section titled “Our Management” beginning on page no. 89 of this Red Herring Prospectus.

Mrs. Arti Bhatia



Driving License Number	P03072003370584
Voter Identification Card Number	ZYH0091132

For details of Mrs. Arti Bhatia, please refer to section titled “Our Management” beginning on page no. 89 of this Red Herring Prospectus.

We confirm that Permanent Account Number, Bank Account Number and Passport Number of the Promoters have been submitted to Bombay Stock Exchange Limited and National Stock Exchange of India Limited at the time of filing the Red Herring Prospectus with them.

Interest of Promoters

Our aforementioned Promoters viz. Mr. Rakesh Bhatia and Mrs. Arti Bhatia are interested to the extent of their shareholding in our Company. Further, Mr. Rakesh Bhatia and Mrs. Arti Bhatia, our Promoters, are also the Director of our Company, may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

Moreover, Mr. Rakesh Bhatia and Mrs. Arti Bhatia are also the members on the Board of our certain Promoter Group entities and they may be deemed to be interested to the extent of payments made by our Company, if any, to them.

Except as mentioned hereinabove, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Red Herring Prospectus or proposed to be acquired by us as on date of filing the Red Herring Prospectus.

Except as stated in "Related Party Transactions" beginning on page no. 114 of Red Herring Prospectus, and as stated herein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

Payment or benefit to Promoters of our Company

Except as stated in Red Herring Prospectus under related party transactions, no amount or benefit has been paid or given within two years or is intended to be paid or given to any of the promoters or officers of the Company except the normal remuneration for services rendered as directors, officers or employees.

Details of companies / firms from which Promoters have disassociated

None of our Promoters have dissociated themselves from any of the companies / firms / entities except for the following:

- Mr. Rakesh Bhatia resigned as Managing Director of SRG Infotech India Limited on April 14, 1996, which he joined in 1991. Mr. Rakesh Bhatia was neither the promoter nor related to promoter of SRG Infotech India Limited in any capacity.
- Our Promoter viz. Mr. Rakesh Bhatia became promoter of Visesh Infotecnics Limited in 1995. Visesh Infotecnics Limited was incorporated on January 20, 1989 with the main activities of IT Solutions Product Support, Enterprise Software, IT Enabled Services. He resigned as Chairman and Managing Director on 25th March 2004 and disposed off his entire shareholding in the company in 2004 with a gap of around 8 months on account of his personal reasons.
- Mr. Rakesh Bhatia also promoted Shubh Finsec Private Limited on December 16, 1994 and its name was changed to Nexgen Capital Services Limited, a Category-I merchant banking company. However, on account of his increased focus in IT sector, Mr. Rakesh Bhatia disassociated himself on October 17, 2006.

OUR PROMOTER GROUP

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

As per Regulation 2 (1)(zb)(ii) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the following natural persons form part of our Promoter Group:

Name	Relationship
Mrs. Arti Bhatia	Wife of Mr. Rakesh Bhhatia
Mr. Gaurav Bhatia	Son of Mr. Rakesh Bhhatia
Ms. Garima Bhatia	Daughter of Mr. Rakesh Bhhatia
Mrs. Santoshi Devi	Mother of Mr. Rakesh Bhhatia
Mr. J.K. Bhatia and Mr. B.K. Bhatia	Brothers of Mr. Rakesh Bhhatia
Mr. Kripal Singh	Father of Mrs. Arti Bhatia
Mrs. Sneh Lata	Mother of Mrs. Arti Bhatia
Mr. Atul Tomar	Brother of Mrs. Arti Bhatia
Mrs. Abha Singh	Sister of Mrs. Arti Bhatia

Entities forming part of our Promoter Group

The details of the entities which are part of our Promoter Group are as follows:

A. Listed Promoter Group Companies

1. BGIL Films & Technologies Limited :

Nature of Activity	To carry on the business relating to production/distribution of Cinematography Films, VFX effects, Event Management, Satellite and Information Technology.		
Date of Incorporation	March 27, 1989		
Registered Office address	623, 6 th floor, Devika Tower, Nehru Place, New Delhi-110019		
Name of the Directors	Mr. Rakesh Bhhatia, Mr. Sanjay Kapoor and Mr. Ashok Kumar Juneja		
Audited Financial Information	2009-2010	2008- 2009	2007- 2008
	(₹ in lakhs)		
Turnover/Income from operations	2,659.02	2,620.37	2,060.90
Other Income	0.00	0.00	0.016
Profit after Tax	55.22	124.22	71.84
Paid up Equity Capital (Face value - ₹ 10/- each)	640.68	640.68	640.68
Reserve & Surplus	848.97	793.75	669.70
Basic and Diluted Earning per Shares (EPS) (₹)	1.07	2.42	1.41
Net Asset Value (NAV) (₹)*	23.18	22.29	20.32

* NAV is calculated as $NAV = \frac{\text{(share capital + reserves \& surplus + Share application money) - Miscellaneous expenditure}}{\text{Number of equity shares}}$

The unaudited financial results for BGIL Films & Technologies Limited, as disclosed to the Bombay Stock Exchange Limited, are as under: (₹ in lakhs)

S. No.	Particulars	Quarter ended		Year Ended	
		31.03.2011	31.03.2010	31.03.2011	31.03.2010
		Unaudited	Unaudited	Unaudited	Audited
1	Net Sales/ Income from operations	792.19	470.59	2597.58	2653.84
	Total Income	792.19	470.59	2597.58	2653.84
2	Expenditure				
	(a) (Increase)/Decrease in stock	0.00	0.00	0.00	0.00
	(b) Consumption of raw materials	0.00	0.00	0.00	0.00
	(c) Purchases	772.31	405.00	2366.84	2391.16
	(d) Staff cost/Employee cost	7.07	22.62	67.58	69.01
	(e) Depreciation	17.23	14.07	65.68	62.42
	(f) Other Expenditure	6.19	2.48	40.51	52.03
	Total Expenditure	802.80	444.17	2540.61	2574.62
3	Profit from Operations before Interest & Exceptional Items (1-2)	(10.61)	26.42	56.97	79.22
4	Other income	1.13	2.01	5.24	5.18
5	Profit before Interest & Exceptional Items (3+4)	(9.48)	28.43	62.21	84.40
6	Interest/Financial Charges	0.03	0.67	0.36	0.31
7	Profit after Interest but before Exceptional Items (5-6)	(9.51)	27.76	61.85	84.09
8	Exceptional items	0.00	0.00	0.00	0.00
9	Profit/Loss from ordinary activities before Tax (7+8)	(9.51)	27.76	61.85	84.09
10	Tax expense	(1.76)	9.34	15.26	28.86
11	Profit/Loss from ordinary activities after Tax (9-10)	(7.75)	18.42	46.59	55.23
12	Extraordinary items	0.00	0.00	0.00	0.00
13	Net Profit/Loss for the period (11-12)	(7.75)	18.42	46.59	55.23
14	Paid up Equity Share Capital (Face Value ₹ 10/- per Share)	640.68	640.68	640.68	640.68
15	Reserves excluding revaluation reserves	0.00	0.00	0.00	848.97
16	Basic/Diluted EPS in ₹	(0.12)	0.29	0.73	1.07
17	Public Shareholding				
	Number of shares	4046762	2992415	4046762	2992415
	Percentage of Shareholding	63.16%	46.71%	63.16%	46.71%
18	Promoter and Promoter Group Shareholding				
(a)	Pledged/Encumbered				

	-Number of shares	1794767	1605034	1794767	1605034
	-percentage of Shares (as % of the total shareholding of promoter and promoter group)	76.05%	47.00%	76.05%	47.00%
	-percentage of Shares (as % of the total share capital of the Company)	28.01%	25.05%	28.01%	25.05%
(b)	Non-Encumbered				
	-Number of shares	565301	1809381	565301	1809381
	-percentage of Shares (as % of the total shareholding of promoter and promoter group)	23.95%	53.00%	23.95%	53.00%
	-percentage of Shares (as % of the total share capital of the Company)	8.82%	28.24%	8.82%	28.24%

Details of listing

Equity shares of BGIL Films & Technologies Limited are listed on Bombay Stock Exchange Limited with effect from July 13, 2001. It has not received any cause notice or suspension order from the BSE or SEBI in the past. The equity shares of BGIL Films & Technologies Limited were delisted from The Ludhiana Stock Exchange Association Limited and The Delhi Stock Exchange Association Limited vide their letter dated January 24, 2007 and April 11, 2007.

It has not become a sick company within the meaning of SICA and is not under winding up.

Shareholding pattern

The shareholding pattern of BGIL Films & Technologies Limited as on March 31, 2011 is as under:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV) *100
(A)	Shareholding of Promoter and Promoter Group ²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	11	1596221	1506001	24.91	24.91	1331833	83.44
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00

(c)	Bodies Corporate	4	763847	763847	11.92	11.92	462934	60.61
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	15	2360068	2269848	36.84	36.84	1794767	76.05
2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	15	2360068	2269848	36.84	36.84	1794767	76.05
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	1	35800	0	0.56	0.56	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)							
	Sub-Total (B)(1)	1	35800	0	0.56	0.56	0.00	0.00
B 2	Non-institutions							
(a)	Bodies Corporate	135	1320805	1105905	20.61	20.61	0	0.00
(b)	Individuals							
I	Individuals - i.Individual shareholders holding nominal share capital up to Rs 1 lakh	7080	1705305	1018980	26.62	26.62	0	0.00

II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	26	572763	507263	8.94	8.94	0	0.00
(c)	Any Other (specify)							
(c-i)	Clearing Members	35	364593	364593	5.69	5.69	0	0.00
(c-ii)	NRI/OCB	18	47496	47496	0.74	0.74	0	0.00
(c-iii)	Trusts	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(2)	7294	4010962	3044237	62.60	62.60	0	
(B)	Total Public Shareholding (B)=(B)(1)+(B)(2)	7295	4046762	3044237	63.16	63.17	0	0.00
	TOTAL (A)+(B)	7310	6406830	5314085	100.00	100.00	1794767	28.01
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0.00	0.00	0.00	0	0.00
2	Public	0	0	0.00	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0.00	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	7310	6406830	5314085	100.00	100.00	1794767	28.01

As on September 30, 2010, the shareholding of Promoter & Promoter Group in BGIL Films & Technologies Limited is 49.24%. Our Company holds 5,62,934 equity shares constituting 8.79% of BGIL Films & Technologies Limited. There was one case filed in the High Court of Delhi in respect of disputed 16,12,434 equity shares of BGFT held by Promoters, Promoter Group and others as these shares were kept as security against amount lent by Mr. Pramod Sharma & others (Defendants). These disputed shares were transferred in the name of Mr. Pramod Sharma & others (Defendants). Mr. Rakesh Bhatia & others (Plaintiffs), approached the High Court of Delhi for obtaining a permanent as well as ad-interim ex-parte injunction against the Defendants from disposing off, alienating, transferring, or creating any third party interest in the shares of BGFT. On October 7, 2010 mutual settlement was arrived between both the parties, which has been taken on record by the Delhi High Court vide its order dated October 25, 2010. For details, please refer to section titled "Outstanding litigations & material developments" appearing on page no. 145 of this Red Herring Prospectus.

Share price information

The equity shares of BGIL Films & Technologies Limited are presently listed on Bombay Stock Exchange Limited. The monthly high and low of the closing market price of the equity shares of BGIL Films & Technologies Limited on BSE for the last six months are as follows:

Month	BSE	
	High	Low
May 2011	4.10	3.30
April 2011	4.85	3.95
March 2011	6.27	4.00
February 2011	5.88	3.97
January 2011	8.55	5.57
December 2010	11.19	8.01

(Source: www.bseindia.com)

The market capitalisation of BGIL Films & Technologies Limited based on the closing price of ₹ 3.24 per equity share on the BSE as on June 10, 2011, was ₹ 207.58 lakhs.

Details of past public / rights issues

BGIL Films & Technologies Limited has not come out with any public or rights issue in the preceding ten years.

Mechanism for redressal of investor grievance

The Board of Directors of BGIL Films & Technologies Limited have constituted a Share Transfer & Shareholders/Investors Grievance Committee to provide assistance to the Board of Directors in ensuring that the transfer of shares takes place within the stipulated period. The Share Transfer Committee was constituted and it is now headed by Mr. Sanjay Kapoor, Director to look after all matters pertaining to share transfers, transmissions, issuance of duplicate shares, transpositions & also to provide the shareholders of the company with additional assurance that sufficient information is being provided to enable them to form a reasoned opinion on the working of the company & to ensure speedy redressal of their grievances pertaining to share related issues.

The Committee comprises of three Directors:

S.No.	Name of Director	Position in Committee
1	Mr. Sanjay Kapoor	Chairman
2	Mr. Rakesh Bhhatia	Member
3	Mr. Ashok Kumar Juneja	Member

As on date, there is no investor grievance pending. The details of investor grievances received and resolved by BGIL Films & Technologies Limited in the last three years are as follows:

S.No.	Particulars	
1.	Total number of complaints received during the FY 2007-08	02
2.	Total number of complaints as on April 1, 2008	Nil
3.	Total number of complaints received during the FY 2008-09	03
4.	Total number of complaints as on April 1, 2009	Nil
5.	Total number of complaints received during the last FY 2009-10	Nil
6.	Total number of complaints as on April 1, 2010	Nil
7.	Total number of complaints received during the FY 2010-11	02
8.	Total number of complaints as on April 1, 2011	Nil
9.	Total number of complaints received during the current FY 2011-12	Nil
10.	Number of complaints pending as on the date of filing of the Red Herring Prospectus with SEBI	Nil

11.	Time normally taken for disposal of various types of investor grievances	7 days
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BGFT has further confirmed that it has not been detained as willful defaulters by the RBI or any other Government authority in India. Additionally, there are no violations of securities laws committed by it in the past or are pending against it, there have been no defaults in meeting any statutory / bank / institution dues, no proceedings have been initiated for economic offences against it and it has not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Scheme of Amalgamation:

The company's petition for sanctioning the Scheme of amalgamation filed on February 23, 2011 under section 391 to 394 of Companies Act, 1956 with the Hon'ble High Court of Delhi at New Delhi for amalgamation of Kriti Communications Private Limited (the Transferor Company) with BGIL Films & Technologies Limited (the Transferee Company). As per the Scheme of Amalgamation, the objective of amalgamation is to integrate the business synergies and reap the benefit of consolidation. BGFT received no objection certificate from Bombay Stock Exchange Limited in respect of the same on January 28, 2011. The matter is now listed for final hearing in the High Court on October 24, 2011.

B. Unlisted Promoter Group Companies

1. Kriti Communications Private Limited*

Nature of Activity	To carry on event management, staging dramas, dances, musical, other entertainment and also business of advertising agent and business of producing, buying, selling, exhibiting cinematographic films, animated films, ad films, television films.		
Date of Incorporation	July 28, 1998		
Registered Office address	Flat no. 206, M.S. Chambers, C-1, Aruna Park, Vikash Marg, Laxmi Nagar, Delhi - 110092		
Name of the Directors	Mr. Rakesh Bhatia and Mr. Kumar Pushkar		
Shareholding Pattern	Name of the Shareholder	No. of shares	% of Shareholding
	Mr. Rakesh Bhatia	100,000	8.13%
	Mrs. Arti Bhatia	63,850	5.19%
	Rakesh Bhatia(HUF)	87,000	7.07%
	Gridlay Finman Private Limited	282,000	22.92%
	Jupiter Infraenegy Limited	190,000	15.44%
	Cromwell Infomedia Limited	103,500	8.41%
	Cuckoo Reatech Limited	61,000	6.83%
	Number One Finvest Private Limited	248,000	20.16%
	Mr. Gaurav Bhatia	60,000	4.88%
	Mr. J.K. Bhatia	11,850	0.96%
	Mr. Sanjeev Kumar Mittal	5,000	0.41%
	Mr. Arpan Talwar	5,000	0.41%
Mr. Rajeev Agarwal	5,000	0.41%	

	Mr. Kumar Pushkar	5,000	0.41%
	Mr. Uma Shankar Behera	1,000	0.08%
	Rainbow Design Effects Private Limited	2,000	0.16%
	Total	1,230,200	100.00%
Audited Financial Information	2009-2010	2008- 2009	2007- 2008
	(₹ in lakhs)		
Sales/income from operation	411.96	399.60	884.45
Profit after Tax	2.00	2.77	2.66
Equity Capital (Face Value ₹ 10/- per equity share)	123.02	123.02	53.52
Reserves & Surplus	578.11	573.27	357.41
Basic and Diluted Earning per Shares (EPS) (₹)	0.16	0.23	0.50
Net Asset Value (NAV) (₹)**	56.99	56.59	76.74

** NAV is calculated as $NAV = \frac{\{(share\ capital + reserves \ \& \ surplus + Share\ application\ money) - Miscellaneous\ expenditure\}}{Number\ of\ equity\ shares}$

Kriti Communications Private Limited is not listed at any Stock Exchange. It has not come out with any public or right issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

It has further confirmed that it has not been detained as wilful defaulters by the RBI or any other Government authority in India. Additionally, there are no violations of securities laws committed by it in the past or are pending against it, there have been no defaults in meeting any statutory / bank / institution dues, no proceedings have been initiated for economic offences against it and it has not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

* Please refer to the paragraph "Scheme of Amalgamation" appearing on page no. 107 of the Red Herring Prospectus.

2. Bhatia Investment & Finance Private Limited

Nature of Activity	To carry on the business of financial consultancy.		
Date of Incorporation	December 20, 1994		
Registered Office address	623, 6 th Floor, Devika Tower, 6, Nehru Place, New Delhi- 110 019.		
Name of the Directors	Mr. Rakesh Bhatia and Mrs. Arti Bhatia		
Shareholding Pattern	Name of the Shareholder	No. of Shares	% of Shareholding
	Mrs. Arti Bhatia	26,900	18.03%
	BGIL Films & Technologies Limited	24,200	16.22%
	Kartik Share Traders Private Limited	23,000	15.42%
	Grindlay Finman Private Limited	20,000	13.40%

	Kriti Communications Private Limited	20,000	13.40%
	Mr. Rakesh Bhatia	16,500	11.06%
	Rakesh Bhatia (HUF)	10,000	6.70%
	Mrs. Santoshi Devi	3,000	2.01%
	Mrs. Sneh Lata	2,000	1.34%
	Mr. Kripal Singh	1,200	0.80%
	Mrs. Abha Singh	1,000	0.67%
	Mr. Rajeev Agarwal	1,000	0.67%
	Mr. Uma Shankar Behra	400	0.27%
	Total	149,200	100.00%
Audited Financial Information	2009-2010	2008- 2009	2007- 2008
	(₹ In lakhs)		
Income from operations	0.27	0.29	1.00
Profit after Tax	0.00	0.01	0.01
Equity Capital (Face Value ₹10/- per equity share)	14.92	12.62	12.62
Reserves & Surplus	12.62	9.13	9.02
Earning per Shares (EPS) (₹)	0.03	0.08	0.01
Net Asset Value (NAV) (₹)*	18.47	17.23	17.15

* NAV is calculated as $NAV = \frac{\{(share\ capital + reserves\ \&\ surplus + Share\ application\ money) - Miscellaneous\ expenditure\}}{Number\ of\ equity\ shares}$.

Bhatia Investment & Finance Private Limited is not listed at any Stock Exchange. It has not come out with any public or right issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

It has further confirmed that it has not been detained as wilful defaulters by the RBI or any other Government authority in India. Additionally, there are no violations of securities laws committed by it in the past or are pending against it, there have been no defaults in meeting any statutory / bank / institution dues, no proceedings have been initiated for economic offences against it and it has not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

3. Number One Finsec Private Limited

Nature of Activity	To carry on the business of financial consultancy.		
Date of Incorporation	December 5, 1994		
Registered Office address	623, Devika Tower, Nehru Place, New Delhi- 110 019.		
Name of the Directors	Mr. Rakesh Bhatia and Mrs. Arti Bhatia		
Shareholding Pattern	Name of the Shareholder	No. of Shares	% of Shareholding
	Mr. Rakesh Bhatia	77,100	20.74%
	Mrs. Arti Bhatia	59,600	16.03%
	BGIL Films & Technologies Limited	37,500	10.09%

Grindlay Finman Private Limited	40,000	10.76%
Kriti Communications Private Limited	37,500	10.09%
Bhhatia Investments & Finance Private Limited	90,000	24.21%
Number One Finvest Private Limited	30,000	8.07%
Total	371,700	100.00%

(₹ in lakhs)

Audited Financial Information	2009-2010	2008- 2009	2007- 2008
Income from operations	0.65	0.26	0.23
Profit after Tax	0.20	0.00	0.01
Equity Capital (Face Value ₹10/- per equity share)	37.17	37.17	37.17
Reserve & Surplus	65.24	64.84	64.83
Basic and Diluted Earning per Share (EPS) (₹)	0.054	Negligible	0.003
Net Asset Value (NAV) (₹)*	27.55	27.43	27.44

* NAV is calculated as $NAV = \frac{\text{(share capital + reserves \& surplus + Share application money) - Miscellaneous expenditure}}{\text{Number of equity shares}}$

Number One Finsec Private Limited is not listed at any Stock Exchange. It has not come out with any public or right issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

It has further confirmed that it has not been detained as wilful defaulters by the RBI or any other Government authority in India. Additionally, there are no violations of securities laws committed by it in the past or are pending against it, there have been no defaults in meeting any statutory / bank / institution dues, no proceedings have been initiated for economic offences against it and it has not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

4. Number One Finvest Private Limited

Nature of Activity	To carry on the business of financial consultancy.		
Date of Incorporation	December 27, 2004		
Registered Office address	623, Devika Tower, Nehru Place, New Delhi- 110 019.		
Name of the Directors	Mr. Rakesh Bhhatia, Mrs. Arti Bhatia and Mr. Jitender Kumar Bhatia		
Shareholding Pattern	Name of the Shareholder	No. of Shares	% of Shareholding
	Kartik Share Traders Private Limited	4,62,400	25.38%
	Jupiter Infraenergy Limited	4,42,000	24.26%
	Cromwell Infomedia Limited	3,04,000	16.69%
	Cuckoo Realtech Limited	2,53,500	13.91%
	Mr. Jitender Kumar Bhatia	2,26,000	12.40%

	Mrs. Arti Bhatia	1,29,000	7.08%
	Mr. Rakesh Bhhatia	5,000	0.27%
	Total	18,21,900	100.00%
Audited Financial Information	2009-2010	2008- 2009	2007- 2008
	(₹ in lakhs)		
Sales/ income from operations	3.46	0.95	25.58
Profit after Tax	0.07	0.01	(0.06)
Paid up Equity Capital (Face Value ₹ 10/- per equity share)	182.19	149.65	149.65
Reserves & Surplus	197.46	148.65	148.65
Basic and Diluted Earning per Share (EPS) (₹)	Negligible	Negligible	Negligible
Net Asset Value (NAV) (₹)*	20.77	19.81	19.78

* NAV is calculated as $NAV = \frac{\{(share\ capital + reserves\ \&\ surplus + Share\ application\ money) - Miscellaneous\ expenditure\}}{Number\ of\ equity\ shares}$

Number One Finvest Private Limited is not listed at any Stock Exchange. It has not come out with any public or right issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

It has further confirmed that it has not been detained as wilful defaulters by the RBI or any other Government authority in India. Additionally, there are no violations of securities laws committed by it in the past or are pending against it, there have been no defaults in meeting any statutory / bank / institution dues, no proceedings have been initiated for economic offences against it and it has not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

5. Grindlay Finman Private Limited

Nature of Activity	To carry on the business of financial consultancy		
Date of Incorporation	August 21, 1995		
Registered Office address	623, Devika Tower, Nehru Place, New Delhi - 110019		
Name of the Directors	Mr. Rakesh Bhhatia, Mrs. Arti Bhatia and Mr. Ashok Kumar Juneja		
Shareholding Pattern	Name of the Shareholder	No. of Shares	% of Shareholding
	Mr. Rakesh Bhhatia	11,500	23.00%
	Mrs. Arti Bhatia	2,100	4.20%
	Rakesh Bhhatia (HUF)	24,200	48.40%
	Mr. Jitender Kumar Bhatia	100	0.20%
	Mr. Bijinder Kumar Bhatia	100	0.20%
	BGIL Films & Technologies Limited	12,000	24.00%
	Total	50,000	100.00%
Audited Financial Information	2009-2010	2008- 2009	2007- 2008
	(₹ in lakhs)		
Sales/Turnover	Nil	Nil	Nil

Other Income	0.15	0.14	0.11
Profit after Tax	0.01	(0.001)	0.01
Paid up Equity Capital (Face Value ₹10/- per equity share)	5.00	5.00	5.00
Share Application Money	0.00	0.00	0.00
Reserve & Surplus	5.54	5.53	5.53
Earning per Shares (EPS) (₹)	0.02	0.00	0.02
Diluted Earning Per Share (₹)	0.02	0.00	0.02
Net Asset Value (NAV) (₹)*	20.90	20.85	20.81

* NAV is calculated as $NAV = \frac{\text{(share capital + reserves \& surplus + Share application money) - Miscellaneous expenditure}}{\text{Number of equity shares}}$

Grindlay Finman Private Limited is neither listed at any Stock Exchange. It has not come out with any public or right issue in the preceding three years. It has not become a sick company within the meaning of SICA and is not under winding up.

It has further confirmed that it has not been detained as wilful defaulters by the RBI or any other Government authority in India. Additionally, there are no violations of securities laws committed by it in the past or are pending against it, there have been no defaults in meeting any statutory / bank / institution dues, no proceedings have been initiated for economic offences against it and it has not been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

In addition to the above, Rakesh Bhatia HUF is also part of our Promoter Group.

Details of Promoter group companies whose names have been struck off from Registrar of Companies

There is no Promoter group company whose names have been struck off from Registrar of Companies.

Undertaking/ confirmations

Our Promoters and Promoter Group companies have confirmed that they have not been detained as willful defaulters by the RBI or any other Government authority. Additionally, there are no violations of securities laws committed by them in the past or are pending against them and none of our Promoters or persons in control of body corporate forming part of our Promoter Group have been restricted from accessing the capital markets for any reasons, by SEBI or any other authorities.

Interest of Promoters/Promoter Group in the property of our Company

Our Promoters/Promoter Group have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company. Further, other than as mentioned in the section titled "Our Business", our Promoters do not have any interest in the acquisition of any land, construction of any building or supply of any equipment/machinery.

Common Pursuits / Conflict of Interest

Except BGIL Films & Technologies Limited and Kriti Communications Private Limited, our Promoter Group Companies do not have any common pursuits and are not engaged in businesses similar to those

carried out by our Company. There are no transactions relating to sales or purchases between our Company and our Promoter Group Company exceeding 10% of the sales or purchases of our Company during the last 3 years except as under:

(₹ in lakhs)

	Name of Promoter Group Company/ Entity	FY 2010-11		FY2009-10		FY2008-09	
		Amount	% of sales / purchase	Amount	% of sales / purchase	Amount	% of sales / purchase
Sales Transactions							
1.	BGIL Films & Technologies Limited	Nil	Nil	424.17	9.15%	103.39	3.08%
Purchase transactions							
2.	Kriti Communications Private Limited	Nil	Nil	0.69	0.02%	258.63	9.92%

RELATED PARTY TRANSACTIONS

Please refer to Annexure XVI of the Auditor's Report, beginning on page no. 131 of this Red Herring Prospectus.

DIVIDEND POLICY

Our Company has not paid any dividends on its equity shares in the past.

We do not have any formal dividend policy. The declaration and payment of dividend if any, will be recommended by the Board of Directors and declared to the shareholders of our Company, in their discretion, and will depend on a number of factors, including but not limited to the profits, capital requirements, the terms of credit facilities, overall financial condition and other financing arrangements at the time of dividend is considered and other relevant factors. Our Board of Directors may also pay interim dividend from time to time.

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

**SECTION V - FINANCIAL STATEMENTS
AUDITORS REPORT**

Board of Directors,
Bharatiya Global Infomedia Limited
623, 6th Floor, Devika Tower,
Nehru Place, New Delhi - 110019

Dear Sirs,

- 1) We have examined the financial information of Bharatiya Global Infomedia Limited (the "Company") as at March 31, 2011, 2010, 2009, 2008 and 2007, annexed to this report, prepared by the Company and approved by the Board of Directors of the Company, in accordance with the requirements of:
 - a) paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 ('the Act');
 - b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI (ICDR) Regulations') and the related clarifications issued by the Securities and Exchange Board of India ('SEBI') from time to time and as amended, in pursuance of Section 11 of the Securities and Exchange Board of India Act, 1992; and
 - c) the terms of our engagement dated May 20, 2011 received from the Company, requesting us to carry out the assignment as per the requirements of Note 2 of Sub-clause IX of Clause 2 of Part A of Schedule VIII of SEBI (ICDR) Regulations, in connection with its Initial Public Offering of equity shares.

Financial information as per audited financial statements:

1. The financial information of the Company has been extracted by the management from the financial statements for the financial years ended March 31, 2011, 2010, 2009, 2008 and 2007, as approved by the Board of Directors.
2. We have re-audited the financial statements of the Company for the financial years ended March 31, 2011 and 2010 as per the requirements of Note 2 of Sub-clause IX of Clause 2 of Part A of Schedule VIII of SEBI (ICDR) Regulations which were earlier audited by M/s SNMG and Co., Chartered Accountants. We did not audit the financial statements of the Company for the financial years ended March 31, 2009, 2008 and 2007 which were audited by M/s SNMG and Co., Chartered Accountants, and accordingly reliance has been placed on the financial statements audited by them for the said years for the purpose of the Restated Financial Information.
3. In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the SEBI Guidelines and terms of our engagement agreed with you, we confirm that:
 - a. the Restated summary statement of profit and loss, the annexed restated summary statement of assets and liabilities, and restated cash flow statements ('Summary Statements') of the Company, for the financial year ended on March 31, 2011, 2010, 2009, 2008 and 2007, examined by us, as set out in Annexure I, II and III to this report respectively are after making adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies (refer Annexure IV) and Notes to Restated Accounts (refer Annexure V).
 - b. Based on the above we are of the opinion that the restated financial information have been made after:
 - i. adjustments have been made for the changes in accounting policies and estimates adopted by the Company retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy and estimates for all the reporting periods;

- ii. material prior period items have been restated to the respective years to which such prior period items related;
- iii. We further report that there are no extraordinary items which need to be disclosed separately in the Statement of restated financial information;
- iv. All qualifications in the auditors' reports, which require any adjustments to the summary statements, have been so adjusted.

Other Financial Information:

4. At the Company's request, we have also examined the following financial information proposed to be included in the Red Herring Prospectus prepared by the management and approved by the Board of Directors of the Company and annexed to this report.
 - i. Statement of Other Income, enclosed as Annexure VI
 - ii. Details of Contingent Liabilities, enclosed as Annexure VII
 - iii. Details of Unsecured Loan, enclosed as Annexure VIII
 - iv. Statement Showing age-wise Analysis of Sundry Debtors, enclosed as Annexure IX
 - v. Statement of Loans and Advances, enclosed as Annexure X
 - vi. Statement of Capitalization, enclosed as Annexure XI
 - vii. Tax-Shelter Statement, enclosed as Annexure XII
 - viii. Statement of Investments, enclosed as Annexure XIII
 - ix. Mandatory Accounting Ratios, enclosed as Annexure XIV
 - x. Statement of Dividend Paid, enclosed as Annexure XV
 - xi. Related Party transactions, enclosed as Annexure XVI
 - xii. Statement of Secured Loans, enclosed as Annexure XVII

In our opinion, the financial information as disclosed in the annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV and after making adjustments and re-groupings as considered appropriate and disclosed in Annexure V, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines.

This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

This report is intended solely for use of management and for inclusion in the Red Herring Prospectus 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 M/s K.Prasad & Co.,
Chartered Accountants
Firm Registration No. 002755N

CA K.M.Aggarwal
Partner
Membership No. 016205
Place: New Delhi
Date: June 11, 2011

Annexure - I

STATEMENT OF AUDITED PROFITS & LOSSES AS RESTATED

(₹ in lakhs)

Year/period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Operating Income					
Income from IT Division	6,846.47	4,361.87	3,192.51	3,075.16	2,593.96
Income from Media & Entertainment Division	253.31	272.23	167.21	344.33	359.23
Total Revenue	7,099.78	4,634.10	3,359.72	3,419.49	2,953.19
Other Income	4.31	-	0.10	0.01	-
Increase / (Decrease) in Stock	(3.47)	2.62	0.85	(0.09)	(2.25)
Total Income	7,100.62	4,636.72	3,360.67	3,419.41	2,950.94
Expenditure					
Purchases	5,636.15	3,612.56	2,608.25	2,641.55	2,141.86
Employee Cost	169.63	149.54	156.96	139.76	145.74
Administration, Selling & Other Expenses	109.63	100.68	111.31	154.30	122.82
Legal Settlement Expenses	85.80	-	-	-	-
Cost of film production	-	-	-	-	154.81
Misc. expenses written off	1.23	-	-	0.58	0.74
Total Expenditure	6,002.44	3,862.78	2,876.52	2,936.19	2,565.97
Profit Before Finance Cost, Taxation & Depreciation	1,098.18	773.94	484.15	483.22	384.97
Depreciation and amortization	346.30	279.84	203.28	143.44	91.61
Profit Before Finance Cost & Taxation	751.88	494.10	280.87	339.78	293.36
Financial charges	75.19	91.41	83.60	37.08	3.64
Profit Before Tax	676.69	402.69	197.27	302.70	289.72
Provision For Taxation	137.29	69.63	28.33	34.79	12.17
Fringe Benefit Tax	-	-	1.40	2.38	5.12
Deferred Tax Liability/(Asset)	84.61	46.16	160.68	(58.30)	22.13
Profit After Tax	454.79	286.90	6.86	323.83	250.30

Annexure -II

STATEMENT OF AUDITED ASSETS & LIABILITIES AS RESTATED

(₹ in lakhs)

Year/period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Fixed Assets					
Gross Block	2,551.32	2,095.11	1,661.83	1,218.82	737.89
Less: Depreciation & Amortization	962.49	802.83	528.01	324.73	181.29
Net Block	1,588.83	1,292.28	1,133.82	894.09	556.60
Capital Work in Progress	236.93	271.59	383.50	133.21	144.94
Total Fixed Assets	1,825.76	1,563.87	1,517.32	1,027.30	701.54
Investment	14.45	14.45	191.15	91.15	159.08
Currents Assets, Loans and Advances					
Inventories	397.51	356.72	348.31	346.65	601.78
Cash and Bank Balance	4.35	11.97	8.77	37.73	40.34
Loans and Advances	478.01	589.17	686.82	640.38	129.92
Sundry Debtors	3,041.69	2,227.70	1,069.16	899.26	876.41
Total Currents Assets, Loans and Advances	3,921.56	3,185.56	2,113.06	1,924.02	1,648.45
Total Assets	5,761.77	4,763.88	3,821.53	3,042.47	2,509.07
Liabilities and Provisions					
Secured loans	359.43	468.15	476.59	227.40	165.33
Unsecured Loans	234.65	193.06	151.66	135.92	-
Deferred Tax Liabilities	342.73	258.12	211.96	51.28	109.58
Current Liabilities & Provisions	1,631.54	1,072.74	688.42	340.03	280.53
Total Liabilities and Provisions	2,568.35	1,992.07	1,528.63	754.63	555.44
Net Worth	3,193.42	2,771.81	2,292.90	2,287.84	1,953.63
Represented by:					
Share Capital	912.31	684.23	664.23	664.23	664.23
Share Application Money	-	-	8.00	9.80	-
Reserve and Surplus	2,336.49	2,087.58	1,620.67	1,613.81	1,289.98
Less: Miscellaneous Expenditure to the extend not written off	(55.38)	-	-	-	(0.58)
Net Worth	3,193.42	2,771.81	2,292.90	2,287.84	1,953.63

Annexure III

STATEMENT OF RESTATED CASH FLOW STATEMENT

(₹ in lakhs)

Year/period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
A) Cash Flow from Operating Activities					
Net Profit before tax & extraordinary items	676.69	402.69	197.27	302.70	289.72
Adjustments for:					
Depreciation	346.30	279.84	203.28	143.44	91.61
Interest & Financial Charges	75.19	91.41	83.60	37.08	3.64
Misc Expenses Written off	1.23	-	-	0.58	0.74
(Profit) / Loss on sale of Vehicle	(4.31)	0.97	-	-	-
Operating profit before working capital changes	1,095.10	774.91	484.15	483.80	385.71
Working Capital Changes:					
Increase in Inventories	3.47	(2.62)	(0.85)	0.10	2.24
Work in progress	(44.26)	(5.79)	(0.81)	255.03	(11.39)
Increase in Sundry debtors	(813.99)	(1,158.54)	(169.90)	(22.85)	(246.01)
Increase in Loans & Advances	111.16	97.65	(46.44)	(510.46)	(18.33)
Increase in Current Liabilities	505.85	329.72	355.82	39.62	28.62
Interest received	-	-	(0.10)	(0.01)	-
Working Capital Changes:	(237.77)	(739.58)	137.72	(238.57)	(244.87)
Cash Generated from operations	857.33	35.33	621.87	245.23	140.84
Less Income Tax paid	99.03	13.62	34.79	12.18	10.09
Less : FBT paid	-	1.40	2.37	5.11	-
Net cash flow from Operating Activities	758.30	20.31	584.72	227.95	130.75
B) Cash Flow from Investing Activities					
Purchase of fixed assets	(659.37)	(445.78)	(443.01)	(480.93)	(16.27)
Capital work in progress	34.66	111.91	(250.29)	11.73	(144.94)
Sale of motor car	56.49	6.51			
Purchase of investments	-	176.70	(100.00)	67.93	140.60
Interest received	-	-	0.10	0.01	-
Net cash flow from Investing activities	(568.22)	(150.66)	(793.20)	(401.26)	(20.61)
C) Cash Flow from Financing Activities					
Interest & financial charges paid	(75.19)	(91.41)	(83.60)	(37.08)	(3.64)
Shares allotted during the year	-	20.00	-	-	-
Application money received	-	(8.00)	(1.80)	9.80	(171.00)
Share premium received	-	180.00	-	-	-

Public issue related expenses	(55.38)	-	-	-	-
Unsecured loan	41.59	41.40	15.74	135.92	(3.97)
Secured loan	(108.72)	(8.44)	249.19	62.07	93.10
Net cash flow from financing activities	(197.70)	133.55	179.53	170.71	(85.51)
Net increase / (decrease) in cash	(7.62)	3.20	(28.96)	(2.61)	24.62
Cash and cash equivalent at the beginning of the year	11.97	8.77	37.73	40.34	15.72
Cash and cash equivalent at the end of the year	4.35	11.97	8.77	37.73	40.34

Annexure IV

Significant Accounting Policies

1. Accounting Convention

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis. The financial statements are prepared under the historical cost convention as a going concern, and are consistent with generally accepted accounting principles in India, and applicable accounting standards referred to in Section 211(3C) of the Companies Act, 1956.

2. Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions considered in the reported amounts of the assets and liabilities (including current liabilities) as of the date of financial statements, the reported income & expenses during the reporting period and disclosure of contingent liabilities. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Future results could differ from these estimates.

3. Revenue Recognition

- a) Sales include sale of hardware & software products. Sales are recognized when products are supplied and are recorded net of sales return, rebates, trade discounts and VAT/central sales tax.
- b) Income from rendering of services is recognized based on agreements/arrangements on completed service contract method.
- c) Interest income is recognized on accrual basis.
- d) Dividends from investments are recognized in Profit and Loss A/c only when the right to receive the payment is established.

4. Fixed Assets

Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost includes taxes, duties, freight, installation expenses and other non-refundable incidental expenses related to acquisition. Gains or losses arising on disposal of fixed assets are recognized in the Profit & Loss Account.

5. Investment

Long term investments are valued at cost, less provision for diminution, other than temporary. Short term investments are valued at cost or market value, which is lower.

6. Depreciation

- a) Depreciation on fixed assets is provided on the straight line method at the rates prescribed in Schedule XIV of the Companies Act, 1956.
- b) Depreciation is provided on pro-rata basis, with reference to the date of addition.
- c) Copyrights are amortized over their useful life.

7. Inventory

- a) Finished goods are valued at cost or net realizable value, whichever is lower.
- b) Raw materials and stores & spares are valued at cost.
- c) Work in progress is valued at the cost incurred.
- d) The cost of inventories comprises all costs of purchase (including duties for which no credit/rebate is to be received), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Trade discounts, rebates, duty drawbacks and other similar items are deducted in determining the costs of purchase.
- e) The cost of inventories is arrived by using First-In-First-Out (FIFO) cost formula.

8. Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, prior to the commencement of commercial production are capitalized as part of the cost of that asset. A qualifying asset is one which necessarily takes substantial period of time to get ready for its intended use. Other borrowing costs are charged to revenue.

9. Foreign Exchange Transaction

The reporting currency of the company is the Indian rupee. Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction. Exchange differences that arise on settlement of monetary item or on reporting of monetary item at Balance Sheet date at the closing rate is recognized as income or expense in the period in which they arise.

10. Retirement Benefits:

- a) All short-term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within the reporting period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences are recognized on an undiscounted basis charged to the profit and loss account.
- b) Provision for Gratuity is made and provided on actuarial valuation basis.
- c) Other retirement benefits are accounted as per company's policy.

11. Taxation

- a) Current Tax - Provision is made for Income Tax is determined as the amount of tax payable in respect of taxable income for the year after taking into account the allowances, disallowances and exemptions available under the Income Tax Act, 1961.
- b) Deferred Tax - Deferred tax is recognized on timing differences between the accounting income and the taxable income that originate in one period and are capable of reversal in one or more periods and qualified using the tax rates and tax laws enacted or substantively enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward to the extent there is reasonable certainty that future taxable income will be available, against which such deferred tax asset can be realized.

12. Impairment of Assets

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account.

13. Intangible Assets

- Revenue expenditure on Research and Development is charged to Profit and Loss account in the year the expenditure is incurred.
- Capital expenditure during the development phase is recognized as an asset, only if in the opinion of the management, it is feasible to complete its production, it is intended to be used or sold, it will generate future economic benefits, there are adequate resources available for its completion and it is possible to measure the expenditure incurred on it.
- Intangible assets are amortized over their useful life.

14. Miscellaneous Expenditure

Preliminary expenditure is amortized over a period of 5 years.

15. Provisions, Contingent Liabilities and Contingent Assets

Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognized or disclosure for contingent liability is made when there is a possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

Annexure V

Notes to Restated Accounts

1. Statement of adjustments in Profit and Loss Account arising out of changes in accounting policies and/or material adjustments relating to previous year/ periods:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Profit as per Profit & Loss Accounts (after Tax)	462.82	278.48	11.91	328.17	254.42
Add / (Less) Earlier Year / Prior Period Adjustments					
a) Excess depreciation charged	-	0.25	-	-	-
b) Employee benefits	(4.53)	(3.03)	(1.55)	(0.84)	(0.72)
c) Amortization on Copyrights	(3.50)	(3.50)	(3.50)	(3.50)	(3.50)
d) Excess / (Short) Provision on Tax of earlier years	-	14.70	-	-	0.10
Net Profit as per Restated Profit & Loss A/c	454.79	286.90	6.86	323.83	250.30

Notes:

- a) Excess depreciation charged in FY 2009-10 has now been corrected.
- b) Adjustments have been done in employee cost to provide the same on accrual basis in accordance with the Accounting Standard 15 on Employee Benefits, instead of cash basis followed by the Company in the periods reported. Amount pertaining to the period prior to April 1, 2006 has been adjusted in Reserves & Surplus as on March 31, 2006.
- c) The Company acquired copyrights on March 31, 2005. However, it had not provided for amortization on copyrights in the periods reported. The same has now been provided assuming a useful life of 10 years.
- d) The profit & loss account for the FY 2006-07 include amount paid/provided for or refunded, in respect of short/excess income tax arising out of assessments and on account of short/excess income tax of earlier years. The impact on account of such short/excess income tax has been adjusted in respective years.

2. Material Regroupings

- a) Other Income for the year FY 2009-2010 and FY 2006-2007 has been regrouped with income from Media & Entertainment Division since these related to the main operations of the Company.
- b) Amount incurred on purchase of equipments booked as cost of project in the period ended FY 2009-10 and FY 2010-11 has been grouped with purchases.
- c) Interest on car loan, earlier shown as an administrative expense, has now been regrouped with financial charges.
- d) Share application money earlier shown under Current Liabilities in FY 2007-08 and FY 2008-09 has now been shown as a part of shareholders' funds.
- e) Amount due to shareholders, earlier shown under Current Liabilities in FY 2007-08 and FY 2008-09, has now been shown as a part of unsecured loans.
- f) Amount incurred for the development of IPRs, earlier booked under work in progress as a part of inventory since FY 2006-07, has now been made part of capital work in progress under fixed assets.

3. Segment Disclosures

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Revenue					
IT Division	6,846.47	4,361.87	3,192.51	3,075.16	2,593.96
Media & Entertainment Division	253.31	272.23	167.21	344.33	359.23
Total Revenue	7,099.78	4,634.10	3,359.72	3,419.49	2,953.19
Other Income	4.31	-	0.10	0.01	-
Profit Before Tax					
IT Division	570.44	250.84	154.04	161.77	245.62
Media & Entertainment Division	106.25	151.85	43.16	140.92	44.10
Other Income	-	-	0.07	0.01	-
Total Profit Before Tax	676.69	402.69	197.27	302.70	289.72

Statement of Other Income**Annexure VI**

(₹ in lakhs)

Year/period ended	Recurring / Non-recurring	Related / Not related to business activity	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Profit before tax & extraordinary items			681.23	402.69	197.27	302.70	289.72
20% of Net Profit Before Tax			136.24	80.54	39.45	60.54	57.94
Other Income for the year							
Interest on fixed deposits with banks	Non recurring	Not related	-	-	0.10	0.01	-
Dividend income	Non recurring	Not related	-	-	-	-	-
Sale of Fixed Assets	Non recurring	Not related	4.31				
Total			4.31	-	0.10	0.01	-

The classification of income as Recurring/Non-recurring and Related/Non-Related to business activity is based on the current operations and business activity of the company as determined by the management.

Annexure VII**Details of Contingent Liabilities**

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Claims against the Company not acknowledged as debt	-	2.62	-	-	-
Provision for salaries and other expenses for ex-employees of the Company	-	20.00	-	-	-
Total	-	22.62	-	-	-

Note:

We have examined all the contracts, claims and litigations against the Company and have analyzed the likely impact of the same as indicated above. We certify that apart from the contingent liabilities indicated above the company does not have any other contingent liabilities.

Annexure VIII**Details of Unsecured Loan**

The following is the breakup of outstanding unsecured loans in the last five years:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
From Bodies corporate	76.00	30.88	-	-	-
From Banks	6.50	33.20	72.31	71.42	-
From NBFCs	41.71	60.93	79.35	64.50	-

From Promoter & Promoter Group	95.44	68.05	-	-	-
Others	15.00	-	-	-	-
Total	234.65	193.06	151.66	135.92	-

The unsecured loans include amount due to the following promoters & promoter group and other related parties:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Number One Finsec Private Limited	36.75	26.30	-	-	-
Number One Finvest Private Limited	12.17	-	-	-	-
Mr. Rakesh Bhhatia	44.07	39.30	-	-	-
Mrs. Santoshi Devi	2.45	2.45	-	-	-
Total	95.44	68.05	-	-	-

Notes:

1. No terms and condition as to repayment and interest are stipulated in respect of the loan except for unsecured loans of ₹ 40.84 lakhs taken from banks & NBFCs.
2. The said loans are repayable on demand except for unsecured loans of ₹ 40.84 lakhs taken from banks & NBFCs.

Annexure IX

Statement Showing age-wise analysis of Sundry Debtors

The following is the breakup of outstanding sundry debtors in the last five years:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
(Unsecured Considered Good)					
Exceeding six months	631.15	374.16	200.52	200.52	307.67
Others	2,410.54	1,853.54	868.64	698.74	568.74
Total	3,041.69	2,227.70	1,069.16	899.26	876.41

Sundry Debtors include debts due by the following firm / Companies in which Director is a Partner / Director / Member:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Debts outstanding exceeding six months					
Bhhatia Investment and Finance Private Limited	-	-	-	-	-
Three-D Communication Private Limited	-	-	-	-	-
Kriti Communications Private Limited	-	-	-	0.70	-

Number One Finvest Private Limited	-	117.38	117.38	123.36	-
BGIL Films & Technologies Private Limited	353.90	-	11.24	-	44.75
Less than Six months					
Number One Finvest Private Limited	-	-	-	-	120.82
BGIL Films and Technologies Private Limited	-	529.16	-	71.06	-
Total	353.90	646.54	128.62	195.12	165.57

Annexure X

Statement of Loans and Advances

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Advances recoverable in cash or in kind or for value to be received or pending adjustments.	431.65	540.93	449.00	398.45	95.75
Security deposits	12.36	8.95	13.45	15.45	4.25
Share application money	-	-	172.43	168.75	28.25
Refund due for previous years	0.47	0.47	22.27	1.32	-
TDS Receivable	33.53	38.82	29.67	56.41	1.67
Total	478.01	589.17	686.82	640.38	129.92

Loans and Advances include amount given by way of share application money to the following related parties:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Bhhatia Investment and Finance Private Limited	-	-	-	5.75	5.75
Grindlay Finman Private Limited	-	-	5.00	5.00	-
Number One Finvest Private Limited	-	-	81.35	81.35	-
Total	-	-	86.35	92.10	5.75

Annexure XI

Statement of Capitalization

(₹ in lakhs)

Particulars	Pre Issue as on March 31, 2011	Post Issue*
Borrowings		
Short Term Debt	300.15	[•]
Long Term Debt	308.38	[•]
Total Debt	608.53	[•]
Shareholders' Funds		
Share Capital -Equity	912.31	[•]

Reserve & Surplus	2,336.49	[●]
Less : Miscellaneous expenditure not written off	(55.38)	[●]
Total Shareholders' Funds	3,193.42	[●]
Long Term Debt / Equity Ratio	0.10	[●]

* The above figures shall be disclosed on the conclusion of Book Building Process.

Note: Short Term Debt represents amount repayable within one year from March 31, 2011.

Annexure XII

Tax-Shelter Statement

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Net Profit/(Loss) before Tax (as restated)	676.69	402.69	197.27	302.70	289.72
Tax Rate (including surcharge and education cess)	33.99%	33.99%	33.99%	33.99%	33.99%
Tax at Normal Tax Rates (A)	230.01	136.87	67.05	102.89	98.48
Adjustments :					
Permanent Difference (B)					
Loss on Sale of Assets	(4.31)	0.97	-	-	-
Total Permanent Difference	(4.31)	0.97	-	-	-
Temporary Difference (C)					
Depreciation as per Books	317.61	276.59	199.78	139.94	88.11
Depreciation as per Income Tax	573.62	438.42	399.18	347.89	152.95
Expenses u/s 43B			80.42		
Total Timing Difference	(256.01)	(161.83)	(279.82)	(207.95)	(64.84)
Net Adjustments (B) + (C)	(260.32)	(160.86)	(279.82)	(207.95)	(64.84)
Tax Saving thereon	(88.48)	(54.68)	(95.11)	(70.68)	(22.04)
Net Tax for the year / Period	141.53	82.19	NIL	32.21	76.44

Notes:

1. The permanent/timing differences have been computed considering the computing of the income tax by the company for each of the respective years presented in the above statement.
2. The aforesaid statement of Tax Shelters has been prepared as per the restated summary statement of profit and losses of the company.

Annexure XIII

Statement of Investments

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
(I) Quoted (At cost) (As taken, valued and certified by the management)					

BGIL Films and Technologies Limited	14.45	14.45	14.45	14.45	14.45
Total	14.45	14.45	14.45	14.45	14.45
(II) Unquoted (As taken, valued and certified by the management)					
Kartik Share Traders Private Limited	-	-	-	-	63.43
Jupiter Capital Service Private Limited	-	-	-	-	1.20
Kriti Communications Private Limited	-	-	76.70	76.70	76.70
Cromwell Holdings Limited	-	-	-	-	0.75
Grindlay Finman Private Limited	-	-	-	-	2.55
Akriti Colonizers Private Limited	-	-	50.00	-	-
Nimbus India Limited	-	-	50.00	-	-
Total	-	-	176.70	76.70	144.63
Total (I + II)	14.45	14.45	191.15	91.15	159.08

Note:

The Company has provided 5,62,934 equity shares of BGIL Films and Technologies Limited as security to obtain an inter-corporate loan. There was a dispute with the lender, which has been settled in the Honourable High Court of Delhi on October 25, 2010.

Market Value of Quoted Investments

(₹ in lakhs)					
Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Market Value	24.64	85.81	388.98	61.49	37.18

Annexure XIV

Mandatory Accounting Ratios

(₹ in lakhs)					
Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Basis of Accounting Ratios					
Net Profit after tax but before Extraordinary Item	454.79	286.90	6.86	323.83	250.30
Weighted average no. of equity shares for the purpose of EPS calculation	91,23,110	90,11,330	88,56,444	88,56,444	88,56,444
Number of equity shares for the purpose of NAV calculation considering issue of bonus shares	91,23,110	91,23,110	88,56,444	88,56,444	88,56,444
Net Worth	3,193.42	2,771.81	2,292.90	2,287.84	1,953.63

Total no. of equity shares outstanding at the end of year	91,23,110	68,42,333	66,42,333	66,42,333	66,42,333
Accounting Ratios					
Earnings per share (₹)	4.99	3.18	0.08	3.66	2.83
Return on Net Worth (%)	14.24%	10.35%	0.30%	14.15%	12.81%
Net Assets Value per share (₹)	35.00	30.38	25.89	25.83	22.06

The ratios have been computed as below:

- i. Earnings per Share (₹): Net profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings Per Share", issued by the Institute of Chartered Accountants of India. The Company issued Bonus Shares in the ratio of 1:3 on August 27, 2010. For the purpose of calculation of weighted average numbers of shares, the effect of bonus issue has been given in the reported periods.
- ii. Return on Net Worth (%): Net Profit after tax / Net Worth as at the end of the year / period.
- iii. Net Assets Value (₹): Net worth at the end of the year / Number of Equity Shares outstanding at the end of the year/period. For the purpose of calculation of NAV, the number of equity shares outstanding as on the last date of respective financial year and after adjustment of issue of bonus shares on August 27, 2010 have been considered.
- iv. Net profit, as appearing in the statement of restated profits & losses, has been considered for the purpose of computing the above ratios.

Annexure XV

Statement of Dividend Paid

(₹ in lakhs)

Year / Period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Dividend (Interim and final)	Nil	Nil	Nil	Nil	Nil
Dividend %	-	-	-	-	-

Related Party Transactions

As per Accounting Standard (AS-18) on related party disclosures issued by the ICAI, the disclosures of transaction with related party are as follows:

a) Directors / KMPs

- i. Mr. Rakesh Bhatia
- ii. Mrs. Arti Bhatia
- iii. Mr. Sanjeev Kumar Mittal
- iv. Mr. Harjit Singh Anand
- v. Mrs. Jaya Misra
- vi. Mr. Sanjay Kapoor
- vii. Mr. Anil Kumar Kapoor

b) Relatives of Directors

- i. Mrs. Santoshi Devi
- ii. Mr. Gaurav Bhatia
- iii. Ms. Garima Bhatia
- iv. Mr. J.K Bhatia
- v. Mr. B.K. Bhatia
- vi. Mr. Kripal Singh
- vii. Mrs. Sneh Lata
- viii. Mr. Atul Singh
- ix. Mrs. Abha Singh

c) Enterprises owned or significantly influenced by key management personnel / directors or their relatives

- i. BGIL films & Technologies Limited
- ii. Bhatia Investment & Finance private Limited
- iii. Number one Finsec Private limited
- iv. Number One Finvest private Limited
- v. Kriti Communications Private Limited
- vi. Grindlay Finman Private Limited
- vii. Three-D Communications Limited
- viii. Rakesh Bhatia HUF

(₹ in lakhs)

S. No	Name of the Party	Nature of Transaction	Volume during the period 2010-11	Amount outstanding as on March 31, 2011	Volume during the period 2009-10	Amount outstanding as on March 31, 2010	Volume during the period 2008-09	Amount outstanding as on 31 March 2009	Volume during the period 2007-08	Amount outstanding as on 31 March 2008	Volume during the period 2006-07	Amount outstanding as on 31 March 2007
1	BGIL Films and Technologies Limited	Sale of Hardware		353.90	424.17	529.16	103.39	11.24	779.15	71.06	632.28	44.75
		Purchase of Hardware					113.30		123.65		494.48	
2	Kriti Communications Private Limited	Sale of Hardware					112.98		122.94	0.70		
		Purchase of Hardware		7.24	0.69	104.54	258.63	103.85	675.33			
3	Mr. Rakesh Bhhatia	Director's Remuneration	14.40		14.40		10.80		9.00		8.40	
		Unsecured Loan from Director	4.77	44.07	39.30	39.30						
4	Mr. Sanjeev Kumar Mittal	Director's Remuneration	9.00		9.00							
5	Bhhatia Investment and Finance Private Limited	Share application money paid								5.75		5.75
6	Grindley Finman Private Limited	Share application money paid					5.00	5.00	5.00			
7	Number One Finvest Private Limited	Share application money paid						81.35	81.35	81.35		
		Sale of Investment				117.38		117.38	2.54	123.36	120.82	120.82
		Unsecured loans	12.17	12.17								
8	Mrs. Santoshi Devi	Unsecured loans		2.45	2.45	2.45						
9	Number One Finsec Private Limited	Unsecured loans	10.45	36.75	26.30	26.30						

Statement of Secured Loans

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Working Capital Loan	300.15	404.37	403.25	197.81	144.95
Vehicle Loan	15.79	22.78	35.27	29.59	12.25
Equipment Loan	-	-	-	-	8.13
Inter Corporate Deposits	43.49	41.00	38.07	-	-
Total	359.43	468.15	476.59	227.40	165.33

Details of Securities against Loan

(₹ in lakhs)

Name of Lender	Type of Loan	Amount sanctioned	Amount outstanding as on March 31, 2011	Interest / commission	Security	Repayment / Usage period
The Royal Bank of Scotland	Overdraft Limit	300.00	300.15	15.75%	<p>Primary Security First and exclusive charge by way of hypothecation on the entire current assets of the Company both present and future.</p> <p>First and exclusive charge by way of hypothecation on the moveable fixed assets of the company both present and future.</p> <p>First and exclusive charge by way of equitable mortgage on the property situated at House Number 93; Block A, Sector 26, Noida standing in the name of Mr. Rakesh Bhatia and Mrs. Arti Bhatia.</p> <p>First and exclusive charge by way of equitable mortgage on the property situated at B - 14/16, 3rd Floor, Himgiri Apartments, Sector -34, Noida in the name of Mrs. Arti Bhatia.</p>	On demand

					<i>Personal guarantee</i> of Mr. Rakesh Bhatia and Mrs. Arti Bhatia.	
HDFC Bank	Auto loan	3.96	2.30	11.69%	Hypothecation of respective Vehicle	Repayable in 59 EMIs of ₹ 0.09 lakhs
HDFC Bank	Auto loan	4.04	1.24	11.69%	Hypothecation of respective Vehicle	Repayable in 60 EMIs of ₹ 0.09 lakhs
HDFC Bank	Auto Loan	14.90	10.27	12.80%	Hypothecation of respective Vehicle	Repayable in 60 EMIs of ₹ 0.34 lakhs
HDFC Bank	Auto Loan	6.80	1.98	11.69%	Hypothecation of respective Vehicle	Repayable in 60 EMIs of ₹ 0.15 lakhs
Life Insurance Corporation	Keyman Policy Loan	8.00	10.49	10.50%	Hypothecation of Keyman policy Bond	Maturity of policy on 26/02/2022
Hawk Fincap & Leasing Pvt. Ltd.	Inter-corporate Loan	25.00	25.00	Interest Free Loan	Hypothecation of quoted shares of BGIL Films & Technologies Limited	On demand
Exxin Securities & Credit Pvt. Ltd.	Inter-corporate Loan	8.00	8.00	Interest Free Loan	Hypothecation of quoted shares of BGIL Films & Technologies Limited	On demand

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited financial statements (as restated) for the five financial years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007, including the schedules, annexure and notes thereto and the reports thereon, which appear in the section titled "Financial Statements of the Company" beginning on page no. 116 of this Red Herring Prospectus. You are also advised to read the section titled "Risk Factors" beginning on page no. iii of this Red Herring Prospectus, which discusses a number of factors and contingencies that could impact our financial condition, results of operations and cash flows. These financial statements are prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and restated as described in Auditors' Report of M/s K. Prasad & Co., Chartered Accountants, dated October 18, 2010.

The following discussions are based on our restated financial statements for the five financial years ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008 and March 31, 2007 which have been prepared in accordance with Indian GAAP, the Companies Act, 1956 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and on information available from other sources. Our fiscal year ends on March 31 each year, so all references to a particular year are to the twelve-month period ended on March 31 of that year.

Indian IT & BPO industry

Domestic IT-BPO revenues are expected to grow at almost 16 per cent to reach INR 787 billion in FY2011. Strong economic growth, rapid advancement in technology infrastructure, increasingly competitive Indian organisations, enhanced focus by the government and emergence of business models that help provide IT to new customer segments are the key drivers for increased technology adoption in India. IT services is one of the fastest growing segment in the Indian domestic market, rising by 16.8 percent to reach ₹ 501 billion, driven by localised strategies designed by service providers.

- Domestic BPO segment is expected to grow by 16.9 percent in FY2011, to reach ₹ 127 billion, driven by demand from voice based services, in addition to adoption from emerging verticals, new customer segments, and value based transformational outsourcing platforms.
- Indian software product segment is estimated to grow by 14 percent to reach ₹ 157 billion, fuelled by replacement of in-house software applications to standardised products from large organisations and innovative start-ups.
- Government sector is a key catalyst for increased IT adoption-through sectors reforms that encourage IT acceptance, National eGovernance Programmes (NeGP), and the Unique Identification Development Authority of India (UIDAI) programme that creates large scale IT infrastructure and promotes corporate participation.

The underlying theme of 2010 has been the steady recovery from recession. Worldwide GDP, which had declined by 0.6 percent in 2009, grew 5 percent in 2010 and is expected to stabilised at about 4.4 percent in 2011. Developing nations continue to grow faster than the developed countries by atleast three times. IT spend is directly linked to growth in GDP and in line with this trend. IT spend in 2011 is expected to grow nearly 4 percent. Worldwide IT spending will also benefit from the accelerated recovery in emerging markets, which will generate more than half of all new IT spending worldwide in 2011. In 2011, growth will reflect new demand for IT goods and services, not pent-up demand from prior years. 2011 will also see a major surge in the use of private and public cloud and mobile

computing on a variety of devices and through a range of new applications. Hardware is likely to grow the fastest at about 7 per cent, led by the refresh cycle in the Government sector. Shipments of app-capable, non-PC mobile devices (smartphones, media tablets) are expected to outnumber PC shipments.

IT services is expected to grow by about 3.5 percent in 2011 and 4.5 percent in 2012. While focus on cost control and efficiency/productivity remain, customers are also evaluating how investments in IT impact can further business goals – ROI led transformation – leading to an increase in project-based spending. Services such as virtualisation, consolidation, and managed services that focus on ROI in the short term will drive opportunities in the market. Emerging Asian enterprises across multiple industries will continue to accelerate services spending in their efforts to challenge existing global MNCs. Organisations will look for alternative IT models – Cloud, on-demand services and SaaS – in order to reduce hardware infrastructure costs and provide scalability on demand.

(Source: NASSCOM Strategic Review: 2011)

Media & Entertainment industry

Our Company caters to the Films and Animation & VFX sector of the M&E industry with the post-production work. While the filmed entertainment sector had grown by over 15 percent between 2006 and 2008, year 2009 witnessed a significant de-growth for the industry. In 2009 the industry is estimated to have declined by nearly 14 percent to INR 89.3 billion from INR 104.4 billion in 2008. This was largely on account of lower domestic theatrical collections in 2009 compared to the previous year. Though the previous year witnessed a decline for the filmed entertainment industry, the trend is likely to reverse in 2010 to grow at a CAGR of 8.9 percent to reach INR 136.7 billion by 2014. In 2009, the Indian animation industry continued to rely on outsourced work and co-production deals that led to a growth rate of approximately 9 percent over 2008. The Animation and VFX industry has seen an overall growth of 13.6 percent over 2008 and is expected to grow at a CAGR of 18.7 percent in the coming years to reach INR 46.6 billion by 2014 driven by increased consumption of animated content, creation of global IP formats, acceptance of 3D graphics and venturing into international markets.

(Source: FICCI-KPMG Indian Media & Entertainment Industry Report – 2010)

Our Company's Overview

We have designed our products and services to provide automated solution that help enterprises to meet the challenges of making IT infrastructure secure and compliant. Our solution provides visibility across the IT infrastructure, intelligently identifies security threats and compliance breaches, and automates security and compliance processes to reduce risk. We have total of 32 Radio Frequency Identification solutions, out of which we got registration for 8 solutions from Government of India, Copyright office and six applications are pending with the concerned authority.

Safety, Security & Automation system ensures undisturbed and safe operations. It encompasses security of assets and premises from data loss, terrorism, or sabotage by providing the integrated physical & logical security solutions. It facilitates in monitoring the movement of people and assets of an organization.

In Safety, Security & Automation, we analyse, evaluate, design, implement and maintain a coherent set of processes and systems for effectively managing infrastructure safety and security. As with all management processes, safety and security management remains effective and efficient in the long term, adapting to change in the internal organization and external environment. We stand for protection against unauthorized access from both inside and outside the company.

Factors affecting results of our operations

Our results of operations could potentially be affected by the following factors:

- Dependence on the orders received from our customers
- Changes in technology
- Volatility in the prices of key equipments
- Availability of technical manpower
- Timely availability of funds
- Competition
- Compliance with necessary regulatory norms
- General economic conditions in India

Overview of our results of operations

Income

Our total income comprises of our income from operations and other income. Our income from operations includes:

- a) Income from IT Division
- b) Income from Media & Entertainment Division

Income from IT Division

Under the IT Division, we offer products and services to provide automated solution that help enterprises to meet the challenges of making IT infrastructure secure and compliant. The products supplied by us uses RFID technology and used for identification and tracking of the identity, location and conditions of assets, tools, inventory, people using radio waves.

Income from Media & Entertainment Division

Our Media & Entertainment Division has a Digital Post Production Studio, known as *BGIL Studio* at Andheri (West), Mumbai. It is an integrated end to end Film's Post Production and Visual Effects Services House. It offers services ranging from visual effects, digital film lab (digital intermediate, high-resolution film scanning and film recording) and editing and motion control to High Definition production.

Other Income

Other income includes interest received on refund of income tax, interest on fixed deposits with banks, dividend income and other miscellaneous income.

The revenue and profit before tax from IT Division, Media & Entertainment Division and Other Income during the last five financial years is as under:

	(₹ in lakhs)				
Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
Revenue					
IT Division	6,846.47	4,361.87	3,192.51	3,075.16	2,593.96
Media & Entertainment Division	253.31	272.23	167.21	344.33	359.23
Total Revenue	7,099.78	4,634.10	3,359.72	3,419.49	2,953.19
Other Income	4.31	-	0.10	0.01	-
Profit Before Tax					

IT Division	570.44	250.84	154.04	161.77	245.62
Media & Entertainment Division	106.25	151.85	43.16	140.92	44.10
Other Income	-	-	0.07	0.01	-
Total Profit Before Tax	676.69	402.69	197.27	302.70	289.72

Expenditure

Our total expenditure is accounted for under the following heads:

Purchases

The equipments purchased by us include boom barrier, RFID system (readers, antennas, tags), spike busters, boom barriers, loop detectors, ultra sonic sensors, ticket dispensers, LED signal lights, LED displays, under vehicle surveillance system, ticket printers, barcode readers, face tracking camera, AVCC (automatic vehicle counter cum classifier), computer server and clients machine, kiosk cabinets/mini embedded PC, Microsoft & open source programming platform, handheld devices etc.

Employees Remuneration & Benefits

Employees' remuneration & benefits include salaries and wages, directors' remuneration, gratuity, contribution to provident fund and staff welfare expenses etc.

Administrative, Selling and Other expenses

Administrative, selling and other expenses include expenses on electricity expenses, conveyance & travelling expenses, office maintenance expenses, vehicle running & maintenance, business promotion expenses and other miscellaneous expenses.

Financial charges

The financial charges include interest payable by us on working capital loans, interest on unsecured loans, charges on Letter of Credit, processing fees, and other bank charges.

Depreciation

This includes depreciation/amortization on computers, furniture & fixtures, vehicles, plant & machinery, plant and machinery, electrical installations, office equipments, motor vehicles etc.

Provision for taxation

Income taxes are accounted for in accordance with AS-22, issued by ICAI on "Accounting for Taxes on Income". Taxes comprise current tax, deferred tax & fringe benefit tax.

Analysis on results of financial operations

(₹ in lakhs)

For the year/period ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008
Operating Income				
Income from IT Division	6,846.47	4,361.87	3,192.51	3,075.16
Income from Media & Entertainment Division	253.31	272.23	167.21	344.33
Total Revenue	7,099.78	4,634.10	3,359.72	3,419.49
Other Income	4.31	-	0.10	0.01
Increase / (Decrease) in Stock	(3.47)	2.62	0.85	(0.09)

Total Income	7100.62	4,636.72	3,360.67	3,419.41
Expenditure				
Purchases	5,636.15	3,612.56	2,608.25	2,641.55
Employee Cost	169.63	149.54	156.96	139.76
Administration, Selling & Other Expenses	109.63	100.68	111.31	154.30
Cost of film production	-	-	-	-
Misc. expenses written off	1.23	-	-	0.58
Total Expenditure	6,002.44	3,862.78	2,876.52	2,936.19
Profit Before Finance Cost, Taxation & Depreciation	1,098.18	773.94	484.15	483.22
Depreciation and amortization	346.30	279.84	203.28	143.44
Profit Before Finance Cost & Taxation	751.88	494.10	280.87	339.78
Financial charges	75.19	91.41	83.60	37.08
Profit Before Tax	676.69	402.69	197.27	302.70
Provision For Taxation	137.29	69.63	28.33	34.79
Fringe Benefit Tax	-	-	1.40	2.38
Deferred Tax Liability/(Asset)	84.61	46.16	160.68	(58.30)
Profit After Tax	454.79	286.90	6.86	323.83

Comparison of FY 2010-11 with FY 2009-10

Income from operations

The income from IT Division increased by 56.96% to ₹ 6,846.47 lakhs in FY 2010-11 from ₹ 4,361.87 lakhs in FY 2009-10. During the FY 2009-10, we had launched 11 new products, which contributed partially to the revenue during the said year, but were marketed and sold during the entire FY 2010-11. These products were toll management system, canteen management system, asset tracking system, employee tracking system, parking management system, parking guidance system, smart campus system, visitor management system, intelligence mast controller system, file tracking system and laptop tracking system.

The income from Media & Entertainment Division decreased by 6.95% to ₹ 253.31 lakhs in FY 2010-11 from ₹ 272.23 lakhs in FY 2009-10. The primary reason for the decrease in revenue was reduction of post production work handled during the year on account of reduced demand from our customers due to technologically less advanced equipments being used by our Company.

Other Income

Other income comprised of profit on sale of fixed assets in FY 2010-11 of ₹ 4.31 lakhs. We did not earn any other income in FY 2009-10.

Purchases

Purchases increased to ₹ 5636.15 lakhs in FY 2010-11 from ₹ 3612.56 lakhs in FY 2009-10, representing an increase of 56.01%, which is in line with the increase in income from operations. Purchases as percentage of total income increased to 79.37% in FY 2010-11 from 77.9% in FY 2009-10.

Employees' Cost

The expenditure on employee costs increased to ₹ 169.63 lakhs in FY 2010-11 from ₹ 149.54 lakhs in FY 2009-10 representing an increase of 13.43%. The reason for increase was the induction of new

manpower and annual increments to the existing employees during FY 2010-11. However, the employee cost as a percentage to the total income decreased to 2.39% in FY 2010-11 as against 3.23% in FY 2009-10. We believe that the employee cost as a percentage to total income decreased on account of higher product sales per employee in FY 2010-11.

Administration, selling and other expenses

Administrative expenses increased by 8.89% to ₹ 109.63 lakhs in FY 2010-11 from ₹ 100.68 lakhs in FY 2009-10. During FY 2010-11, the conveyance & travelling expenses increased to ₹ 35.28 lakhs from ₹ 14.09 lakhs in FY 2009-10. As a percentage to total income, administrative, selling and other expenses decreased to 1.54% in FY 2010-11 compared to 2.2% in FY 2009-10.

Legal settlement expenses

In October 2010, our Company arrived at a compromise with Mr. Pramod Sharma, in which we agreed to pay a sum of ₹ 118.80 lakhs against an outstanding unsecured loan of ₹ 33.00 lakhs, resulting in an additional payout of ₹ 85.80 lakhs. The said additional payout of ₹ 85.80 lakhs was recorded as legal settlement expenses during FY 2010-11. For further details regarding the compromise with Mr. Pramod Sharma, please refer to the section titled "Outstanding Litigations and Material Developments" appearing on page no. 145 of this Red Herring Prospectus.

Depreciation and amortization

Depreciation and amortization cost increased by 23.75% to ₹ 346.30 lakhs in FY 2010-11 from ₹ 279.84 lakhs in FY 2009-10. The increase in depreciation was mainly due to additions in the fixed assets during the FY 2010-11.

Financial charges

The financial charges decreased by 17.74% to ₹ 75.19 lakhs in FY 2010-11 from ₹ 91.41 lakhs in FY 2009-10. Our exposure to the working capital facility availed from the Royal Bank of Scotland reduced from ₹ 400 lakhs to ₹ 300 lakhs in August 2010, which resulted in the reduction of financial charges.

Profit before Tax

The profit before tax increased by 68.42% to ₹ 678.20 lakhs in FY 2010-11 from ₹ 402.69 lakhs in FY 2009-10. Profit before tax as a percentage to total income increased to 9.55% in FY 2010-11 from 8.68% in FY 2009-10. The increase in profit before tax was as a result of increased income from operations and improved operational efficiencies during the year.

Comparison of FY 2009-10 with FY 2008-09

Income from operations

The income from IT Division increased by 36.6% to ₹ 4,361.87 lakhs in FY 2009-10 from ₹ 3,192.51 lakhs in FY 2008-09. During FY 2009-10, we launched 11 new products - toll management system, canteen management system, asset tracking system, employee tracking system, parking management system, parking guidance system, smart campus system, visitor management system, intelligence mast controller system, file tracking system and laptop tracking system. During the same period, we also added a number of global system integrators as our customers who contributed to the increase in the income from operations.

The income from Media & Entertainment Division increased by 62.8% to ₹ 272.23 lakhs in FY 2009-10 from ₹ 167.21 lakhs in FY 2008-09. The primary reason for the increase was increased demand of services from the film and television industry.

Other Income

We did not earn any other income in FY 2009-10. Other income in FY 2008-09 comprised of interest received on fixed deposits with banks amounting to ₹ 0.10 lakhs.

Purchases

Purchases increased to ₹ 3,612.56 lakhs in FY 2009-10 from ₹ 2,608.25 lakhs in FY 2008-09, representing an increase of 38.5%, which is in line with the increase in income from operations. Purchases as percentage of total income increased marginally to 77.9% in FY 2009-10 as against 77.6% in FY 2008-09.

Employees' Cost

The expenditure on employee costs decreased to ₹ 149.54 lakhs in FY 2009-10 from ₹ 156.96 lakhs in FY 2008-09. The employee cost was 3.2% of the total income in FY 2009-10 as against 4.7% in FY 2008-09. The reason for the fall in employees' cost was due to less lead time taken by our Company in executing the projects which was as a result of improved product portfolio and knowledge base.

Administration, selling and other expenses

Administrative expenses decreased by 9.5% to ₹ 100.68 lakhs in FY 2009-10 from ₹ 111.31 lakhs in FY 2008-09, due to decrease in repair & maintenance cost, electricity expenses and legal & professional charges. As a percentage to total income, administrative, selling and other expenses were 2.2% in FY 2009-10 compared to 3.3% in FY 2008-09.

Depreciation and amortization

Depreciation and amortization cost increased by 37.7% to ₹ 279.84 lakhs in FY 2009-10 from ₹ 203.28 lakhs in FY 2008-09. The increase in depreciation was mainly due to additions in the fixed assets during the FY 2009-10.

Financial charges

The financial charges increased by 9.3% to ₹ 91.41 lakhs in FY 2009-10 from ₹ 83.60 lakhs in FY 2008-09 due to higher rate of interest of loan amount. We took a cash credit limit of ₹ 400.00 lakhs from Royal Bank of Scotland (formerly ABN Amro Bank) in July 2008 at an effective interest rate of 13.75%. This interest rate increased upto 16.75% during FY 2009-10. Further, the interest was charged for approximately 9 months in FY 2008-09, compared to 12 months in FY 2009-10.

Profit before Tax

The profit before tax increased by 104.1% to ₹ 402.69 lakhs in FY 2009-10 from ₹ 197.27 lakhs in FY 2008-09. Profit before tax as a percentage to total income increased to 8.7% in FY 2009-10 from 5.9% in FY 2008-09. The increase in profit before tax was as a result of increased income from operations and improved operational efficiencies during the year.

Comparison of FY 2008-09 with FY 2007-08

Income from operations

The income from IT Division increased by 3.8% to ₹ 3,192.51 lakhs in FY 2008-09 from ₹ 3,075.16 lakhs in FY 2007-08. The reason for increase in income was increased demand of value-added products from our customers. During this year, we kept our focus on increasing the knowledge base of our Company around the RFID technology, having better margins and which supported us in developing new products.

The income from Media & Entertainment Division decreased by 51.4% to ₹ 167.21 lakhs in FY 2008-09 from ₹ 344.33 lakhs in FY 2007-08 due to reduced demand in the media industry.

Other Income

Other income increased to ₹ 0.10 lakhs in FY 2008-09 from ₹ 0.01 lakhs in FY 2007-08 due to increase in interest on fixed deposits with banks.

Purchases

Purchases decreased marginally by 1.3% to ₹ 2,608.25 lakhs in FY 2008-09 from ₹ 2,641.55 lakhs in FY 2007-08. Purchases as a percentage of total income decreased marginally to 77.6% in FY 2008-09 from 77.3% in FY 2007-08.

Employees' Cost

The expenditure on employee costs increased by 12.3% to ₹ 156.96 lakhs in FY 2008-09 from ₹ 139.76 lakhs in FY 2007-08 due to new recruitments, increased salaries and other incentives paid to employees. The employee cost was 4.7% of the total income in FY 2008-09 as against 4.1% in FY 2007-08.

Administration, selling and other expenses

Administrative, selling and other expenses decreased by 27.9% to ₹ 111.31 lakhs in FY 2008-09 from ₹ 154.30 lakhs in FY 2007-08, primarily due to no expense incurred towards job work for post-production work which were ₹ 12.31 lakhs in FY 2007-08, decreased in conveyance & travelling expenses to ₹ 4.49 lakhs in FY 2008-09 from ₹ 16.85 lakhs in FY 2007-08, decreased in legal & professional charges to ₹ 33.72 lakhs in FY 2008-09 from ₹ 43.38 lakhs in FY 2007-08 and decreased in office maintenance expenses to ₹ 10.81 lakhs in FY 2008-09 from ₹ 14.73 lakhs in FY 2007-08. As a percentage to total income, administrative, selling and other expenses were 3.3% in FY 2008-09 compared to 4.5% in FY 2007-08.

Depreciation and amortization

Depreciation and amortization cost increased by 41.7% to ₹ 203.28 lakhs in FY 2008-09 from ₹ 143.44 lakhs in FY 2007-08. The increase in depreciation was mainly due to additions in the fixed assets during the FY 2008-09.

Financial charges

The financial charges increased by 125.5% to ₹ 83.60 lakhs in FY 2008-09 from ₹ 37.08 lakhs in FY 2007-08 due to increase in borrowings and higher rate of interest.

Profit before Tax

The profit before tax decreased by 34.8% to ₹ 197.27 lakhs in FY 2008-09 from ₹ 302.70 lakhs in FY 2007-08. Profit before tax as a percentage to total income decreased to 5.9% in FY 2008-09 from 8.9% in FY 2007-08. The decrease in profit before tax was as primarily a result of increased depreciation & amortization cost and financial charges.

Other Matters

Unusual or infrequent events or transactions

There are no unusual or infrequent events or transactions that have significantly affected our business.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as described in this Red Herring Prospectus in general, "Risk Factors" on page no. iii and this section in particular, to the best of our knowledge and belief, there are no significant economic

changes that materially affected Company's operations or are likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations except as described in the section titled "Risk Factors" on page no. iii and in "Management Discussion and Analysis of Financial Condition and Results of Operations" appearing on page no. 135 of this Red Herring Prospectus, to the best of our Company's knowledge.

Future changes in relationship between costs and revenues

Other than as described in the sections titled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages iii and 135 respectively of this Red Herring Prospectus and elsewhere in this Red Herring Prospectus, there are to the best of our knowledge, no known factors which would have a material adverse impact on the relationship between cost and income of our Company.

Increases in net sales or revenue and introduction of new products or services or increased sales prices

Increases in revenues are as a result of increases in operations of our Company. We had introduced 11 new products in FY 2009-10, which contributed to the revenue during FY 2010-11. However, during FY 2010-11, we have not added or introduced any new product or services.

Total turnover of each major industry segment in which the Company operated

Our Company operates in two industry segments i.e. IT-BPO industry and Media & Entertainment industry. We segregate our operating income from two divisions viz. IT Division and Media & Entertainment Division. The turnover from each industry segment is as follows:

(₹ in lakhs)

Year / Period Ended	March 31, 2011	March 31, 2010	March 31, 2009	March 31, 2008	March 31, 2007
IT Division	6,846.47	4,361.87	3,192.51	3,075.16	2,593.96
Media & Entertainment Division	253.31	272.23	167.21	344.33	359.23

Status of any publicly announced New Products or Business Segment

Our Company has developed (i) automatic number plate recognition system, (ii) ticket dispensing system and (iii) token-less two-factor authentication system, although we have not yet sold these products.

Seasonality of business

Our Company's business is not seasonal in nature.

Dependence on a single or few suppliers or customers

Our Company's business is not dependent on a single or few suppliers or customers.

Competitive conditions

We face competition from existing players in our industry.

Details of material developments after the date of last balance sheet

No circumstances have arisen, since the date of the last audited financial statement until the date of filing of this Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within twelve months.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices against our Company, our Directors, our Promoters and Promoter Group or joint ventures or entities with which our Promoters were associated in the past. There are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below. There has been no disciplinary action taken by SEBI or any stock exchange against our Company, our Directors, our Promoters, Promoter Group or entities with which our Promoters were associated in the past.

Neither our Company nor our Promoters or Promoter Group or Directors have been declared as wilful defaulters by the RBI, or any other authority and there are no violations of securities laws committed by them in the past or pending against them or any person or entity connected with them. Further, except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company, our Promoters, Promoter Group or any person or entity connected with them.

Further there is no show-cause notices/claims served on our Company, our Promoters, our Directors or Promoter Group from any statutory authority/revenue authority that would have a material adverse affect on our business except as mentioned hereinafter.

All litigations appearing under this chapter have been summarized in the risk factor nos. 1 and 2, appearing on page no. iii and iv of this Red Herring Prospectus.

I. OUTSTANDING LITIGATION INVOLVING OUR COMPANY AND OUR PROMOTERS/DIRECTORS:

(a) Civil matter:

Rakesh Bhatia & Others vs. Pramod Sharma & others

Mr. Pramod Sharma and other defendants ('**Defendants**') agreed to finance a sum of ₹ 100 lakhs to Mr. Rakesh Bhatia and others ('**Plaintiffs**') against security of 15.40 lakhs equity shares of BGIL Films & Technologies Limited (BGFT) in October, 2007. As per the agreement, the said amount was repayable in one year's time and in case, the Plaintiffs fails to repay the said amount, Defendants may sell or transfer the shares of BGIL Films & Technologies Limited without the permission of Plaintiff even though the Defendants are retaining the said shares in trust and as security against the loan advanced.

Initially a sum of ₹ 75 lakhs was given against 15.40 lakhs shares in different tranches.

Mr. Rakesh Bhhatia, Promoter of our Company, alongwith others had received an advance of ₹ 75.00 lakhs from Mr. Pramod Sharma & others against pledge of 15.40 lakhs shares of BGIL Films and Technologies Limited (BGFT), details of which are as under:

	Number of shares pledged	Amount received as advance (₹ in lakhs)
Bharatiya Global Infomedia Limited	5,62,934	33.00
Mr. Rakesh Bhhatia	85,100	9.00
Ms. Arti Bhatia	4,00,000	8.00
Cromwell Infomedia Limited	52,400	12.50
Cuckoo Realtech Ltd.	2,75,000	12.50
Jupiter Capital Services Ltd.	57,500	-
Kartik Share Traders Pvt. Ltd.	1,09,500	-
Jeewal Financial Services Pvt. Ltd.	70,000	-
Total	16,12,434	75.00

Since the value of shares of BGFT fell from ₹ 18.70 per equity share to ₹ 16.30 per equity share, Mr. Pramod Sharma demanded further security of 1 lakh equity shares of BGFT for release of balance sum of ₹ 25 lakhs. Accordingly, 74,500 shares were given on November 29, 2007 as additional security against which balance loan amount of ₹ 25 lakhs was to be disbursed by Mr. Pramod Sharma and other Defendants. However, Mr. Pramod Sharma and other Defendants did not pay the balance amount of ₹ 25 lakhs.

The loan amount was to be repaid in one year's time. It is alleged by the plaintiffs that there was an apprehension that the respondents might sell or transfer the shares of BGIL Films & Technologies Limited given to respondents without the permission of plaintiff, even though the Defendants are retaining the said shares in trust and as security against the loan advanced. In view of this, the Plaintiffs filed a civil suit in the High Court of Delhi for obtaining a permanent as well as ad-interim ex-parte injunction against the defendant, their agents, servants, attorneys, assigns, representatives from disposing off, alienating, transferring, or creating any third party interest in the shares of the BGFT.

It is claimed by the Defendants that there is no loan transaction between the parties and since the Plaintiffs were in urgent need of money, they sold the shares to Defendants at the price of ₹ 5.5 per share, ₹ 5 per share and ₹ 4 per share for three lots. Defendants also alleged that the Plaintiffs have forged the documents in an attempt to show the loan transaction.

The learned Single Judge issued notice (vide order dated July 7, 2008) against the application for ad-interim ex-parte injunction, against which Plaintiffs preferred an appeal to the Division bench of the High Court of Delhi. The Hon'ble Division bench of High Court of Delhi allowed the application of the Plaintiffs for ad-interim ex-parte injunction (vide FAO(OS) no. 297/2008) and passed an order restraining the Defendants from dealing with or disposing off the shares of BGFT.

Thereafter, Hon'ble Single Judge of Hon'ble High Court vide order dated April 21, 2009 in the original suit, made absolute the order dated July 11, 2008 of the Hon'ble Division Bench of the High Court restraining the defendants from dealing with or disposing of the shares of the BGFT and directed the Plaintiffs to deposit the sum of ₹ 75 lakhs with interest at 3% per month thereon from the date of payment thereof by the defendants to the plaintiffs and till the date of the deposit. The Hon'ble High Court further directed the Plaintiffs to give an undertaking to the Court to, without any trial, make good any loss to the defendants, if any, suffered by the Defendants due to the above said

restraining order, calculated on the difference between the sale price of the said shares of BGFT as on 11th July, 2008 and on the date of final decision of the suit. The plaintiffs have not deposited the amount and hence the stay stands vacated. The next date of hearing is October 25, 2010.

The parties in this suit have entered into compromise and pursuant to such compromise, have moved an application on October 7, 2010 to the Hon'ble High Court for the disposal of the suit in terms of the compromise. As per the terms of the compromise, Plaintiffs (i.e. the respective parties) are liable to pay a sum of ₹ 270 lakhs over a period of next six months extendable upto a total period of fourteen months, with interest, against full and final settlement of all claims of the Defendants. Upon payment of the aforesaid amount of ₹ 270 lakhs by the respective parties, the shares will get released and transferred in the respective names of entities who were earlier holding the shares, as detailed above in the table. The amount of liability for each of the party is as follows:

	Number of shares pledged	Amount received as advance (₹ in lakhs)	Amount of liability (₹ in lakhs)
Bharatiya Global Infomedia Limited	5,62,934	33.00	118.80
Mr. Rakesh Bhatia	85,100	9.00	32.40
Ms. Arti Bhatia	4,00,000	8.00	28.80
Cromwell Infomedia Limited	52,400	12.50	45.00
Cuckoo Realtech Ltd.	2,75,000	12.50	45.00
Jupiter Capital Services Ltd.	57,500	-	-
Kartik Share Traders Pvt. Ltd.	1,09,500	-	-
Jeewal Financial Services Pvt. Ltd.	70,000	-	-
Total	16,12,434	75.00	270.00

The liability of our Company in this case works out to be ₹ 118.80 lakhs.

If the Plaintiffs fail to make the payment within the stipulated time period, the Defendants are free to dispose of the shares held by them in the open market for recovery of the aforesaid amount of ₹ 270 lakhs. In case, the entire balance amount is not satisfied from the sale proceeds of the shares, the Defendants shall also be entitled to recover the balance, from the Plaintiffs and the present agreement shall be deemed to be a decree for the balance amount and the Defendants shall be entitled to file execution petition against the Plaintiff after fourteen months from the date of filing the application. Since the Plaintiffs including our Company have not made any payment to the Defendants within the stipulated time period, the Defendants, in terms of the settlement agreement, have the liberty to invoke provisions mentioned above.

II. Litigation by Promoter Group Companies & Promoters

Civil matter:

The complaint has been filed by Mr. Rakesh Bhatia (Complainant) against Standard Chartered Bank under Section 12 of the Consumer Protection Act, 1986, claiming compensation of ₹ 10 lakhs for mental agony, torture, harassment and loss of reputation suffered by Mr. Rakesh Bhatia and ₹ 20 lakhs for loss of reputation suffered by M/s Vishesh Infotecnics Limited (VIL) due to blocking of three credit cards issued by Standard Chartered Bank despite the payments being duly made. The complaint was dismissed in default for non-prosecution on December 10, 2009 since the Complainant failed to be present before the commission on relevant date of hearings. However, in October, 2010, the complainant has filed an application for restoration of the complaint. The matter is listed for arguments before the National Commission on July 11, 2011.

III. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

IV. Adverse findings against our Company as regards compliance with the securities laws

There are no adverse findings against our Company as regards compliance with the securities laws.

V. Outstanding dues to small scale undertaking(s)

There are no outstanding dues owed to small scale undertaking(s) by our Company, for more than 30 days.

VI. Show-cause notices received by our Company

Our Company has not received any show Cause notice or any legal notice from any department/ third party.

VII. Outstanding Litigation involving our Directors

There are no outstanding litigations, defaults involving, inter alia, violation of statutory regulations or allegations of criminal offence, economic offences, civil/criminal cases towards tax liabilities or past penalties, against or by our Directors. Further, no disciplinary action has been taken by SEBI or the Stock Exchanges against our Directors.

VIII. Outstanding Litigation/Proceedings against our Promoters and Promoter Group Companies

There are no outstanding litigations, defaults involving, inter alia, violation of statutory regulations or allegations of criminal offence, economic offences, civil/criminal cases towards tax liabilities or past penalties, involving our Promoters and Promoter Group Companies. Further, no disciplinary action has been taken by SEBI or the Stock Exchanges against our Promoters and Promoter Group Companies. Except as stated in this section, there are no pending litigations, defaults in respect to entities and ventures with which our Promoters and Promoter Group Companies were associated in the past.

Delay in payment of secured and unsecured loans:

The total overdue amount in respect of secured and unsecured loans as on March 31, 2011 is ₹ 11.94 lakhs, details of which are as under:

	Name of Lender	Amount of loan disbursed (₹ in lakhs)	Amount overdue as on March 31, 2011 (₹ in lakhs)
1	India Bulls Financial Services Ltd.	35.00	1.04
2	Barclays Bank plc	20.00	2.35
3	Reliance Capital Limited	30.00	7.93
4	HDFC Bank Limited (vehicle loan)		0.62
	TOTAL		11.94

Delay in payment of Service Tax: Our Company had delayed payment of service tax for the last three financial years and the cumulative principle amount of service tax due was ₹ 96.22 lakhs as on September 30, 2010, which we have paid now in tranches till November 4, 2010. The total interest due on the delayed payment of service tax till November 4, 2010 amounted to ₹ 22.20 lakhs, which has now been paid by our Company.

Material Developments since the last balance sheet date

No circumstances have arisen, since the date of the last audited financial statement until the date of filing of this Red Herring Prospectus with SEBI, which materially and adversely affect or is likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within twelve months.

GOVERNMENT APPROVALS / LICENSING ARRANGEMENTS

In view of the approvals listed below, we can undertake this Issue and our present business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue and our present business activities. It must however, be distinctly understood that in granting the above approval, the Government and the other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statement or any commitments made or opinion expressed. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus.

I. Approvals for the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on August 21, 2010, authorised the Issue, subject to the approval by the shareholders of our Company under section 81(1A) of the Companies Act.
2. The shareholders have, pursuant to a resolution dated August 27, 2010 under Section 81(1A) of the Companies Act, authorised the Issue.

II. Approvals related to the Issue

1. In-principle approval from the National Stock Exchange of India Limited dated January 27, 2011.
2. In-principle approval from the Bombay Stock Exchange Limited dated December 21, 2010.

III. Company specific approvals

(i) Registration under Income Tax Act, 1961

Particulars	Registration No.	Issued on	Valid Upto
PAN	AABCB8175B	24.11.1994	N.A.
TAN	DELB05971A	-	N.A.

(ii) License under Foreign Trade Policy

Particulars	Authority	Registration No.	Issued on	Valid Upto
Certificate of Importer - Exporter Code (IEC)	Office of Foreign Trade Development Officer	0505067269	08.12.2005	Till Cancelled

(iii) Registration with Software Technology Parks of India (STPI)

The Company has obtained registration for setting up 100% Export Oriented unit under STP scheme for development/manufacture of computer software/IT enabled services. The STP registration was granted to the Company under the STP scheme vide green card no. MIT/STPIN/2007/1865 dated 18.12.2006 and is valid till 31.03.2011. The Company vide their letter dated May 27, 2011 made an application for renewal of the said green card.

(iv) Registration under Central Sales Tax and Value Added Tax Laws

Location	VAT Registration		Central Sales Tax Registration	
	Registration(TI	Purpose	Registration	Purpose
Delhi				

	N) No.		(TIN) No	
	07660263076	Sale in the course of interstate trade of commerce or export outside India for computer hardware, computer software, computer components & parts, information recording device and for use of iron & plastic strips as containers or for purpose of packing	07660263076	Resale of computer hardware, computer software, computer components (parts), information processing devices and for use in packing of goods for sale/resale other packing material, iron plastic strips

(v) Registration under Section 69 of the Finance Act, 1994 (Service Tax)

Location	Registration No.	Issued on	Valid Up to	Purpose
Delhi	AABCB8175BST002	04.01.2006	Not applicable	Maintenance and Repairs
Mumbai, Maharashtra	AABCB8175BST001	28.12.2004	Not applicable	Video Tape Production services

(vi) Registration under Employee Welfare related laws

Nature of the Licence/approval/registration	Issuing Authority	Registration No.	Issued on	Valid upto
EPF registration certificate	Assistant Provident Fund Commissioner	PFC/98 Coord/DL/34112/ Coverage/2687/2691	04.08.2006	NA

(vii) Shops and Establishment Act

We are required to obtain registration for each of our offices under the Shops and Establishment Act for Delhi, State of Uttar Pradesh and State of Maharashtra. We have obtained registration under Uttar Pradesh Dookan aur Vanijya Adhishthan Adhinyam, 1962 vide registration no. 35/10917 dated September 25, 2009, which is valid from January 1, 2010 to March 31, 2014. For the Branch office in Mumbai, we have obtained registration under the Bombay Shops and Establishments Act, 1948 vide registration no. 760159567/Commercial II dated October 15, 2009, which is valid till December 31, 2010. We have filed a letter to the concerned authority intimating the change in the address of branch office at Mumbai to its present address for getting the registration amended to such extent. In respect of our Registered Office, we have not made any application under Shops and Establishment Act for Delhi.

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue of Equity Shares by the Company has been authorized by the resolution of the Board of Directors passed at their meeting held on August 21, 2010 subject to the approval of shareholders through a special resolution to be passed pursuant to Section 81(1A) of the Companies Act, 1956. The shareholders approved the issue at the Annual General Meeting of the Company held on August 27, 2010.

Prohibition by SEBI

Our Company, its Directors, its Promoters, the Promoter Group, and the companies in which the Directors are associated as directors, have not been prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or directions passed by SEBI or any other authority.

Our Directors are not in any manner associated with the securities market and there has been no action taken by SEBI against the Directors or any entity our Directors are involved in as promoters or Directors.

Neither our Company nor our Directors, our Promoters, their relatives, our Promoter Group are detained as willful defaulters by RBI/Government authorities and there are no proceedings relating to violations of securities laws pending against them and there are no violations of securities laws committed by them in the past.

Eligibility for the Issue

Our Company is eligible for the Issue under Regulation 26(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. As confirmed by the Auditors of our Company:

- our Company has net tangible assets of at least ₹ 300.00 lakhs in each of the 3 preceding full years (of 12 months each) of which not more than 50% is held in monetary assets.
- our Company has a pre-issue net worth of not less than ₹ 100.00 lakhs in each of the three preceding full years (of 12 months each).
- our Company has a track record of distributable profits as per Section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years (extraordinary items are not considered for calculating distributable profits in terms of Section 205 of the Companies Act, 1956).
- the proposed issue size including all previous issues in the same financial year would not exceed five (5) times the pre-issue net worth of our Company as per the audited accounts for the year ended March 31, 2010.
- our Company has not changed its name within the last one year.

The net tangible assets, monetary assets, distributable profits and net worth as derived from the restated financial statements prepared in accordance with SEBI (ICDR) Regulations, for the last five financial years is set forth below:

	(₹ in lakhs)				
Financial Year	2009-10	2008-09	2007-08	2006-07	2005-06
Net tangible assets	2816.29	2629.26	2359.94	1928.57	1861.25
Monetary assets	11.97	8.77	37.73	40.34	15.72
Monetary assets as a %age of net	0.4%	0.3%	1.6%	2.1%	0.8%

tangible assets					
Distributable profits	272.20	6.86	323.83	250.30	35.66
Net Worth	2757.11	2292.90	2287.84	1953.63	1873.59

- (1) Net tangible assets is defined as the sum of fixed assets (including capital work in progress and excluding revaluation reserves), investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities and long term liabilities).
- (2) Monetary assets include cash on hand and bank.
- (3) The distributable profits of the company as per section 205 of the Companies Act have been calculated from the restated Financial Statements.
- (4) Net Worth includes equity share capital and reserves (net off miscellaneous expenditure not written off, if any).

Further, in accordance with Regulation 26(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, our Company shall ensure that number of prospective allottees to whom the Equity Shares will be allotted in the Issue shall not be less than 1000, failing which the entire application money will be refunded forthwith.

SEBI Disclaimer clause

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, ALMONDZ GLOBAL SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ALMONDZ GLOBAL SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 6, 2010 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 MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, 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 SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
 4. WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
 5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR 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 THE 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 REGULATIONS 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 COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE- AS THE ISSUE SIZE IS MORE THAN ₹ 1000 LAKHS, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY 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 (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 BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTIONS 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

ALL LEGAL REQUIREMENTS PERTAINING TO THE ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE RED HERRING PROSPECTUS WITH THE REGISTRAR OF COMPANIES, NCT OF DELHI AND HARYANA IN TERMS OF SECTION 60B OF THE COMPANIES ACT, 1956.

Disclaimer from the Issuer Company and the Book Running Lead Manager

Our Company, our Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisement or any other material issued by or at its instance and that anyone placing reliance on any other source of information 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 between the Book Running Lead Manager, Almondz Global Securities Limited and our Company dated September 28, 2010 and the Underwriting agreement to be entered into between the Underwriters and our Company.

All information shall be made available by the BRLM and the Company to the public and investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever including road show presentations, research or sales reports or at collection centres or elsewhere.

Neither the Company nor BRLM or Syndicate Member or SCSB shall be liable to the Bidders for any failure in uploading the bids due to faults in any software/ hardware system or otherwise.

Caution

Investors that bid in this Issue will be required to confirm and deemed to have represented to the Company, Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not

eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. The Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India), who are majors, HUF, 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), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to NRIs on non-repatriable basis and FIIs and sub-account registered with SEBI other than a sub-account which is a foreign corporate or foreign individual. This Red Herring Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes into is required to inform himself 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 New Delhi only.

No action has been or will be taken to permit a public offering in any jurisdiction where permission would be required for that purpose, except that this Red Herring Prospectus has been filed with SEBI for observations and SEBI has given its observations and the Red Herring Prospectus has been filed with RoC as per the provisions of the Act. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act ("the Securities Act") or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Accordingly, the Equity Shares are only being issued and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.

Disclaimer clause of Bombay Stock Exchange Limited (BSE, the Designated Stock Exchange)

Bombay Stock Exchange Limited ("the Exchange") has given vide its letter dated December 21, 2010, to this Company to use the Exchange's name in this offer document as one of the Stock Exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

- ii. warrant that this Company's securities will be listed or will continue to be listed on the Exchange;
or
 - iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;
- and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the National Stock Exchange of India Limited (NSE)

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter ref: NSE/LIST/157113-4 dated January 27, 2011, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinised this Draft Offer Document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoter, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Disclaimer clause of CARE for IPO Grading

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

Filing

A copy of this Red Herring Prospectus has been filed with SEBI at Securities & Exchange Board of India, Northern Regional Office, 5th floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110001 and with the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the ROC and a copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration to the RoC situated at Registrar of Companies, NCT of Delhi & Haryana, 4th floor, IFCI Tower, 61, Nehru Place, New Delhi-110 019.

Listing

The initial listing applications have been made to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for permission to list the Equity Shares and for an official quotation of the Equity Shares of the Company. Bombay Stock Exchange Limited (BSE) will be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by any of the above mentioned Stock Exchanges, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus and if such money is not repaid within eight days after the day from which the Issuer becomes liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest prescribed under Section 73 of the Companies Act 1956.

The Company with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at both the Stock Exchanges mentioned above are taken within twelve working days of the Bid / Issue Closing Date.

Consents

Consents in writing of Directors, the Company Secretary, Compliance Officer, the Statutory Auditors, Peer Review Auditors, Banker to the Company, Book Running Lead Manager to the Issue, Registrars to the Issue, and Legal Advisors, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, as required under Sections 60 of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of a copy of the Red Herring Prospectus, for registration with the Registrar of Companies, NCT of Delhi & Haryana.

M/s. SNMG & Co., Chartered Accountants, Statutory Auditors, and M/s K. Prasad & Co., Chartered Accountants, Peer Review Auditors, have also given their consent to the inclusion of their report as appearing hereinafter in the form and context in which it appears in this Red Herring Prospectus and also 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 delivery of this Red Herring Prospectus for registration with the Registrar of Companies, NCT of Delhi & Haryana.

Expert opinion

No opinion of any expert has been obtained by the Company, except that of M/s. SNMG & Co., Chartered Accountants, Statutory Auditors of our Company and M/s K. Prasad & Co., Chartered Accountants, Peer Review Auditors, and Vaish Associates Advocates, Legal Advisors to the Issue.

Public issue expenses*

The expenses for this Issue includes Issue management fees, underwriting & selling commission, (including commission to SCSB/Syndicate/sub-syndicate for ASBA applications) & brokerage, registrars' fee, grading fee, printing and distribution of issue stationery, advertisement and marketing expenses, legal counsel fees and listing fees payable to the stock exchanges, among others.

The total expenses for this Issue are estimated to be ₹ [●] lakhs, details of which are as under:

(₹ in lakhs)

Activity	Amount (₹ in lakhs)	% of total issue size	% of issue expenses
Issue management fees	[●]	[●]	[●]
Underwriting, selling commission and brokerage	[●]	[●]	[●]
Processing fee to the SCSBs for processing ASBA Bid cum Application Forms procured by members of the Syndicate and submitted to SCSBs under the Syndicate ASBA process	[●]	[●]	[●]
Fees to the Escrow Collection Banks, Public Issue Account Banks and Refund Banks	[●]	[●]	[●]
Registrars fees	[●]	[●]	[●]
Advertising and marketing expenses, printing and stationery, distribution, postage etc.	[●]	[●]	[●]
Other expenses (IPO Grading Agency, Monitoring Agency, Legal Advisors, Auditors and other Advisors etc.)	[●]	[●]	[●]
Total	[●]	[●]	[●]

* will be incorporated after finalization of issue price.

Fees payable to the BRLM, underwriting, brokerage and selling commission

The total fees payable to the BRLM including brokerage and selling commission for the Issue will be as per the engagement letter(s) dated August 28, 2010 is available for inspection at the Corporate Office of our Company.

Fees payable to the Registrar to the Issue

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar dated September 7, 2010, copy of which is available for inspection at the Registered Office of the Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Previous public or rights issues

Our Company has not made any public or rights issue during the last five years.

Previous issues of shares otherwise than for cash

The Company has not issued shares for consideration other than for Cash, except as stated in the title "Capital Structure" on page no. 17 of this Red Herring Prospectus.

Commission and brokerage paid on previous issues

Since this is the initial public issue 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 Equity Shares of the Company since its inception.

Details of capital issue made during last three years in regard to the Issuer Company and other listed companies under the same management within the meaning of section 370(1)(b) of the

Companies Act, 1956.

There have been no capital issues during last 3 years by our Company and other listed companies under the same management within the meaning of Section 370(1)(B) of the Act at present or during the last three years.

Option to subscribe

Equity Shares being issued through this Red Herring Prospectus can be applied for in Dematerialized form only.

Promise vis-à-vis performance

Our Company has not made any Issue in the past.

Outstanding debentures, bonds, redeemable preference shares or other instruments

As on the date of filing of this Red Herring Prospectus with SEBI, our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments.

Stock market data for equity shares of the Company

As this is the Initial Public Issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for redressal of investor grievances

We have appointed Karvy Computershare Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with Compliance Officer of our Company. All grievances relating to the present issue may be addressed to the Registrars to the Issue, with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and Bidder/Bank branch where the application was submitted. Our Company will monitor the work of the Registrars to the Issue to ensure that the grievances are settled expeditiously and satisfactorily.

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-ASBA Form was submitted by the ASBA Bidders.

Disposal of investor grievances

Karvy Computershare Private Limited, the Registrars to the Issue, or the SCSBs in case of ASBA Bidders, will handle investor grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to our Company. Our Company would also be coordinating with Registrar to the Issue in attending to the grievances of the investors. Our Company assures that the Board of Directors, in respect of the complaints, if any, to be received, shall adhere to the following schedules:

Sr. No.	Nature of Complaint	Time Taken
1.	Non-receipt of refund	Within 7 days of receipt of complaint, subject to production of satisfactory evidence.
2.	Change of Address notification	Within 7 days of receipt of Information
3.	Any other complaint in relation to Public Issue	Within 7 days of receipt of complaint with all relevant details

We have appointed Mr. Kumar Pushkar as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued

by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre issue/post issue related problems. The Compliance Officer can be contacted at the following address:

Mr. Kumar Pushkar
Company Secretary & Compliance Officer
Bharatiya Global Infomedia Limited
B-60, Sector-57,
Noida-201301
Uttar Pradesh, India
Tel.: +91-120-4227792
Fax: +91-120-4227791
E mail: kumar.pushkar@bgilinfo.com

Changes in Auditors

There has been no change in the Auditors of the Company during the last three years. We have appointed M/s K. Prasad & Co., Chartered Accountants as Peer Review Auditor in terms of Note 2 of Sub-clause IX of Clause 2 of Part A of Schedule VIII of SEBI (ICDR) Regulations, 2009.

Capitalization of reserves or profits (during the last five years)

The Company has not capitalized its profits or reserves at any time except as stated in the section titled "Financial Statements of the Company" and "Capital Structure" on page no. 116 and 17 of this Red Herring Prospectus.

Revaluation of assets (during the last five years)

There has been no revaluation of the assets of our Company during the last five years.

SECTION VIII: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Company's Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Bid-cum-Application Form, the revision form, Bid-cum-ASBA Form, Abridged Prospectus, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government, Stock Exchanges, FIPB, RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 1956, Memorandum and Articles of Association of our Company and shall rank pari-passu in all respects with the existing Equity Shares of our Company including rights in respect of dividend. The allottees will be entitled to dividend or any other corporate benefits, if any, declared by our Company after the date of allotment. For further details, please see the section titled "Main Provisions of Articles of Association of the Company" beginning from page no. 208 of this Red Herring Prospectus.

Mode of payment of Dividend

Our Company shall pay dividend, if any, to its shareholders as per the provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares with a face value of ₹ 10/- each are being issued in terms of the Red Herring Prospectus / Red Herring Prospectus / Prospectus at a Issue Price of ₹ [•] per Equity Share. At any given point of time there shall be only one denomination for the Equity Shares, subject to applicable laws.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- 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 the terms of the listing agreements with the Stock Exchanges and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of Articles of Association of our Company dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section "Main Provisions of Articles of Association of the Company" beginning on page no. 208 of this Red Herring Prospectus.

Market lot and trading lot

In terms of Section 68B of the Companies Act, 1956 the Equity Shares of the Company shall be

allotted only in dematerialised form. As per existing SEBI (ICDR) Regulations, the trading of Equity Shares of our Company shall be in dematerialised form only. Since trading of Equity Shares of the Company is compulsorily in dematerialized mode, the tradable lot is one Equity Share. Allotment through this Issue will be done only in electronic form in multiples of 75 Equity Share subject to a Minimum Allotment of 75 Equity Shares.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination facility to the investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidder, may nominate any one Person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A Person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same benefits to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any Person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the Person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or with the Registrar or Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a. to register himself or herself as the holder of the Equity Shares; or
- b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with, within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialised mode, there is no need to make a separate nomination with the Company. Nominations registered with the respective depository participant of the applicant would prevail. If an investor needs to change the nomination, they are requested to inform their respective Depository Participant.

Issue Period

Bidders may submit their Bids only in the Bid/Issue Period. The Bid/Issue Opening Date is July 11, 2011 and the Bid/Issue Closing Date is July 14, 2011.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue to the public to the extent of the amount, including devolvement of Underwriters, within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay

beyond eight days after our Company become liable to pay the amount (i.e., 60 days from the Bid Closing Date), our Company shall pay interest prescribed under Section 73 of the Companies Act.

In accordance with Regulation 26(4) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Share will be allotted will not be less than 1000.

Application by NRIs, FIIs, Sub-Accounts and FVCIs

It is to be distinctly understood that there is no reservation for NRIs, FIIs, Sub-Accounts and FVCIs. As per existing regulations, OCBs cannot participate in this Issue.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for the lock-in of the pre-Issue capital of our Company and the Promoter's contribution as provided the section titled "Capital Structure" on page no. 17 of this Red Herring Prospectus and otherwise as provided in our Articles, there are no restrictions on transfer and transmission of shares / debentures and on their consolidation and splitting. Please see section "Main Provisions of Articles of Association of the Company" on page no. 208 of the Red Herring Prospectus.

Withdrawal of the issue

In accordance with the SEBI Regulations, our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this Issue at anytime after the Bid / Issue Opening Date but before the allotment of Equity Shares. In such an event, the Company shall issue a public notice which shall be published within two days of the Bid / Issue Closing Date in the same newspapers where the pre-Issue advertisement was published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a Draft Red Herring Prospectus will be submitted again for observations of SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after allotment, and the final RoC approval of the Prospectus.

In terms of the SEBI Regulations, QIBs Bidding in the QIB Portion shall not be allowed to withdraw their Bids after the Bid Closing Date.

Option to receive Equity Shares in Dematerialised Form

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

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in New Delhi, India.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/2011, all non-Retail Individual Bidders i.e. QIBs and Non-Institutional Bidders are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to the 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 the Bidders are required to make payment of the full Bid Amount or instruct the relevant SCSB to block the full Bid Amount along with the Bid cum Application Form or ASBA Form, as the case may be. ASBA Bidders intending to subscribe to the Issue shall submit a complete ASBA Form to the designated branch of SCSB or to the Syndicate/Sub-syndicate member.

Our Company and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section, and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

Book Building Procedure

This Issue is being made through a 100% Book Building Process wherein not more than 50% of the Issue to Public shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue to Public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.

Undersubscription, if any, in any category, would be 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.

Our Company will comply with the SEBI (ICDR) Regulations and any other ancillary directions issued by SEBI for this Issue. In case of QIB Bidders, our Company in consultation with BRLM may reject Bid procured by any or all members of the syndicate at the time of acceptance of Bid-cum-Application Form provided that the reasons for rejecting the same are provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

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

Bid-cum-Application / ASBA Form

Bidders shall only use the specified Bid-cum-Application Form bearing the stamp of a member of the

Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus, unless they are using the ASBA process. The Bidder shall have the option to make a maximum of three Bids (in terms of number of Equity Shares and respective bid prices) in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. The Bid-cum-Application Form shall be serially numbered and the date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by the relevant member of the Syndicate.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the ROC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form as would be required for filing the Prospectus with the ROC and as would be required by ROC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders can also submit their Bids through the ASBA by submitting Bid-cum-ASBA Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or to Syndicate/sub-syndicate member. An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making a Bid. ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch of SCSB or Syndicate/sub-syndicate member. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB/Syndicate/sub-syndicate member, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB/ Syndicate/sub-syndicate member, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

To supplement the foregoing, the mode and manner of Bidding is illustrated in the following chart:

Category of Bidder	Mode of Bidding	Application form to be used for Bidding	To whom the application form has to be submitted
Retail Individual Bidders	Either (i) ASBA or non-ASBA	(i) If Bidding through ASBA, ASBA Form (physical or electronic); or (ii) If Bidding through non-ASBA, Bid cum Application Form.	(i) If using physical ASBA Form, to the members of the Syndicate only at Syndicate ASBA Centres; or (ii) If using physical ASBA Form, to the Designated Branches of the SCSBs where the SCSB account is maintained; or (iii) If using electronic ASBA Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained; or (iv) If using Bid cum Application Form, to the members of the Syndicate at the Bidding Centres.
Non-Institutional	ASBA (kindly note that ASBA	ASBA Form (physical or electronic)	(i) If using physical ASBA Form, to the members of the Syndicate only at

Bidders and QIBs	is mandatory and no other mode of Bidding is permitted)		Syndicate ASBA centres; or (ii) If using physical ASBA Form, to the Designated branches of the SCSBs where the SCSB account is maintained; or (iii) If using electronic ASBA Form, to the SCSBs, electronically through internet banking facility, where the SCSB account is maintained.
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The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application / Bid-cum-ASBA Form
Indian Nationals or NRIs applying on a non-repatriation basis	White
NRIs or FIIs or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
ASBA Bidders bidding through a physical Form	White

Who Can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are majors, in single or joint names (not more than three) or in the names of their minor children as natural/legal guardians in single or joint names (not more than three);
- 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 or ASBA 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 and corporate bodies registered under the applicable laws in India and authorized to invest in Equity shares;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
- Mutual funds registered with SEBI;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI Guidelines and Regulations, as applicable);
- FIIs and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Sub-accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals only under the Non-Institutional Bidders category.
- Foreign corporate or individuals Bidding in the QIB Portion, in accordance with all applicable laws;
- Venture capital funds registered with SEBI;

12. Foreign venture capital funds registered with SEBI;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority;
15. As permitted by the applicable laws, Provident funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in Equity Shares;
16. Pension funds with minimum corpus of ₹ 2500 Lakhs and who are authorized under their constitution to hold and invest in Equity Shares;
17. Multilateral and bilateral development financial institutions;
18. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non- repatriation basis subject to applicable local laws;
19. Scientific and/or industrial research organizations in India authorized under their constitution to invest in equity shares;
20. Limited Liability Partnerships;
21. Insurance funds set up and managed by the Department of Posts, India;
22. Insurance funds set up and managed by the army, navy or air force of the Union of India;
23. National Investment Fund set up by resolution F. No. 2/3/2005-DD-11 dated November 23, 2005 of Government of India, published in the Gazette of India; and
24. Any other persons eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

As per existing regulations, OCBs are prohibited from investing in this Issue.

Note: The BRLM and Syndicate Member shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, if any. However, associates and affiliates of the BRLM and Syndicate Member are entitled to bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in Non Institutional Portion as may be applicable to such Bidders, where the allotment will be on a proportionate basis. Such Bidding and subscription may be on their own account or on behalf of their clients. All category of investors, including associates or affiliates of BRLM and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 1,68,000 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.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

As per the current regulations, the following restrictions are applicable for investments by Mutual Funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares. The Bids made by Asset Management Companies or custodians of Mutual Fund shall clearly indicate the name of the concerned schemes for which the application is being made.

Bids by Eligible NRIs

Eligible NRI Bidders to comply with the following:

- a) Individual NRI Bidders can obtain the Bid-cum-Application Forms from Registered Office of our Company, members of the Syndicate or the Registrar to the Issue.
- b) Eligible NRI Bidders may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid-cum-Application Form meant for resident Indians (White in colour). All instruments accompanying bids shall be payable in Mumbai only.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of post-issue paid-up capital of our Company (i.e., 10% of 1,58,43,110 Equity Shares). In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts (other than a sub-account which is a foreign corporate or foreign individual bidding under the QIB Portion), the investment on behalf of each such sub-account shall not exceed 10% of total issued equity capital or 5% of our total issued equity capital in case such sub-accounts is a foreign corporate or a foreign individual. Under the current foreign investment policy applicable to us foreign equity participation upto 100% is permissible under the automatic route.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended, an FII or its sub-accounts may issue, deal or hold, off shore derivative instruments such as Participatory Notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

Bids by SEBI registered VCF and FVCI

The SEBI (Venture Capital Funds) Regulations, 1996, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the investment by any VCF or FVCI should not exceed the prescribed investment limit as the case may be.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer of a venture capital undertaking.

According to Regulation 37(b) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the equity shares held by a venture capital fund or foreign venture capital investor would be exempt from the lock-in requirements only if the equity shares have been held for a period of at least one year prior to the date of the filing of the Draft Red Herring Prospectus with the SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships 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 or the ASBA 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 Insurance Regulatory and Development Authority, a certified copy of the certificate of registration issued by Insurance Regulatory and Development Authority must be submitted with the or ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

Bids by provident funds / pension funds

In case of Bids made by provident fund with the minimum corpus of ₹ 2500 Lakhs (subject to applicable law) and pension fund with the minimum corpus of ₹ 2500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged with the or ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

Bids and revision of Bids by non-residents including Eligible NRIs, FIIs and Foreign Venture capital Funds registered with SEBI on a repatriation basis must be made:

1. On the prescribed Bid-cum-Application Form or Revision Form, as applicable (blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant details);
3. Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Bidders portion for the purposes of allocation and Bids for a Bid amount of more than ₹ 2,00,000 would be considered under the Non-Institutional Bidders portion for the purposes of allocation; Other Non-Resident Bidders must bid for a minimum of such number of Equity Shares and in multiples of 75 Equity Shares thereafter that the Bid amount exceeds ₹ 2,00,000; for further details see "Maximum and Minimum Bid Size" at page no. 173 of this Red Herring Prospectus.
4. In the names of individuals, or in the names of FIIs or in the names of Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S.

Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their Non-Resident External (NRE) accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non Residents, NRIs, FIIs and Foreign Venture Capital Funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modifications or changes in the applicable laws or regulations, which may occur after the date of this 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 under Power of Attorney

In case of bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form or ASBA Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

In case of Bids made pursuant to a Power of Attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form or ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case without assigning any reason thereof.

In case of Bids made pursuant to Power of Attorney by Mutual Fund registered with SEBI, venture capital fund registered with SEBI and foreign venture capital investor registered with SEBI, a certified copy of the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted with the Bid-cum-Application Form or ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of Bids made pursuant to Power of Attorney by National Investment Fund or Insurance funds set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India and fund set and managed by army, navy or air force of the Union of India, a certified copy of the relevant resolution or authority, as the case may be must be submitted with the Bid-cum-Application Form or ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of Bids made pursuant to Power of Attorney by ASBA Bidders, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

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 or ASBA Form, subject to such terms and conditions as the Company and the BRLM may deem fit.

The 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 refund order/CANs/ allocation advice, the Demographic details given on the Bid-cum-Application form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar to the Issue shall use Demographic details as given on the Bid-cum-Application Form or ASBA Form instead of those obtained from the Depositories.

Maximum and Minimum Bid size

For Retail Bidders: The Bid must be for a minimum of 75 Equity Shares and in multiples of 75 Equity Shares and it must be ensured that the Bid Amount payable by the Bidder does not exceed ₹ 2,00,000. *Bidders may note that the total Bid amount will be used to determine if a Bid is in the retail category or not, and not just the amount payable on Application.* In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid amount does not exceed ₹ 2,00,000. In case the Bid amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of option to Bid at Cut-off price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off price is an option given only to the Retail Individual Bidders indicating their agreement to bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such number of Equity Shares in multiples of 75 Equity Shares such that the Bid Amount payable by the Bidder exceeds ₹ 2,00,000 and in multiples of 75 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI (ICDR) Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date. The identity of QIBs bidding in the Issue in the Net QIB Portion shall not be made public during the Bidding Period.

In case of revision in Bids, the Non-Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000, for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band, the same would be considered for allocation under the Retail Portion in respect of the Bids by Non-Institutional Bidders who are otherwise eligible for allocation under the Retail Portion. Non Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

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.

The maximum and minimum bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Information for the Bidders

- a. Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

- b. Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band after registering the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Part A of Schedule XIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- c. The members of the syndicate shall accept bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the syndicate agreement.
- d. The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to their potential investors. Any investor (who is eligible to invest in the Equity Shares) desirous of obtaining a copy of the Red Herring Prospectus along with the Bid-cum- Application Form can obtain the same from the Registered Office of our Company or from the BRLM, or from a member of the Syndicate.
- e. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Member or their authorized agent(s) to register their Bids.
- f. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms should bear the stamp of a member of the Syndicate, otherwise they will be rejected.
- g. The Bidding/Issue Period shall be a minimum of three working days and shall not exceed seven working days. The members of the Syndicate shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.
- h. In case the Price Band is revised, the Bidding/ Issue Period may be extended, if required, by an additional three days, subject to the total Bidding/ Issue Period not exceeding 10 working days. The revised Price Band and Bidding/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, and by publishing in two widely circulated national newspapers (one each in English and Hindi) and also by indicating the change on the websites of the Book Running Lead Manager and at the terminals of the members of the Syndicate.
- i. We, in consultation with the BRLM, can finalise the Issue Price within the Price Band, without the prior approval of, or intimation to the Bidders.

Information specific to ASBA Bidders

- a. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches of SCSBs. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs or Syndicate Member and Stock Exchanges.
- b. The Bids should be submitted to the SCSBs/Syndicate/Sub-syndicate member on the prescribed ASBA Form if applied in physical mode. SCSBs or Syndicate/sub-syndicate member may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- c. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders. The SCSBs shall not accept any ASBA Form after the closing time of acceptance of Bids on the Issue Closing Date.
- d. The Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process.

Additionally, the Book Running Lead Manager shall ensure that the SCSBs are provided with soft copies of the abridged prospectus as well as the ASBA Form and that the same are made available on the websites of the SCSBs.

Method and Process of bidding

1. During the Bidding period, Bidders should approach members of the Syndicate or their authorised agents to register their Bids. ASBA Bidders should approach the SCSBs and/or Designated Branches or Syndicate/sub-syndicate member to register their Bids.
2. The Price Band has been fixed at ₹ 75 to ₹ 82 per Equity Share. The Bidders can bid at any price within the Price Band, in multiples of ₹ 1 (One). Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page no. 176 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid price, will become automatically invalid.
3. The Bidder cannot bid on another Bid-cum-Application Form or ASBA Form after Bids on one Bid-cum-Application Form or ASBA Form have been submitted to any member of the Syndicate/sub-syndicate or SCSB as the case may be. Submission of a second Bid-cum-Application Form / ASBA Form to either the same or to another member of the Syndicate/sub-syndicate or an ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the paragraph "Build up of the Book and Revision of Bids" on page no. 187 of this Red Herring Prospectus.
4. The members of the Syndicate/sub-syndicate or SCSB 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 or ASBA Form.
5. With regard to Syndicate ASBA, upon receipt of the ASBA Form by a member of the Syndicate, the concerned member of the Syndicate shall issue an acknowledgement by giving the counter foil of the ASBA Form to the ASBA Bidder as proof of having accepted the Bid. In case Syndicate or sub-syndicate member procure ASBA Forms from Bidders, these ASBA Forms shall be submitted to SCSBs by them. Syndicate / Sub-syndicate member would be required to upload the Bid and other relevant details of such ASBA Forms in the bidding platform provided by the Stock Exchanges and forward the same to the respective SCSBs. SCSBs shall carry out further action for such ASBA Forms such as signature verification, blocking of funds, etc. and forward these Forms to the Registrars to the Issue.
6. During the Bidding Period, the Bidders may approach the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.

7. Our Company, in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000.
8. Along with the Bid-cum-Application Form, all Bidders will make payment in the manner described under the paragraph "Terms of Payment and Payment into the Escrow Collection Account" on page no. 189 of this Red Herring Prospectus.
9. For the Bidders who apply through the ASBA process, SCSBs shall block the Bid Amount in an ASBA Account. Upon submission of an ASBA Form with the SCSB/Syndicate/sub-syndicate member, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block an amount equivalent to the Bid Amount and authorized the Designated Branch to block the Bid Amount in the ASBA Account.
10. The Bid Amount shall remain blocked in the ASBA Account until finalization of the 'Basis of Allocation' or withdrawal/failure of the Issue or withdrawal/rejection of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the Bid shall be rejected by the SCSB and no funds shall be blocked in that ASBA Account.
11. The ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amount in the ASBA Account.
12. On the Designated Date, the SCSBs shall initiate transfer of the blocked Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked. Not more than five ASBA Forms can be submitted when utilizing an ASBA Account.

Bids at different price levels and revision of Bids

1. The Price Band has been fixed at ₹ 75 to ₹ 82 per Equity Share of ₹ 10/- each, ₹ 75 being the lower end of the Price Band and ₹ 82 being the higher end of the Price Band. The Bidders can bid at any price within the Price Band, in multiples of Re. 1 (One).
2. Our Company, in consultation with the BRLM, can revise the Price Band during the Bid/Issue Period in accordance with the SEBI (ICDR) Regulations, 2009, in which case the Bidding Period shall be extended further for a period of additional three working days, subject to the total Bidding Period not exceeding ten working days. The cap on the Price Band should not be more than 20% of the Floor of the Price-band. Subject to compliance with the immediately preceding sentence, the floor of Price Band can move up or down to the extent of 20% of the Floor Price disclosed in this Red Herring Prospectus.
3. Any revision in the Price Band and the revised Bid /Issue Period, if applicable, will be widely disseminated by informing the stock exchanges and the SCSBs and by issuing a public notice in two widely circulated national newspapers (one each in English and Hindi) and a regional language newspaper of wide circulation in the place where our Registered Office is situated and also indicating the change on the relevant website of the BRLM, Company and the terminals of the members of the Syndicate.
4. The Company, in consultation with the BRLM, can finalise the Issue Price within the Price Band, in accordance with this clause, without the prior approval of, or intimation to, the Bidders.
5. The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired

number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding ₹ 2,00,000 may bid at "Cut-off". However, bidding at "Cut-off" is not permitted for QIB or Non-Institutional Bidders who bid for and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

6. Retail Individual Bidders who bid at the Cut-off agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who bid at the Cut-off Price, such Bidders shall receive the refund of the excess amounts from the respective Refund Account.
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band (such that the total amount i.e. original Bid Amount plus additional payment does not exceed ₹ 2,00,000 if the bidder wants to continue to bid at Cut-off Price), with the member of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid by Retail Individual Bidder will be considered for allocation under the Non-Institutional portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the higher end of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted downward for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidders is deemed to have approved such revised Bid at Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Refund Account.
9. In the event of any revision in the Price Band, whether upwards or downwards, the Minimum Application Size shall be within the range of ₹ 5,000 to ₹ 7,000. The Company in consultation with the BRLM shall accordingly stipulate the minimum application size (in terms of number of shares) falling within the aforesaid range.
10. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band during the Bidding/Issue Period using the printed Revision Form, which is a part of the Bid-cum-Application Form and ASBA Form.
11. Revisions can be made in both the desired number of Equity Shares and the Bid price by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
12. The Bidder can make revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid.
13. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
14. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the

Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus.

15. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

General Instructions

Do's:

- (a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Red Herring Prospectus;
- (b) Read all the instructions carefully and complete the Bid-cum-Application Form (white or blue in colour) as the case may be;
- (c) Ensure that the details about Depository Participant and Beneficiary Account are correct and the Beneficiary Account is activated, as allotment of Equity Shares will be in the dematerialised form only.
- (d) Ensure that the Bids are submitted at the Bidding Centres only on forms bearing stamp of the Syndicate Member;
- (e) Investors must ensure that the name given in the Bid-cum-Application form is exactly the same as the name in which the Depository account is held. In case the Bid-cum-Application Form is submitted in Joint names, it should be ensured that the Depository account is also held in the same Joint names and are in the same sequence in which they appear in the Bid-cum-Application Form.
- (f) Ensure that you have been given a TRS for all your Bid options;
- (g) Submit revised bids to the same Syndicate Member through whom the original Bid was placed and obtain a revised TRS;
- (h) Ensure that the Bid is within the Price Band.
- (i) Except for Bids (i) on behalf of Central or State Government and officials appointed by the courts, and (ii) from the residents of the state of Sikkim, each Bidder should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. Bid cum Application Forms in which the PAN is not provided will be rejected. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD Circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004;
- (j) Ensure that demographic details are updated true and correct in all respects.

Don'ts:

- a. Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
- b. Do not Bid for lower than minimum Bid size;
- c. Do not Bid or revise the Bid to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- d. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;
- e. Do not pay Bid amount in cash, money order, postal order or by stockinvest;
- f. Do not Bid at cut off price (for QIB Bidders and Non-Institutional Bidders)
- g. Do not bid where bid amount exceeds ₹ 2,00,000 (for Retail Individual Bidders)

- h. Do not fill up the Bid-cum-Application Form for an amount that exceeds the Issue size and / or investment limit or maximum number of Equity Shares that can be held by a Bidder under the applicable laws / regulations or maximum amount permissible under the applicable regulations.
- i. Do not send Bid-cum-Application Form by post; instead submit the same to a member of the Syndicate only.
- j. Do not provide your GIR number instead of your PAN as bid is liable to be rejected on those ground.
- k. Do not submit the Bid without the Full Bid Amount through the Bid-cum-Application Form.

Instructions specific to ASBA Bidders

Do's:

- a. Ensure that you use the Bid-cum-ASBA Form specified for the purposes of ASBA process.
- b. Read all the instructions carefully and complete the Bid-cum-ASBA Form.
- c. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialised form only.
- d. Ensure that your Bid is submitted with Syndicate/sub-syndicate member or at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to the Company or Registrar or BRLM to the Issue.
- e. Ensure that the Bid-cum-ASBA Form is signed by the account holder in case the applicant is not the account holder.
- f. Ensure that you have mentioned the correct bank account number in the Bid-cum-ASBA Form.
- g. Ensure that you have funds equal to the Bid Amount mentioned in the Bid-cum-ASBA Form available in your bank account maintained with the SCSB before submitting the Bid-cum-ASBA Form to the respective Designated Branch of the SCSB.
- h. Ensure that you have correctly checked the authorisation box in the Bid-cum-ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the Bid-cum-ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
- i. Ensure that you receive an acknowledgement from the Syndicate/sub-syndicate member or the Designated Branch of the concerned SCSB for the submission of your Bid-cum-ASBA Form.
- j. Ensure that you have mentioned your Permanent Account Number ("PAN") allotted under the I.T. Act.
- k. Ensure that the name(s) given in the Bid-cum-ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-ASBA Form.
- l. Ensure that the Demographic Details are updated, true and correct, in all respects

Don'ts:

- a. Do not Bid or revise Bid price to less than the floor price or more than the cap price.
- b. Do not Bid for lower than the minimum Bid size.
- c. Do not Bid through another ASBA or non Bid-cum-ASBA Form after you have submitted a Bid to a Designated Branch of the SCSB/ Syndicate/sub-syndicate member.
- d. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts

maintained by SCSBs, shall not be accepted under the ASBA process.

- e. Do not send your physical Bid-cum-ASBA Form by post; instead submit the same to a Designated Branch of the SCSB/Syndicate/sub-syndicate member only.
- f. Do not fill up the Bid-cum-ASBA Form such that the bid amount against the number of Equity Shares Bid for exceeds the investment limit under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus.
- g. Do not submit the GIR number instead of the PAN Number.
- h. Do not instruct your respective banks to release the funds blocked in the bank account under the ASBA process.

Instructions for completing the Bid-cum-Application / ASBA Form

- (a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable (white colour for Resident Indians and non-residents applying on a non-repatriation basis; blue colour for the Eligible NRIs and FIIs applying on a repatriation basis).
- (b) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (c) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form.
- (d) The Bids from the Retail Individual Bidders must be for a minimum of 75 Equity Shares and in multiples of 75 Equity Shares thereafter, subject to a maximum Bid Amount of ₹ 2,00,000.
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares in multiples of 75 Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of 75 Equity Shares. Bids cannot be made for more than the Issue. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
- (g) Bids through ASBA must be:
 - a. made only in the prescribed ASBA Form (if submitted in physical mode) or the electronic mode.
 - b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).
 - c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.
- (h) ASBA Bidders should correctly mention the ASBA Account number and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the Syndicate or sub-syndicate member or the Designated Branch otherwise the concerned SCSB shall reject the Bid.

- (i) If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.
- (j) Bidders should correctly mention their name, DP ID and Client ID and such other details as required in the Bid-cum-Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.
- (k) For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs/Syndicate/sub-syndicate member on the prescribed ASBA Form. SCSBs/Syndicate/sub-syndicate member may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.
- (l) ASBA Forms should bear the stamp of the Syndicate Member and/or Designated Branch. ASBA Forms which do not bear the stamp will be rejected.

Application in the Issue

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only.

Bidder's Depository Account Details

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid-cum-Application Form or ASBA Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for printing on refund orders or giving credit through ECS, Direct Credit, RTGS or NEFT or blocking of ASBA account and occupation (hereinafter referred to as "Demographic Details"). Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form or ASBA Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN THE DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT'S IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID-CUM-APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID-CUM-APPLICATION FORM OR ASBA 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 OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/ CANs/ Allocation Advice and printing of Bank particulars on the refund order or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form or ASBA Form would not be used for any other purposes by the Registrars to the Issue.

Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct.

By signing the Bid-cum-Application Form, Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic details as available on its records.

Refund Orders/ Allocation Advice/ CANs would be mailed to the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Bidders other than ASBA Bidders in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the BRLM/Syndicate Member 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 this Red Herring Prospectus, bidders may note that refunds may get delayed if bank particulars obtained from the depository participants are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN of the sole/First Bidder, the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected. Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Bid-cum-Application Form or ASBA Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid-cum-Application Form or ASBA Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form or ASBA Form. The Company and/or the Book Running Lead Manager will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Individuals may make bid in single or joint names (not more than three). In the case of joint Bids, all refunds will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Further, ASBA Bids may be made in single or joint names (not more than three). In case of joint Bids by ASBA Bidders, all communications will be addressed to the first Bidder and will be dispatched to his/her address.

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, illustrations of certain procedures, which may be followed by the Registrar to the Issue to detect multiple applications, are provided below:

1. All applications with the same name and age will be accumulated and taken to a separate process file, which would serve as a multiple master.
2. In this master, a check will be carried out for the same PAN. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The Registrar will obtain, from depositories, details of the applicants' address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.
4. The addresses of all the applicants in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of addresses and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the application processed. A print-out of the addresses will be taken to check for common names. The application with same name and same address will be treated as multiple applications.
5. The applications will be scrutinised for their 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 multiple master will be taken and applications physically verified to tally signatures as also father's/husband's names. On completion of this, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

The Company reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such bids will be treated as multiple applications.

An ASBA Bidder should submit only one Bid. Two or more Bids will be deemed to be multiple bids if the sole or first Bidder is the same.

Permanent Account Number (PAN)

Except for the Bids on behalf of Central and State Government and officials appointed by Court, the

Bidders or in the case of Bids made in joint names, each of the Bidder, should mention his or her Permanent Account Number (PAN) allotted under the I.T. Act. SEBI has issued a Circular No. MRD/DoP/Cir-05/2007 dated April 27, 2007 requiring that with effect from July 2, 2007 the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **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.**

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- (a) makes in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a Company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”**

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 submitting the Bid-cum-Application Form.

No separate receipts shall be issued for the money payable on submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the Members of the Syndicate will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Electronic Registration of Bids by Bidders, other than ASBA Bidders

- (a) The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted. The Members of the Syndicate, our Company, and the Registrar to the Issue are not 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 Syndicate Members and SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. The members of the Syndicate and the SCSBs shall be responsible for any error in the Bid details uploaded by them.**
- (b) The members of the Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Issue Closing Date.**
- (c) In case of apparent data entry error by either the members of the Syndicate or the collecting bank in entering the Bid cum Application Form number in their respective schedules other**

things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the member of the Syndicate or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

- (d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with members of the Syndicate and their authorised agents and the SCSBs during the Issue Period. The members of the Syndicate and the Designated Branches 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 Process on a regular basis. On the Issue Closing Date, the members of the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Offer Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.
- (e) 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 would be made available at the bidding centres during the Issue Period.

At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:

- Name of the Bidder(s): Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
 - Investor Category – Individual, Corporate, QIB, NRI, FII, Mutual Fund etc.;
 - PAN (of First Bidder in case of more than one Bidder);
 - Numbers of Equity Shares bid for;
 - Bid price;
 - Bid-cum-Application Form number;
 - Cheque details;
 - Depository Participant Identification Number and Client Identification Number of the demat Account of the Bidder.
- (f) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate.** The registration of the Bid by the members of the Syndicate does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
 - (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
 - (h) The BRLM/ member of the Syndicate have the right to accept the Bid or reject it in case of QIBs; however, such rejection should be made at the time of receiving the bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual

Bidders, Bids should not be rejected except on the technical grounds listed on page no. 192 of this Red Herring Prospectus.

- (i) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (j) It is also to be distinctly understood that the approval given by BSE and/or NSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by BSE and NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the BSE and NSE.
- (k) It is to be noted that Syndicate Members shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate Member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the Bid may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the application number by either the Syndicate Member or collecting bank leading to rejection of Bid, the Registrar may identify based on the Bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.
- (l) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Electronic registration of Bids by SCSBs

- a) In case of Bid-cum-ASBA Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless
 - i) it has received the ASBA in a physical or electronic form; and
 - ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that Electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- b) The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

- c) At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:
- Name of the Bidder(s);
 - ASBA Form Number;
 - Permanent Account Number (of First Bidder in case of more than one Bidder);
 - Number of Equity Shares Bid for;
 - Bid Amount;
 - Depository Participant Identification Number;
 - Bank Account number;
 - Bidder's Beneficiary Account Number; and
 - Client Identification No. of the Bidder's beneficiary account.

In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the above mentioned details in the electronic bidding system provided by the Stock Exchange(s).

- d) A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be allocated to the ASBA Bidders.
- e) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- f) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements; nor does it take any responsibility for the financial or other soundness of our Company, our management or any scheme or project of our Company.
- g) The SCSB may reject the ASBA Bid upon receipt of Bid-cum-ASBA Form, if the ASBA Account maintained with the SCSB as mentioned in the Bid-cum-ASBA Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.
- h) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the BRLM, the Company and the Designated Stock Exchange, based on the physical records of the Bid-cum-ASBA Forms shall be final and binding on all concerned.

Build up of the Book and Revision of Bids, other than ASBA process

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets build up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the

printed Revision Form, which is a part of the Bid-cum-Application Form.

- (d) Revisions can be made in both the desired numbers of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.
- (e) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Bid Amount, if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (f) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she has placed the original Bid. Bidders are advised to retain copies of the blank Revision Forms and the revised Bid must be made only in such Revision Form or copies thereof.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- (h) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/allotment. In case of discrepancy of data between BSE or NSE and members of the Syndicate, the decision of the BRLM based on the physical records of Bid-cum-Application Form shall be final and binding to all concerned.
- (i) QIBs shall not be allowed to withdraw their bids after the BID/Issue Closing Date.

Build up of the Book and Revision of Bids under ASBA process

- a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.
- b. The SCSBs shall provide to the Registrar aggregate information about the numbers of Bid-cum-ASBA Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded Bid-cum-ASBA Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the BRLM, our Company, and the Designated Stock Exchange, in this regard shall be final and binding.
- c. During the Bid Period, any ASBA Bidder who has registered his/ her interest in the Equity Shares at the Floor Price is free to revise his/ her Bid using the ASBA Revision Form, which is a part of

the Bid-cum-ASBA Form. However, the SCSB will not accept incomplete or inaccurate Revision Forms.

- d. The ASBA Bidder can make this revision any number of times during the Bid Period. However, for any revision(s) in the Bid, the ASBA Bidders will have to use the services of the same Designated Branch of the SCSB with whom he/she or it holds the bank account. ASBA Bidders are advised to retain copies of the ASBA Revision Form and the revised Bid must be made only in such ASBA Revision Form or copies thereof.
- e. Any revision of the Bid shall be accompanied by an instruction to block the incremental amount on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be unblocked by the SCSB.
- f. When an ASBA Bidder revises his/her or its Bid, he/she or it shall surrender the earlier TRS and get a revised TRS from the SCSBs. **It is the responsibility of the ASBA Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**
- g. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/allotment.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

1. Our Company and members of the Syndicate shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make the cheque or demand draft in respect of his or her Bid and/or revision of the bid. Cheques or demand drafts received for the full Bid amount from Bidders in a certain category would be deposited in the Escrow Account for the Issue. The Escrow Collection Banks will act in terms of this Red Herring Prospectus and an Escrow Agreement. The monies in the Escrow Account of our Company shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue and to the Refund Account as per the terms of the Escrow Agreement. Payment of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.
2. The Bidders may note that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between our Company, the Syndicate, Escrow Collection Bank(s) and the Registrars to the Issue to facilitate collections from the Bidders.

Terms of Payment and Payment into the Escrow Collection Account

Each Bidder, shall provide the applicable Bid Amount, with the submission of the Bid-cum-Application Form by drawing a cheque, demand draft in favour of the Escrow Account of the Escrow Collection Bank(s) as per the below terms:

- (a) The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds whose bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue and the SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be held

in the Refund Account for the benefit of the Bidders who are entitled to refunds.

- (b) Each category of Bidders (i.e. QIBs, Non-Institutional Bidders and Retail Individual Bidders) would be required to pay their Full Bid Amount at the time of the submission of the Bid-cum-Application Form by way of a cheque or demand draft for the maximum amount of his/ her Bid in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid is being submitted. (For details please see the section titled "Issue Procedure - Payment Instructions" beginning on page no. 189 of this Red Herring Prospectus. The Bid Amount payable by each category of Bidders is mentioned in the section titled "Basic Terms of the Issue" beginning on page no. 40 of this Red Herring Prospectus. Bid-cum-Application Forms accompanied by cash shall not be accepted. The maximum Bid Price has to be paid at the time of submission of the Bid-cum-Application Form based on the highest bidding option of the Bidder.
- (c) Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such ASBA Bidder(s) within 9 working days and to Non-ASBA Bidders within 10 working days from the Bid Closing Date/Issue Closing Date, failing which our Company shall pay interest @ 15% per annum for any delay beyond the periods mentioned above.
- (d) The Bidders shall, at the time of submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account of our Company and submit the same to the member of the Syndicate.
- (e) The payment instruments for payment into the Escrow Account of our Company should be drawn in favour of:
 - (i) In case of Resident Retail Bidders- **"Escrow Account - BGIL- Public Issue - R"**
 - (ii) In case of Non -Resident Retail Bidders - **"Escrow Account - BGIL- Public Issue - NR"**
- (f) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
- (g) In case of Bids by 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 Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO account of a Non-resident Bidder bidding on 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 Account or an NRO account.

- (h) In case of Bids by FIIs, FVCIs registered with SEBI the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (i) Where a Bidder has been allocated a lesser number of equity shares than the Bidder has bid for, the excess amount, if any, paid on bidding, after adjusting towards the balance payable on equity shares allocated, will be refunded to the Bidder from the refund amount.
- (j) The monies deposited in the Escrow Account of our Company will be held for the benefit of the Bidders till the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account of our Company as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
- (k) On the Designated Date and no later than 10 working days from the Bid/Issue Closing Date, the Escrow Collection Bank shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.
- (l) Payments should be made by cheque, or demand drafts drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid-cum-Application Form is submitted. Outstation cheque/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ Stockinvest/ Money Orders/ Postal Orders will not be accepted.
- (m) Bidders are advised to mention the number of the Bid-cum-Application Form on the reverse of the cheque or demand draft to avoid misuse of the instrument submitted along with the Bid-cum-Application Form.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 9 working days of the Issue Closing Date. The Bid Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment in the Issue 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.

Payment by Stock-invest

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.00/2003-2004 dated November 5,2003, the option to use the stock-invest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Hence, payment through stock-invest would not be accepted in this Issue.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with Registrar of Companies, make a Pre-Issue Advertisement in the format specified in Part A of Schedule XIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, in one English national daily newspaper with wide circulation, and one Hindi national daily newspaper with wide circulation.

Advertisement regarding Issue Price and Prospectus

An advertisement will be issued by our Company in one English national daily newspaper with wide circulation and one Hindi national daily newspaper with wide circulation, after filing of the Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the advertisement shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the Prospectus will be included in such advertisement.

Right to Reject Bids

In case of QIB Bidders, the Company in consultation with the BRLM may reject a Bid placed by a Qualified QIB for reasons to be recorded in writing, provided that such rejection shall be made at the time of submission of the Bid and the reasons therefore shall be disclosed to the QIB Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, the Company would have a right to reject Bids only on technical grounds.

Right to reject ASBA Bids

The Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Further, in case any DP ID, Client ID or PAN mentioned in the Bid-cum-ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

Withdrawal of Bids

In case an ASBA investor wants to withdraw his/her ASBA during the bidding period, he/she shall submit his withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.

In case an ASBA Investor (except in case of a QIB bidding through ASBA process) wants to withdraw his/her ASBA after the Bid/ Issue Closing Date, he/she shall submit the withdrawal request to the Registrar before finalization of Basis of Allotment. The Registrar shall delete the withdrawn Bid from the bid file. The instruction for unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrars to the Issue to the SCSB on finalization of the Basis of Allotment.

Grounds for technical rejections

Bidders are advised to note that Bids are liable to be rejected, inter alia, on the following technical grounds:

1. Amount paid doesn't tally with the amount payable for the highest value of Equity Shares bid for;

2. Age of First Bidder not given;
3. In case of Partnership firms, the shares may be registered in the name of individual partners and no such partnership firm shall be entitled to apply;
4. Bids by Persons not competent to contract under the Indian Contract Act, 1872, including minors, insane Persons;
5. PAN not stated in the Bid cum Application Form or ASBA Form, except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and Client ID not mentioned in the Bid cum Application Form or ASBA Form;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than the lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids for number of Equity Shares, which are not in multiples of 75;
10. Category not ticked;
11. Multiple bids as defined in this Red Herring Prospectus;
12. In case of Bid under power of attorney by limited companies, corporate, trust etc., relevant documents are not submitted;
13. Bids accompanied by Stock invest/money order/ postal order/ cash;
14. Signature of sole and/or joint Bidders missing;
15. Bids by QIBs and Non-Institutional Bidders not submitted through ASBA;
16. Bid-cum-Application Form or ASBA Form does not have the stamp of the BRLM or the Syndicate Member;
17. Bid-cum-Application Form or ASBA Form does not have Bidder's depository account details;
18. Bid-cum-Application Forms or ASBA Form are not submitted by the Bidders within the time prescribed as per the Bid-cum-Application Form or ASBA Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form and ASBA Form;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN, the depository participant's identity (DP ID) and the beneficiary's account number;
21. Bids by OCBs;
22. Bids by US persons other than "Qualified Institutional Buyers" as defined in Rule 144A of the Securities Act or other than in reliance Regulation under the Securities Act;
23. Bids by QIBs not submitted through BRLM or members of the syndicate;
24. Bids by NRIs not disclosing their residential status;
25. If GIR number is mentioned instead of PAN number;
26. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
27. With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
28. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

29. Bids by any person resident outside India, if not in compliance with applicable foreign and Indian laws, or by any persons who are not eligible to acquire Equity Shares of the Company, in terms of all applicable laws, rules, regulations, guidelines and approvals;
30. Bids at cut-off price by Non-Institutional and QIB Bidders;
31. Bids or revision thereof by QIBs and Non-Institutional Bidders where the Bid Amount is in excess of ₹ 2,00,000, uploaded after 4.00 p.m. or any such time as prescribed by Stock Exchanges on the Bid/Issue Closing Date;
32. Bids in respect of which the Bid-cum-Application Form or ASBA Form does not reach the Registrar to the Issue prior to the finalisation of the basis of allotment;
33. Authorisation for blocking funds in the ASBA Account not ticked or provided;
34. Bids not uploaded in the books; and on the terminals of the Stock Exchanges.

Price Discovery and Allocation

- (a) After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels. The Registrar to the Issue shall aggregate the demand generated under the ASBA and provide the same to the BRLM.
- (b) Our Company, in consultation with the BRLM shall finalise the "Issue Price" and the number of Equity Shares to be allotted in each category to Bidders.
- (c) Not more than 50% of the Issue to Public shall be allotted on a proportionate basis to Qualified Institutional Buyers ("QIBs"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder shall be available for allotment on a proportionate basis to QIBs and Mutual Funds, subject to valid bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue to Public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue to Public 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
- (d) Under-subscription, if any, in any category of the Issue, would be allowed to be met with spill over from any of the other categories at the discretion of our Company, in consultation with BRLM. If the aggregate demand by Mutual Funds is less than 1,68,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be 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 spillover from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.
- (e) Allocation to Eligible NRIs, FIIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions registered with SEBI applying on repatriation basis will be subject to the applicable laws, rules, regulations, guidelines and approvals.
- (f) The BRLM, in consultation with our Company shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders.
- (g) Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue in accordance with SEBI (ICDR) Regulations. Provided, if our Company withdraws the Issue after the Bid/Issue Closing Date, the reason thereof shall be provided within two days of the Bid/Issue Closing Date by way of a public notice in the same newspapers in which the pre-issue

advertisement had appeared. The Stock Exchanges shall also be informed promptly.

- (h) In terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, QIB Bidders shall not be allowed to withdraw their bid after the bid / issue closing date.
- (i) The allotment details shall be put on the website of the Registrar to the Issue at www.karvy.com.
- (j) Bids received from ASBA Bidders will be considered at par with Bids received from other Retail Individual Bidders and Non-institutional Bidders. No preference shall be given to ASBA bidders vis-à-vis other QIBs, Retail Individual Bidders and Non-Institutional Bidders or vice-versa. The "Basis of Allocation" to such valid ASBA and other QIBs, Retail Individual Bidders and Non-Institutional Bidders will be that applicable to QIBs, Retail Individual Bidders and Non-Institutional Bidders

Signing of Underwriting Agreement and ROC Filing

- (a) Our Company, the BRLM, and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

Filing of the Red Herring Prospectus and the Prospectus with ROC

The Company will file a copy of the Red Herring Prospectus and the Prospectus with the Registrar of Companies, NCT of Delhi and Haryana in terms of Section 56, Section 60 and Section 60B of the Companies Act, 1956.

Issuance of Confirmation of Allocation Note

- (a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. Investor should note that our Company shall ensure that the demat credit of the Equity Shares pursuant to allotment shall be made on the same date to all investors in this Issue;
- (b) The BRLM or the members of the Syndicate would then send the CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder;
- (c) Such Bidders who have been allocated Equity Shares and who have already paid the full Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrars to the Issue subject, however, to realization of their cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed to be a valid, binding and irrevocable contract for the Bidder.
- (d) The Issuance of CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below in this Red Herring Prospectus.

With respect to ASBA bidders:

1. Upon approval of the 'Basis of Allocation' by the Designated Stock Exchange, the Registrar to the Issue shall send a list of the ASBA Bidders who have been allocated Equity Shares in the Issue to the Controlling Branches along with:
 - (i) The number of Equity Shares to be allotted against each successful ASBA Form;
 - (ii) The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA Form;
 - (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
 - (iv) The details of rejected ASBA Forms, if any, along with reasons for rejection and details of withdrawn (except in case of QIB bidding through an ASBA Form) or unsuccessful ASBA Forms, if any, to enable SCSBs to unblock the respective ASBA Accounts.
ASBA Bidders should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and
2. The ASBA Bidders shall directly receive the CANs from the Registrar to the Issue. The dispatch of a CAN to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

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. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI (ICDR) Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in-Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depository account will be completed within 10 (ten) Working Days of the Bid/Issue Closing Date.
2. **As per the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, Equity Shares will be issued and allotment shall be made only in the dematerialised form to the allottees.** Allottees will have the option to re-materialise the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

Basis of Allocation

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail individual Bidders will be made at the Issue Price.
- The Issue size less allocation to Non-Institutional Bidders and QIB Bidders shall be available for allocation to Retail Individual Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the valid Bids in this category 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.
- If the valid Bids in this category is greater than [•] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiples of one Equity Shares thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non- Institutional Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- If the valid Bids 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.
- In case the valid Bids 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 Shares thereafter. For the method of proportionate basis of allotment refer below.

C. For QIB Bidders

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to all the QIBs will be made at the issue price.
- The Issue size less allocation to Non-Institutional portion and Retail Portion shall be available for allocation to QIB Bidders who have bid in the Issue at a price, which is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for an amount of up to 1,68,000 Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e.

after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled “Illustration of Allotment to QIBs” appearing below. If the valid Bids by Mutual Funds are for less than 1,68,000 Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders.

- The allotment shall be undertaken in the following manner –
 - (a) In the first instance, allocation to mutual funds for upto 5% of the QIB portion shall be determined as follows-
 - In the event that bids from mutual funds exceed 5% of the QIB portion, allocation to mutual funds shall be done on a proportionate basis upto 5% of the QIB portion.
 - In the event that the aggregate demand from mutual funds is less than 5% of QIB portion, then all mutual funds shall get full allotment to the extent of valid bids received above the issue price.
 - Equity Shares remaining unsubscribed, if any, not allocated to mutual funds shall be available to all QIB Bidders as set out in as (b) below;
 - (b) In the second instance, allocation to all QIBs shall be determined as follows –
 - In the event that the over subscription in the QIB portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for upto 95% of the QIB portion.
 - Mutual Funds, who have received allocation as per (a) above, for less than the number of equity shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - Under-subscription below 5% of the QIB portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

Under-subscription, if any, in any category would be allowed to be met with spillover from any other category or combination of categories at the sole discretion of the Company in consultation with the BRLM.

Procedure and Time Schedule for Allotment

The Issue will be conducted through a “100% book building process” pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on [●] and expire on [●]. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allotment and entitlement to allotment are finalised based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI and the Registrar of Companies and will be made available to investors. SEBI (ICDR) Regulations require our Company to complete the allotment and credit to successful bidders within 11 working days of the expiration of the Bidding Period. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Unblocking of ASBA Account

Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar shall provide the following details to the Controlling Branch of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account within the timelines specified in the ASBA process:

- (i) Number of shares to be allotted against each valid ASBA
- (ii) Amount to be transferred from the relevant bank account to the Public Issue account, for each valid ASBA
- (iii) The date by which the funds referred to in sub-para (ii) above, shall be transferred to the ASBA Public Issue account
- (iv) The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective bank accounts. SCSB shall thereafter unblock the amounts blocked in the account of the ASBA Investor.

Method of Proportionate Basis of Allocation

In the event of the issue being over-subscribed, our Company shall finalise the basis of allotment to Retail Individual Bidders and Non-Institutional Bidders in consultation with the Designated Stock Exchange. The Executive Director or Managing Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrars to the issue shall be responsible for ensuring that the basis of allotment is finalized in a fair and proper manner.

Bidders will be categorized according to the number of Equity Shares applied for by them and the allotment shall be made on a proportionate basis as explained below:-

- (a) 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.
- (b) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (c) If the proportionate allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the market lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. Allotment to all Bidders in such categories would be arrived at after such rounding off.
- (d) In all Bids where the proportionate allotment is less than [•] Equity Shares per Bidder, the allotment shall be made as follows:
 - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
 - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and
- (e) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue details

Sr. No.	Particulars	Issue details
1	Issue size	10 Lakhs Equity Shares

2	Allocation to QIB (not more than 50% of the Issue)	5 Lakhs Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	0.25 Lakhs Equity Shares
	b. Balance for all QIBs including Mutual Funds	4.75 Lakhs Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	25 Lakhs Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in Lakhs)
1	A1	2.5
2	A2	1.0
3	A3	6.5
4	A4	2.5
5	A5	2.5
6	MF1	2.0
7	MF2	2.0
8	MF3	4.0
9	MF4	1.0
10	MF5	1.0
	TOTAL	25

A1-A5: (QIB Bidders other than Mutual Funds), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of equity shares in Lakhs)

Type of QIB bidders	Shares bid For (in Lakhs)	Allocation of 0.25 Lakhs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 4.75 Lakhs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	2.5	0	0.48	0
A2	1.0	0	0.192	0
A3	6.5	0	1.248	0
A4	2.5	0	0.480	0
A5	2.5	0	0.480	0
MF1	2.0	0.050	0.374	0.424
MF2	2.0	0.050	0.374	0.424
MF3	4.0	0.100	0.748	0.848
MF4	1.0	0.025	0.187	0.212
MF5	1.0	0.025	0.187	0.212
	25.0	0.250	4.750	2.120

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring

Prospectus in the section titled “Basic Terms of the Issue” beginning on page no. 40 of this Red Herring Prospectus.

2. Out of 5 Lakhs Equity Shares allocated to QIBs, 0.250 Lakhs (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 100 lakh shares in the QIB Portion.
3. The balance 4.75 Lakhs Equity Shares [i.e. 5.00 – 0.25 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 25 Lakhs Equity Shares (including 5 Mutual Fund applicants who applied for 10 Lakhs Equity Shares).
4. The figures in the fourth column titled “Allocation of balance 4.75 Lakhs Equity Shares to QIBs proportionately” in the above illustration are arrived as under:
 - i. For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 4.75/24.75
 - ii. For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 4.75/24.75

The numerator and denominator for arriving at allocation of 4.75 Lakhs Equity Shares to the 10 QIBs are reduced by 0.25 Lakhs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised 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 the Company, the Depositories and the Registrar,

1. An Agreement dated May 31, 2011 among NSDL, our Company and Registrar to the Issue.
2. An Agreement dated June 3, 2011 among CDSL, our Company and Registrar to the Issue.

All Bidders can seek allotment only in Dematerialized mode. Bids from any Bidder without the following details of his or her depository account are liable to be rejected:

1. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
3. Equity Shares allotted to a 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 in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the depository account details of the Bidder(s) with the Depository.
5. Non Transferable allotment advice or refund orders will be directly sent to the Bidders by the registrar to the Issue.
6. 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.

7. 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.
8. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL. All the stock exchanges where Equity Shares are proposed to be listed are connected to NSDL and CDSL.
9. The trading of Equity Shares of the Company would only be in dematerialized form for all investors in the demat segment of the respective Stock exchanges.

Disposal of Applications and Applications Money and Interest in case of delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges after the Allotment.

In case of Bidders who receive refunds through ECS, or RTGS or Direct Credit or NEFT, the refund instructions will be given to the clearing system and a suitable communication shall be sent to such Bidders within 11 working days from the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

We undertake that all steps will be taken for completion of 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.

The Company shall dispatch refund orders, as per the procedure mentioned under section "Dispatch of Refund Orders" on page no. 203 of this Red Herring Prospectus, at the sole or First Bidder's sole risk.

The Company will provide adequate funds required for dispatch of refund orders or for credit of refunds, as the case may be, to the Registrar to the Issue.

In accordance with the Companies Act, the requirements of the stock exchanges and SEBI (ICDR) Regulations, the Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 10 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 11 Working Days of the Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within nine working days from the Issue Closing Date; and
- Our Company shall pay interest at 15% per annum for any delay beyond the 12 Working Days from the Bid/Issue Closing Date as mentioned above, 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 11 Working Days prescribed above. If such money is not repaid within eight days from the day our Company becomes 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 (i.e. after expiry of eight days from

eleventh day of the date of closure of issue), be jointly and severally liable to repay the money with interest on a pro-rata basis as prescribed under the applicable law.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue as per the mode disclosed under "Dispatch of Refund Order" appearing on page no. 203 of this Red Herring Prospectus.

Save and except refunds effected through the electronic mode i.e. ECS, Direct Credit or RTGS, refunds will be made by cheques, pay-orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders

Letters of Allotment or Refund Orders

The Registrars to the Issue shall give instructions for credit to the beneficiary account with depository participants within 11 working days from the Issue Closing date. Applicants having bank accounts at any of the 68 centres where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, our Company shall dispatch refund orders, if any, of value upto ₹ 1,500 by "Under Certificate of Posting", and will dispatch refund orders above ₹ 1,500, if any, by registered post only at the sole or first Bidder's sole risk within 11 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 "Under Certificate of Posting" within 11 working days of closure of Issue, intimating them about the mode of credit of refund, the bank where refunds shall be credited along with the amount and the expected date of electronic credit of refund.

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 ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 11 Working Days of the Offer Closing Date.

DISPATCH OF REFUND ORDERS

The payment of refund, if any, would be done through various modes in the following order of preference -

1. ECS - Payment of refund would be done through ECS for applicants having an account at any of the following 68 centers - Ahmedabad, Bangalore, Bhubneshwar, Kolkatta, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna and Thiruvanthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam managed by Andhra Bank; Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad);

and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of refunds would be subject to availability of complete bank account details including the MICR Code as appearing on a cheque leaf from the Depositories. The payment of refunds is mandatory through this mode for applicants having a bank account at any of the above mentioned 68 centers, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS or NEFT. Refunds through ECS may also be done at other locations based on operational efficiency and in terms of demographic details obtained by the Registrar from the Depository Participant.

2. Direct Credit – Applicants having bank accounts with the Refund Banker, shall be eligible to receive funds through direct credit. Charges, if any, levied by the Refund Banker for the same would be borne by the Company.
3. RTGS – Applicants having a bank account at any of the above-mentioned 68 centers, have also the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Bid-cum-Application form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the refund banks for the same would be borne by the Company. Charges, if any, levied by the applicants’ bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants’ bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC 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 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 hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. Refund Orders – 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 up to ₹ 1,500 and through Speed Post/ Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Please note that only applicants having a bank account at any of the 68 centres where clearing houses for ECS are managed by the RBI, State Bank of India, Punjab National Bank, State Bank of Indore, Union Bank of India, Andhra Bank, Corporation Bank, Bank of Baroda, State Bank of Travancore, Central Bank of India, Canara Bank, Oriental Bank of Commerce, United Bank of India, State Bank of Hyderabad and State Bank of Bikaner and Jaipur are eligible to receive refunds through the modes detailed in 1, 2, 3 & 4 hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine digit MICR code, the refund orders would be dispatched “Under Certificate of Posting” for refund orders of value upto ₹ 1,500 and through Speed Post / Registered Post for refund orders of ₹ 1,500 and above.

UNDERTAKING BY THE COMPANY

Our Company undertake as follows:

- (a) that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- (b) that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within 12 working days of the Bid/Issue Closing Date;
- (c) that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed under the heading "Dispatch of Refund Orders" on page no. 203 of this Red Herring Prospectus shall be made available to the Registrar to the Issue by our Company;
- (d) that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 11 working days of closure of Issue, giving details of the bank where refunds shall be credited alongwith the amount and expected date of electronic credit of refund;
- (e) that the refund orders or allotment advice to the Eligible NRIs or FIIs shall be dispatched within specified time; and
- (f) that no further Issue of Equity Shares shall be made until the Equity Shares Issued through this Red Herring Prospectus are listed or until the Bid Money is refunded on account of non-listing, under-subscription etc.
- (g) that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
- (h) that we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

UTILISATION OF ISSUE PROCEEDS

Our Board of Directors of the Company certifies that:

- (a) all monies received out of the Issue shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956;
- (b) details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in its balance sheet indicating the purpose for which such monies have been utilized;
- (c) details of all unutilized monies out of the Issue, if any, shall be disclosed under the appropriate separate head in its balance sheet indicating the form in which such unutilised monies have been invested;

Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

COMMUNICATIONS

All future communications in connection with Bids by Bidders (other than ASBA bidders) made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, details of Depository Participant, number of Equity Shares applied for, date of Bid Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors (other than ASBA bidders) can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in respective beneficiary accounts, refund orders etc.

For ASBA Bidders, in relation to all future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first ASBA Bidder, ASBA Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. The Registrar to the Issue shall obtain the required information from the relevant SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or wilful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held.

ASBA Bidders can contact the Compliance Officer, the Designated Branch where the ASBA Form was submitted, or the Registrar to the Issue in case of any pre or post-Issue related problems such as non receipt of credit of allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

The Book Running Lead Manager undertakes that the complaints or comments received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government of India, 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.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or the requirements of the Investment Company Act.

Accordingly, the Equity Shares are only being offered and sold (i) in the United States to entities that are both "qualified institutional buyers", as defined in Rule 144A of the Securities Act and "qualified purchasers" as defined under the Investment Company Act and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. QIBs does not refer to a

category of institutional investor defined under applicable Indian regulations and referred to in the Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, to the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. The Company, the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this 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. However we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF THE COMPANY

SHARE CAPITAL

3. Amount of Share Capital:

The Authorised Share Capital of the company shall be such amounts and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Associations. The Company shall have the power to increase or reduce the capital, from time to time in accordance with the Company's regulations and legislative provisions for the time being in force in this behalf and with powers to divide the share capital of the Company for the time being, whether original or increased or decreased, and whether issued or not, into several classes, and attach there to respectively any ordinary, preferential, qualified, deferred or special rights, privileges, and conditions as shall from time to time be provided by the Regulations of the Company and the legislative provisions for the time being in force in this behalf. The minimum paid up capital of the Company shall be ₹ 5,00,000/- (Rupees Five Lacs).

4. Increase in the share capital of the Company

The Company may by an ordinary resolution passed at a General Meeting increase the share capital by such sum to be divided into shares of such amount as the resolution may prescribe. The new shares shall be issued on such terms and conditions and with such rights and privileges annexed thereto, as the resolution may prescribe and direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued subject to articles, with a preferential or qualified right to dividends, and in the distribution of assets of the Company and with a right to vote at the General Meeting in conformity with Sections 87 and 88 of the Act. Unless otherwise stated, all new shares of the same class shall rank pari passu with existing shares of the same class. Whenever the Capital of the Company is increased under the provisions of this Article, the Board 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 the 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. Equity Share Capital with Differential Rights:

(a) Subject to the provisions of Section 86 of the Act and applicable rules, guidelines and regulations, the Company shall have the power to issue equity shares with differential right as to dividend, voting or otherwise.

(b) To the extent that the Company is permitted by applicable law to issue non-voting shares or shares which have rights attached thereto different from the rights attached to equity shares or any other kind, class or type of shares, the Company may, if so authorised by the resolution of the members under section 81 (1A) of the Act, and other relevant provisions of the Act, issue such shares upon such terms and conditions and which such rights and privileges attached thereto as thought fit as may be permitted by applicable law.

7. Redeemable Preference Shares:

Subject to the provisions of Section 80 of the Act and applicable rules, guidelines and regulations, the Company shall have the power to issue Preference Shares which are, or at the option of the

Company are to be liable, to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

8. 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 the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Securities Premium Account before the shares are redeemed;
- (d) Where any such shares are redeemed otherwise than 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.

9. Power of the Company to buy its own shares:

Subject to the provisions as laid down in Section 77A, 77AA and 77B and subject to such approvals as may be required under other applicable sections of the Act, if any, and other provisions, rules, guidelines, regulations and any amendment and modifications thereto, the Company shall have the power to purchase / buy back its own shares and / or other securities.

10. Funds of the company not to be applied in purchase of shares of the Company

None of the funds of the Company shall be applied in the purchase of any shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by section 77 of the Act.

11. Sub-division, consolidation and cancellation of shares:

The Company may, by ordinary resolution in General Meeting:

- (a) consolidate and divide all or any of its capital into shares of larger amounts than its existing shares.
- (b) sub-divide its shares or any of them, into shares of similar amounts than is fixed by the Memorandum of Association, so however, than in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) cancel any share which, at the date of the passing of the resolution in that behalf, 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.

12. Issue of Sweat Equity Shares

Company, subject to and in accordance with the provisions of section 79A of the Act, shall have the power, by a Special Resolution passed at a General Meeting to issue Sweat Equity Shares to the Directors, Employees of the Company.

13. Provision for issue of shares under Employees' Stock Option Scheme

- (a) Subject to the provisions of section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956, subject to the passing of special resolution in general meeting and these Regulations, the Board may, from time to time, create, offer and issue to or for the benefit of the Company's employees including the Directors, Executive Chairman, Vice-Chairman, the Managing Directors and the Whole time Directors such number of equity shares of the Company, in one or more tranches on such terms as may be determined by the Board prior to the issue and offer, in consultation with the authorities concerned and in accordance with such guidelines or other provisions of law as may be prevalent at that time but ranking *pari passu* with the existing equity shares of the Company.
- (b) The issue price of such shares shall be determined by the Board in accordance with the laws prevalent at the time of the issue.
- (c) In the alternative to equity shares, mentioned hereinabove, the Board may also issue bonds, equity warrants or other securities as may be permitted in law, from time to time.

14. Reduction of Share Capital

The Company may, from time to time, by Special Resolution and on compliance with the provisions of Section 100 to 105 of the Act, reduce its share capital and any capital reserve fund or share premium account.

15. Modification of Rights

- (a) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act, modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of three fourths of the issued shares of that class or with a sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these regulations relating to meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be five persons at least holding or representing by proxy or one-third of the issued shares of the class in question.
- (c) The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the shares of that class be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

16. Commission and Brokerage on shares:

- (a) The Company may exercise the powers of paying commission offered by Section 76 of the Act, provided that the rate percent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.

- (b) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the case of debentures 2½%(two and a half percent) of the price at which the debentures in respect whereof the same is paid are issued or an amount equal to 2½ (two and a half percent) of such price, as the case may be.
- (c) The commission may be satisfied by payment in cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.
- (d) The Company may also, on any issue of shares, pay such brokerage as may be lawful.

Interest out of Capital

17. Payment of Interest out of Capital

The Company shall have power to pay interest out of its capital on so much of shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant for the Company in accordance with the provisions of Section 208 of the Act.

Shares and Certificates

18. Further issue of Capital:

- (a) When at any time after the expiration of two years from the formation of the Company or at any time after the expiration 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 share capital of the Company by the 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 near 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 the time not being less than 15 days from the date of the offer within which 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 him or any of them in favour of any other person and notice referred to in clause (ii) above 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.

- (iv) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such persons(s) as they think, in their sole discretion fit.

- (b) Notwithstanding anything contained in sub clauses (a) 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 Article 18 (a) 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 that General Meeting (including the casting vote, if any of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of directors in this behalf, that the proposal is most beneficial to the Company.
- (c) Nothing in clause (iii) of Article 18 (a) above 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) Term of issue of debenture :
- 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 condition as to redemption, surrender, drawing, allotment 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.
- (e) 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 debentures 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.

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 debentures or the raising of the loans, or is in conformity with the 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, the 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 the raising of the loans.

19. Shares at the disposal of 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 provisions 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.

20. Power to offer Shares/options to acquire Shares

Without prejudice to the generality of the powers of the Board given under Article 17 or in any other Article of these Articles of Association;

- (a) the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.
- (b) In addition to the powers of the Board under Article 18 (a), the Board may also allot the Shares referred to in Article 18 (a) to any trust, whose principal objects would *inter alia* include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 18 (a)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.
- (c) The Board, or any Committee thereof duly authorised for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 18 (a) and (b) above.

21. Acceptance of Shares

Any 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 the Articles, be a member.

22. Deposit and call etc., to be debt payable

The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription of the name of the allottee in the

Register of Members as the holder of such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

23. Liability of Members

Every Member, or his heirs, executors or administrators shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

24. Register and Index of Members

The Company shall keep a Register of its members and debenture holders commencing from the date of registration of the Company and Index of its members and debenture holders and enter therein the particulars as prescribed in Section 150, 151 and 152 of the Act and the Depositories Act with the details of shares held in physical or dematerialised form in any media as permitted by applicable law including any form of electronic media. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members resident in that State or Country. The Register and Index of beneficial owners maintained by Depository under Section 11 of the Depositories Act shall be deemed to be the Register and index of Members for the purpose of this Act in respect of shares held in dematerialised form.

25. Shares to be numbered progressively & no share to be sub- divided

Pursuant to the provisions of Section 83 of the Act, 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.

Provided that nothing in this Article shall apply to the shares held with a depository.

26. Issue of Share Certificates

Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of 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 and 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 or several joint holders shall be a sufficient delivery to all such holder.

The Common seal 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 a 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.

Provided that, these provisions shall not apply to the shares held in dematerialised form.

27. Issue or Renewal of Share Certificates

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 certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 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 provision of this Article shall mutatis mutandis apply to debentures of the Company.

28. The first named of joint holders deemed sole holder

If any share stands in the names of two or more Persons, the Person first named in the Register of Members shall as regards receipts of dividends, the service of notices and subject to the provisions of these Regulations, all or any other matter connected with the Company except the issue of share certificates, voting at meeting and the transfer of the share, be deemed the sole holder thereof.

29. Liability of Joint Holders

If any share stands out in the names of two or more persons all the joint holders of the share shall be severally as well as jointly liable for the payment of all deposits, installments, and calls due in respect of such shares, and for all incidents thereof according to the Company's Regulations, but the person first named in the Register shall, as regards receipt of dividend or bonus or service of notice, and all or any other matters connected with the Company, except voting at meetings and the transfer of the shares, and any other matter by the said Act or herein otherwise provided, be deemed the sole holder thereof.

30. Company not bound to recognize any interest in share other than that of registered holder

Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, even when having notice thereof any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof to register any Share in the joint names of any two or more persons (but not exceeding 3 persons) or the survivor or survivors of them.

31. Fractional Certificates

The Company may issue such fractional coupons as the Board may approve in respect of any of the shares of the Company on such terms as the Board thinks fit.

32. Declaration by person not holding beneficial interest in any shares:

- (a) A person whose name is at any time in the Register of Members of the Company as the holder of a share in Company, but who does not hold the beneficial interest in such share, shall, if so required by the Act, within such time and in such form as may be prescribed, make a declaration to the Company specifying the name and other particulars of person or persons who hold the beneficial interest in such share in the manner provided in the Act;
- (b) 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;
- (c) Whenever there is change in the beneficial interest in a share referred to above, the beneficial owner shall, if 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.

DEMATERIALISATION OF SECURITIES

33. Notwithstanding anything contained in these Regulations, the Company shall be entitled to appoint a Depository, dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or offer its fresh securities in dematerialized form pursuant to Depositories Act and any other applicable acts, rules and regulations.

34. Dematerialisation of securities:

- a.) Either on the Company or on the investor exercising an option to hold his securities with a Depository in a dematerialised form, the Company shall enter into an agreement with the Depository to enable the investor to dematerialise the securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.
- b.) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold the securities with a depository. Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security so that and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security .
- c.) All securities held by a depository shall be dematerialised and shall be in a fungible form.
- d.) Nothing contained in Sections 153, 153B, 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.

35. Rights of depositories and beneficial owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Regulations, 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.
- (b) Save as otherwise provided in (a) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it.

- (c) Every person holding equity share Capital of the Company and whose name is entered, as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.

36. Depository to furnish information:

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye laws and the Company in that behalf.

37. Option to opt out in respect of any security

- (a) If a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.
- (b) The depository shall, on receipt of intimation as above, make appropriate entries in its records and shall inform the Company.
- (c) The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

38. Section 83 and 108 of the Act not to apply

- (a) Notwithstanding anything to the contrary contained in the Articles, Section 83 of the Act shall not apply to the shares held with a depository.
- (b) 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.

39. Service of documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

40. Allotment of securities dealt within a depository

Notwithstanding anything in the Act or these Regulations where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

41. Upon receipt of certificate of securities of surrender by a person who has entered into an agreement with the Depository through a Depository Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

42. Register and Index of beneficial owners

- (a) The Register and index of beneficial owners maintained by a depository under, the Depositories Act shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Regulations.
- (b) Notwithstanding anything contained in the Act and Articles 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.

43. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

CALLS ON SHARES

44. Directors may make calls

The Board of Directors may, from time to time, make calls upon the members in respect of money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the condition of allotment thereof made payable at fixed times.

45. Notice of call

Each member shall, subject to receiving at least 15 days' notice specifying the time or times and place of payment of the call money pay to the Company at the time to times and place so specified, the amount called on his shares.

46. Calls to be on uniform basis

Any call for share capital shall be made on a uniform basis on all Shares falling under the same class. For the purpose of these Articles Shares of the same nominal value, on which different amounts have been paid up, shall not be deemed to fall under the same class.

47. Call may be revoked or postponed

A call may be revoked or postponed at the discretion of the Board.

48. Call deemed to be duly made

A call shall be deemed to have been duly made at the time when the resolution of the Board authorizing the call was passed. Call money may be required to be paid by Installments.

49. Liability of joint holders

The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

50. Interest on call to be paid in case of delay in payment

(a) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at such rate of interest as the Board may determine.

(b) The Board shall be at liberty to waive payment of any such interest wholly or in part.

51. Directors may extend time for payment

The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the Members or other cause, the Board may deem fairly entitled to such extension but no Member shall be entitled to such extension save as a matter of grace and favour.

52. Amount payable at fixed time or by installments to be treated as calls

- (a) Any sum which by the terms of issue of a share become payable on allotment or at any fixed date, whether on account of the nominal value of the shares or by way of premium, shall for purposes of these Regulations, be deemed to be a call duty made and payable on the date on which by the terms of issue such sum becomes payable.
- (b) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duty made and notified.

53. Payment in Anticipation of Call may carry Interest

The Directors may, if they think fit, subject to the provisions thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advances has been made, the company may pay interest at such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or divided. The Directors may at any time repay the amount so advanced.

The member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment , become presently payable.

The Provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

54. Proof on trial of suit for money due on

On the trial or hearing of any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of Members of the Company as a holder or one of the holders of the number of shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

55. Partial payment not to preclude forfeiture

Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

LIEN

56. Company to have lien on shares/debentures

- (a) 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. 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.

- (b) The Company's lien, if any, on a share shall extend to all dividends and bonuses from time to time declared in respect of such securities.
- (c) Fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

57. Enforcing lien

The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same.

PROVIDED THAT no sale shall be made:-

- (i) Unless a sum in respect of which the lien exists is presently payable; or
- (ii) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.

For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members.

- (iii) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.

58. 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 a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

59. Notice to be given if call is not paid

If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

60. Content of notice

The notice aforesaid shall:-

- (i) name of further day (not earlier than the expiry of 30 (thirty) days from the date of service of notice) on or before which the payment required by the notice is to be made ; and

(ii) state that, in the event of non-payment on or before the days so named, the shares in respect of which the call was made, will be liable to be forfeited.

61. Shares to be forfeited if default in payment

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the shares.

62. Notice of forfeiture to a member

When any share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stands immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

63. Forfeited shares to be property of the Company & may be sold etc.

Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.

64. Members still liable to pay money due notwithstanding the forfeiture

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, amounts, 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 thereof if it thinks fit.

65. Board may annul forfeiture

The Board may at any time before any share, so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

66. Declaration of forfeiture

A duly verified declaration in writing that the declarant is a director or the secretary of the Company and that a share in the company has been duly forfeited on a date state in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

67. Effect of forfeiture

- (a) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental thereto except only such of those rights as by these Articles are expressly saved.
- (b) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off.
- (c) The transferee shall thereupon be registered as the holder of the share.

(d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

68. Validity of sale

Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers herein before 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 in respect of the shares sold and the purchaser 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 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 damage only and against the Company exclusively.

69. Cancellation of Share Certificates upon forfeiture

Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, 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. When any shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such shares, the Board may, issue a new certificate for such shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

70. Provisions of these Regulations as to forfeiture to apply in case of nonpayment of any sum

The provisions of these regulations as to forfeiture shall apply, in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

71. Directors may accept surrender of shares

The Directors may, subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof.

TRANSFER AND TRANSMISSION

72. Register of transfer/transmission to be maintained

Notwithstanding anything contained in these Regulations, every holder of shares in or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death.

Such nomination and right of nominee to be registered as holder of shares/ debentures, as the case may be, or for transfer of the shares/debentures as the case may be shall be governed by the provisions of Section 109A and 109B and other applicable provisions of the Act.

The Company shall keep a "Register of Transfers", and therein shall be fairly and distinctly entering particulars of every transfer or transmission of any share and whereas in case of shares held in dematerialised form, the Register of Transfer maintained by the Depository shall be deemed to be the Register of Transfer.

73. No transfers to minors etc.

No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind. However a transfer of fully paid-up shares to a minor shall be allowed.

74. Execution of transfer

(a) The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed.

(b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

75. Instrument of transfer

(a) The instrument of transfer shall be in writing and all the provisions of Section 108 of the Act and of any modification thereof for the time being shall be complied with in respect of all transfers of shares and registration thereof.

(b) In the case of transfer of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in electronic form, the provisions of the Depositories Act, as amended, shall apply.

76. Notice to transferor if instrument submitted by transferee

Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge an objection in writing at the office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

77. Transfer of partly paid up shares

When the application is made by the transferor and relates to partly paid-up shares, the transfer shall not be registered unless the Directors gives notice by registered post with acknowledgement due, of the application to the transferee and the transferee make no objection to the transfer within two weeks from the receipt of the notice.

78. Closure of transfer books, register of members/debenture holders:

The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Transfer Books, the Register of Members and/or the Register of Debenture Holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

79. Directors may refuse to register transfer

(a) 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. Transfer of shares / debentures in whatever lot shall not be refused.

- (b) The Board may also decline to recognize any instrument of transfer unless-
- (i) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (ii) the instrument is in respect of only one class of shares.
 - (iii) if the transfer results in, or is perceived to or may result in, a contravention or violation of any restriction under law as applicable to the Company.

The decision of the Board or person (s) designated by the Board with respect to whether the transfer results in, or is perceived to or may result in, a contravention or violation of any restriction under law as applicable to the Company shall be final and binding in all respects.

80. Instrument of transfer to be retained

All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

81. Suspension of transfers

The registration of transfers may be suspended at such times and for such period as the Board may, from time to time, determine. Provided that such registration shall not be suspended for more than forty-five days in the aggregate in any year or for more than thirty days at any one time.

82. No fee to be charged

There shall be no charge for:

- (a) registration of shares or debentures;
- (b) sub-division and/or consolidation of shares and debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;
- (c) sub-division of renounceable letters of right;
- (d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilized;

- (e) registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

83. Death of one or more joint holders of shares

- (a) On the death of a member, the survivor or survivors where the member was a joint holder and his legal representative where he was a sole holder shall be the only person recognized by the Company as having any title to his interest in the shares.
- (b) Nothing in clause (a) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

84. Person entitled may register as holder or transfer

- (a) Any person becoming entitled to a share in consequence of the death, lunacy, bankruptcy or insolvency of a member or by any lawful means other than by a transfer in accordance with these Articles may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either-
 - (i) to be registered himself as holder of the share; or
 - (ii) to make such transfer of the shares as the deceased or insolvent member could have made.
- (b) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the share before his death or insolvency.
- (c) If the person so becoming entitled, shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
- (d) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (e) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

85. Person entitled may receive dividend without being registered as member

On the transfer of the share being registered in his name a person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share and that he shall not, before being registered as a member in respect of the share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided 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 and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonus or other

moneys payable in respect of the share, until the requirements of the notice been complied with.

86. Company not liable for disregard of a notice prohibiting registration of transfer

The Company shall incur no liability whatever in consequence of its registering or giving effect, to any transfer of share made or purporting to be made by any apparent legal owner thereof (as show or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said shares notwithstanding that the Company may have had notice of such equitable rights, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not bound so to do, shall be at liberty to regard and attend to any such notice and give effect ;thereto if the Board shall so think fit.

CONVERSION OF SHARES INTO STOCK

87. Shares can be converted into stock

The Company may, by an ordinary resolution:-

- (a) convert any paid-up shares into stock; and
- (b) reconvert any stock into paid-up shares of any denomination authorized by these regulations.

88. Transfer stock

The holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit.

Provided the Board may, from time to time, fix the minimum amount of Stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

89. Right of stockholders

The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regard dividends voting and meeting of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

SHARE WARRANTS

90. Company may issue share warrants

The Company may issue share warrant, subject to and in accordance with, the provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion, with respect of any share which is fully paid up, on application in writing signed by the person registered as holder of the share and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application and on receiving the

certificate (if any) of the share: and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

91. Depositing share warrant

- (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 calling 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 shares included in the deposited warrant.
- (b) Not more than one person shall be recognised as depositor of the share warrant.
- (c) The Company shall, on two days' written notice, return the deposited share warrant to the depositor.

92. Privileges and disabilities of holder of share warrant

- (a) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling meeting of the Company or attend or vote or exercise any other privilege 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 was named in the register of member as the holder of the shares included in the warrant and he shall be deemed to be a member of the Company in respect thereof.

93. Board may make rules for issue of share warrants/coupons

The Board may, from time to time, make rules as to the 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 of the original.

GENERAL MEETING

94. Company to hold annual general meeting each year

The Company shall in each year hold in addition to any other meeting, a General Meeting as its Annual General Meeting. Every Annual General Meeting shall be called for at a time during business hours, on a day that is not a public holiday and shall be held either at registered office of the Company or at some other place within the city, town or village in which the registered office of the Company is situated, as the directors may determine, and the notice calling the meeting shall specify at as the annual general meeting. Not more than fifteen months shall elapse between the date of an annual general meeting and the next provided that the Company may, with the sanction of the Registrar of Companies, extend the date of its holding the annual general meeting by a period not exceeding three months. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor.

95. Statement of accounts, etc. to be placed before the annual general meeting

- (a) At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting.
- (b) The Board shall cause to be prepared the Annual List of Members, Summary of Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.

96. Extra-Ordinary General Meeting

- (a) All General Meetings other than the Annual General Meetings of the Company shall be called Extra-Ordinary General Meetings.
- (b) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members (subject to the provisions of Section 169 of the Act), forthwith proceed to convene Extra-Ordinary General Meeting of the Company.

97. Requisition of Members to state Objects of Meeting

Any valid requisition so made by the Members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.

On receipt of requisition, Directors to call meeting and in default requisitionists may do so upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting; and if it does not proceed within twenty-one days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than forty- five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of deposit of the requisition as aforesaid.

98. Meeting called by requisitionists

Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.

99. Notice of meeting:

- (a) Any General Meeting of the Company, whether annual general meeting or extraordinary general meeting, may be called by giving not less than twenty one (21) clear days' notice in writing or a notice shorter than twenty one (21) days if consent thereto is given by the Members in accordance with the provisions of Section 171 of the Act.
- (b) Every notice of a Meeting of the Company shall specify the place and the day and hour of the Meeting and shall contain a statement of the business to be transacted thereat.

100. Omission to give notice not to invalidate proceedings:

The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.

101. When a Director or any two Members may call an Extra Ordinary General Meeting

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.

CONDUCT OF GENERAL MEETINGS

102. Only business mentioned in notice to be transacted

No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been stated in the notice by which it was convened or called.

103. Quorum of meeting

(a) Save as otherwise provided in Section 174 of the Act, a minimum of five members present in person shall be the quorum. 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.

(b) No business shall be transacted at any general meeting, unless a quorum or members is present at the time when the meeting proceeds to business.

104. If quorum not present when Meeting to be dissolved and when to be adjourned

If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the meeting if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, a quorum is not present within half an hour from the time appointed for holding the Meeting, the Members present shall be a quorum and may transact the business for which the Meeting was called.

105. Resolution passed at adjourned Meeting

Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

106. Chairman of meeting

(a) The Chairman, if any, of the Board shall preside as Chairman at every general meeting of the Company.

(b) If there is no such Chairman or if he is not present within fifteen minutes of the time appointed for holding the meeting or is unwilling to act as Chairman of the meeting, the Directors present shall elect one of their members to be the Chairman of the meeting.

- (c) If at any meeting no Director is willing to act as Chairman or if no Director is present within 15(fifteen) minutes of the appointed for holding the meeting, members present shall choose one of their members to be the Chairman of the meeting.

107. Business confined to election of chairman whilst chair vacant

No business shall be discussed at any general meeting except the election of a Chairman, whilst the chair is vacant.

108. Chairman may adjourn meeting with consent of members

- (a) The Chairman may with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn the meeting, from time to time and place to place.
- (b) No business shall be transacted at any adjourned meeting, other than the business left unfinished at the meeting from which the adjournment took place.
- (c) When a meeting is adjourned for thirty days or more, fresh notice of the adjourned meeting shall be given as in the case of an original meeting.
- (d) Save as aforesaid, it shall not be necessary to give any notice of any adjournment or of the business to be transacted at an adjourned meeting.

109. Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required

Any act or resolution which, under the provisions of these articles or the Act, is permitted or required to be done or passed by the Company in General Meeting, shall be sufficiently so done or passed if affected by an ordinary resolution unless either the Act or the Articles specifically require such act to be done or resolution to be passed as a special resolution.

110. Casting vote of Chairman

In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes places or at which the poll is demanded, shall be entitled to a second or casting vote.

111. Resolution how carried

At any General Meeting, a resolution put to vote shall be decided on a show on hands, unless a poll (before or on the declaration of the result of the show of hands) is demanded in accordance with the provisions of the Act. Unless a poll is so demanded, a declaration by the Chairman that such resolution has, on a show of hands, been carried unanimously, or by particular majority, or lost, and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without the requirement of any proof of the number or proportion of the votes cast in favour of or against that resolution.

112. Poll to be taken if demanded

If a poll is duly demanded, it shall be taken in such manner as the Chairman directs and the results of the poll shall be deemed to be the decision of the meeting on the resolution in respect of which the poll was demanded. Any business other than that upon which a poll has been demanded, may proceed, pending the taking of the poll.

Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so

appointed shall always be a Member (not being an officer or employee of the Company) present at the Meeting, provided such a Member is available and willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of the scrutinizer arising from such removal or from any other cause.

113. Resolution requiring Special Notice

- (a) Where under any provisions of the Act or in the articles special notice is required of any resolution notice of such intention of intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served on which the notice is served or deemed to be served and the date of meeting.

- (b) The Company shall immediately after receipt of notice of intention to move any resolution as aforesaid give its members notice of the resolution in the same manner as it gives the notice of the meeting or in case it is not practicable then notice shall be given either by the advertisement in the newspaper having an appropriate circulation or in any other appropriate mode suggested by its articles not less than seven days before the meeting.

VOTES OF MEMBERS

114. Number of votes to which member entitled

Subject to the provisions of the Act and these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of share for the time being forming part of the Capital of the Company, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.

115. No voting right if calls not paid

No member shall be entitled to vote either in person or by proxy at any general meeting or Meeting of a class of share holders either upon a show of hands or upon a poll unless all calls and other sums presently payable by him in respect of shares in the Company or in respect of shares on which the Company has exercised any right of lien, have been paid.

116. Voting by joint holders

In the case of joint holders, the vote of the senior who tenders a vote whether in persons or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. Any person entitled under the Transmission of their shares/ transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was 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, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require

unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

117. Votes of members of unsound mind/minors

A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the office not less than 24 hours before the time of holding the meeting or adjourned meeting at which such person claims to vote on poll. If any Member be a minor, the votes in respect of his share or shares shall be by his guardian or any of his guardians, it more than one, to be elected in case of dispute by the Chairman of the meeting.

118. Casting of Votes by members entitled to more than one vote

On a poll, a Member having more than one vote, or its proxy or other person entitled to vote for such Member need not vote all its votes in the same way.

119. Votes in respect of shares of deceased & insolvent member:

Any person entitled to transfer any share may vote at any General Meeting in respect thereof in same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.

120. Objection as to the validity of vote

(a) No objection shall be raised to the qualification of any voter, except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

(b) Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision thereon shall be final and conclusive.

121. Votes in person or by proxy

Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.

122. Appointment of Proxy

Every proxy (whether a Member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporate body, by a resolution of its Board of Directors, or be signed by an office or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have the right to speak at the meetings and should not be entitled to vote except on a poll.

123. Form of instrument of proxy

An instrument appointing a proxy shall be either of the forms in Schedule IX to the Act or in a form as near thereto as circumstances admit.

124. Deposit of instrument of proxy

The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notary certified copy of that power or authority shall be deposited at the registered office of the Company, not less than 48 hours before the time for holding the meeting of adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated valid.

125. Proxy either for specified meeting or for a period

An instrument of proxy may appoint a proxy either for the purpose of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every Meeting of the Company, or of every Meeting to be held before a date specified in the instrument and every, adjournment of any such Meeting.

126. Validity of votes given by Proxy notwithstanding death of member

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of insanity of the principal or the revocation of the proxy of the authority under which the proxy are executed or the promoter of the shares in respect of which the proxy is given, if no intimation in writing of such death; insanity, revocation or transfer shall have been received by the Company at its office before commencement of the meeting or adjourned meeting at which the proxy is used.

127. No proxy to vote on a show of hands

No proxy shall be entitled to vote by a show of hands.

128. Postal ballot

Subject to, and in accordance with, the provisions of the Act, the Company may, and in case of resolutions relating to such matters as the Central Government may, by notification, require to be conducted only by Postal Ballot, shall, get such resolutions passed by means of a Postal Ballot, instead of transacting the business in a General Meeting.

BOARD OF DIRECTORS

129. Number of directors

The number of Directors of the Company shall not be less than three and not more than twelve.

130. First directors

The following shall be the first directors of the Company:-

1. Ms Monica jain
2. Ms Rekha
3. Ms Varsha

131. Retirement of directors by rotation:

At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation in accordance with the provisions of Section 255 of the Act or if their number is not three or multiple of three, then the number nearest to one third shall retire from office in accordance with the provisions of Sections 256 of the Act. The non-retiring Directors and Debenture Directors, if any, shall not be subject to retirement under this clause and shall not be taken into account in determining the rotation of retirement or the number of Directors to retire.

142. Remuneration to directors:

- (a) Subject to the applicable provisions of the Act, Managing Director or Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (b) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director may be paid remuneration either:
 - (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
 - (ii) by way of commission if the Company by a special resolution authorised such payment.

143. Directors' sitting fees:

The fee payable to a Director (not including a Managing or whole-time Director, if any) for attending a Meeting of the Board or Committee thereof shall be such sum as may be prescribed by the Central Government from time to time and approved by the Board of Directors or such higher fees as may be approved by the members in the General Meeting with the approval of the Central Government, where such fees payable to the Directors for attending the meetings of the Board or committee thereof, exceeds the amount prescribed by the Central Government.

144. Remuneration for extra services rendered

Subject to the provisions of Sections 198, 269 read with schedule XIII, 309, 310, 311 and 314 of the Act, if a Director be called upon to perform any extra services or make special exertions or efforts (which expression shall include work done by a Director as a member of any committee formed by the Directors) the Board may pay such Director special remuneration for such extra services or special exertions or efforts either by way of a fixed sum or by percentage of profit otherwise and may allow such Directors at the cost and expense of the Company such facilities or amenities (such as rent free house, free medical aid and free conveyance) as the Board may determine from time to time.

156. POWERS OF BOARD OF DIRECTORS

Subject to the provisions of the Act and these Articles, the Board shall be entitled to exercise all such powers, and do all such acts and things, as the Company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or by the Memorandum of Association or these Articles or otherwise, to be exercised or done by the Company in a General Meeting; provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum of Association or in these Articles or in any regulations not inconsistent therewith duly made there under including regulations made by the Company in a General Meeting.

157. Board may delegate

Subject to Sections 292 and 293 of the Act, the Board shall have the right to delegate any of their powers to the Managing Director and such committees of the Board, Directors, Secretary, managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers. The Board may authorise Directors to sub-delegate the delegated powers.

158. Regulation made by Company shall not invalidate prior act of board

No regulation made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

BORROWING POWER

159. Power to borrow

The Board may, from time to time, and at its discretion, subject to the provisions of Sections 58A, 292, 293 of the Act and of these Articles, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow moneys, either from the Directors, their friends and relatives or from others for the purposes of the Company and or secure the payment of any such sum or sums of money, provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) and remaining outstanding and un-discharged at that time exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company in a General Meeting by an ordinary resolution.

160. Payment or repayment of moneys borrowed:

The Board may raise and secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular by receiving deposits, issue of bonds, debentures perpetual, redeemable, debenture stock, or any Share/debenture of the Company or by mortgage or charge or other security upon all or any part of the property or undertaking of the Company (both present and future), including its uncalled capital for the time being; provided that the Board shall not give any option or right to any person for making calls on the Members of the Company in respect of the amount unpaid for the time being on the Shares held by them, without the previous sanction of the Company in a General Meeting.

161. Terms of issue of debentures:

Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any equities between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into shares of any authorised denomination, and with privileges and conditions as to redemption, surrender, drawings, allotment of shares, attending (but not voting) at general meetings, appointment of Directors and 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 by a Special Resolution.

162. Register of Mortgages, etc. to be kept

The Board shall cause a proper register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of Sections 118, 125, and 127 to 144 (both inclusive) of the Act, in that behalf to be duly complied with (within the time prescribed by the said sections or such extensions thereof as may be permitted by the Company Law Board or the Court or tribunal or the Registrar as the case may be) so far as they fail to be complied with by the Board.

MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)

180. Power to appoint Managing Director/Whole time Director:

Subject to provisions of Section 197A, 269 198, and 309 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Directors or whole time Directors for a period not exceeding 5(five) years at a time and on such terms and conditions as the Board may think fit and subject to the terms of any agreement entered into with him, may revoke such appointment, and in making such appointments the Board shall ensure compliance with the requirements of the Act and shall seek and obtain such approvals as are prescribed by the Act, provided that a Director so appointed, shall not be whilst holding such office, be subject to retirement by rotation but his appointment shall be automatically determined if he ceases to be a Director.

181. Powers of Managing Director/Whole time Director:

The Board may entrust and confer upon Managing Director/s or whole time Director/s any of the powers of management which would not otherwise be exercisable by him upon such terms and conditions and with such restrictions as the Board may think fit, subject always to the superintendence, control and direction of the Board and the Board may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

182. Appointment and powers of Manager

Subject to the provisions of the Act and these articles, the Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they may think fit, and may, confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as they think expedient.

183. Prohibition of simultaneous appointment of different categories of managerial personnel

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely:

- (i) Managing Director, and
- (ii) Manager

SECRETARY

184. Appointment of Secretary

Subject to Section 383A of the Act, a Secretary of the Company may be appointed by the Board on such terms, at such remuneration and upon such conditions as it may think fit, and any Secretary so appointed may be removed by the Board.

185. Director may be appointed as Secretary

A Director may be appointed as a Secretary.

186. Same person cannot act in both capacities for a particular act:

Any provision in the Act or these regulations requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of the Secretary.

DIVIDENDS AND RESERVES

191. Division of profits

Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the

Shares in respect whereof the dividend is paid but if and so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares;

192. Company may declare dividend in general meeting:

The Company in General meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.

193. Dividends out of profits only

No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.

194. Interim dividend:

The Board may, from time to time, pay to the members such interim dividends as appear it to be justified by the profits by the Company.

195. Creation of reserves

- a. The Board may, before recommending any dividend, set aside out of the profits of the Company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such applications may at the like discretion either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- b. The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

196. Capital paid up in advance at interest not to earn dividend

No amount paid or credited as paid on a share in advance of calls shall be treated for the Where Capital is paid in advance of calls, such Capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.

197. Dividend 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 dividend as from a particular date such share shall rank for dividend accordingly.

198. Debt may be deducted from dividend

- a. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- b. The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.

199. No Member to receive dividend while indebted to the Company and the Company's right in respect thereof

No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.

200. Dividend how remitted

Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through the post direct to the registered address of the holder or in case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the first named holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person, to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, for any dividend lost to the Member or person entitled thereto by the forged endorsement of any dividend cheque or the fraudulent recovery of the dividend by any other means. Provided that the Company can also pay the dividend by crediting it directly to the bank account of the shareholders through Electronic fund transfer system of the banks or any other mode which, in the opinion of the Board of Directors, is appropriate for payment of dividend to the shareholders.

201. Dividend, etc to joint holders

Any one of two or more joint holders of a share may give effectual receipts for any dividends, bonus or others moneys payable in respect of such share.

202. Notice of dividend

Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

203. Dividend to be paid within time required by law

The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, other than the Members who have waived/forgone their right of receiving any dividend declared / to be declared by the Company for any financial year within such time as may be required by law from the date of the declaration unless:-

- (i) where the dividend could not be paid by reason of the operation on any law; or
- (ii) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or
- (iii) where there is dispute regarding the right to receive the dividend; or
- (iv) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or
- (v) where for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company

204. Dividend not to bear interest

No dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

205. Right to dividend pending registration of transfer

A transfer of Shares shall not pass the rights to any dividend declared thereon, before the registration of the transfer takes effect and the Shares are registered in the name of the transferee.

206. Unpaid or unclaimed dividend

(a) Where the Company has declared a dividend which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the company shall transfer the total amount of dividend, which remains unpaid or unclaimed, within 7 days after the expiry of the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "**Bharatiya Global Infomedia Limited Unpaid Dividend Account**" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

(b) Any amounts transferred to the Unpaid Dividend account specified above which remain unpaid or unclaimed for a period of 7 (seven) years from the date on which they first became due for payment, shall be transferred by the Company to a fund known as the Investor Education and Protection Fund, the general revenue account of the Central Government established under Section 205C(1) of the Act. A claim to any money so transferred to the Fund may be preferred to the Central Government by the shareholders to whom the money is due.

(c) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

207. Set off of calls against dividend

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

208. Dividend in cash

No dividends shall be payable except in cash, provided that nothing in these Articles shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

CAPITALISATION OF PROFITS

209. Capitalisation of profits

(a) The Company in General Meeting may, upon the recommendation of the Board, resolve:

(i) that is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and

- (ii) that such sum be accordingly set free for distribution in the manner specified in clause (b) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportion.
- (b) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (c) either in or towards;
 - (i) paying up any amount for the time being unpaid on any Shares held by such Members respectively; or
 - (ii) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid; or
 - (iii) partly in the way specified in sub clause (i) and partly in that specified in sub clause (ii)
- (c) A share premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.

210. Board to give effect

The Board shall give effect to the resolution passed by the Company in pursuance of above Article.

211. Fractional share certificates

- (a) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
 - (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares; and
 - (ii) Generally do all acts and things required to give effect thereto.
- (b) The Board shall have full power:
 - (i) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions; also
 - (ii) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (c) Any agreement made under such authority shall be effective and binding on all such members.
- (d) That for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any

question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

WINDING UP

235. Distribution of assets:

If the Company shall be wound up, and the assets available for distribution among the Members as such shall be 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 the 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 the winding up the assets available for distribution among the Members shall be 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 up 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.

236. Distribution in specie or in kind

(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

237. Right of shareholders in case of sale

A Special resolution sanctioning a sale or any other Company duly passed pursuant to section 494 of the Act may subject to the provisions of the Act in the like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed amongst the members otherwise than in accordance with their existing rights and such determination shall be binding upon all the members subject to the right of dissent and consequential rights conferred by the said section.

SECTION X: MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by the Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Corporate Office of our Company situated at B-60, Sector-57, Noida-201301, Uttar Pradesh, India from 11.00 AM to 4.00 PM from the date of this Red Herring Prospectus until the date of closure of the Issue.

Material Contracts

1. Memorandum of Understanding dated September 28, 2010 signed between our Company and Almondz Global Securities Limited, the Book Running Lead Manager to the Issue.
2. Memorandum of Understanding dated September 7, 2010 signed between our Company and Registrar to the Issue.
3. Copy of the Tri-partite Agreement dated May 31, 2011 between NSDL, our Company and Registrars to the Issue.
4. Copy of the Tri-partite Agreement dated June 3, 2011 between CDSL, our Company and Registrars to the Issue.

Documents for Inspection

1. Memorandum and Articles of Association of Bharatiya Global Infomedia Limited, as amended from time to time.
2. Copy of resolution passed at AGM dated August 27, 2010 u/s 81(1A) authorizing the Issue of Equity Shares.
3. Copies of letters addressed to BSE and NSE requesting for grant of 'in-principle' approval.
4. Copies of In-Principle approvals received from BSE and NSE dated December 21, 2010 and January 27, 2011 respectively.
5. Copies of Annual Reports of the Company for the last 5 financial years i.e. FY 2006-07, FY 2007-08, FY 2008-09, FY 2009-10 and FY 2010-11.
6. Copy of Tax Benefits Certificate issued by Statutory Auditors of the Company viz. M/s SNMG & Co., Chartered Accountants, dated June 2, 2011.
7. Copy of Auditors' Report by Peer Review Auditors of the Company M/s K. Prasad & Co., Chartered Accountants for the period April 1, 2010 to June 30, 2010, FY 2009-10 and FY 2010-11 alongwith restated financial statements for the last 5 financial years ended March 31, 2011.
8. Resolutions approving the present terms of employment and remuneration between our Company and our Whole time Directors as approved by our Board and our Shareholders.
9. Copy of MoU dated September 1, 2009 and Supplementary MoU dated June 3, 2010.
10. Copies of sanction letter from Bank in respect of which repayment is to be made out of Issue proceeds.
11. No Objection Certificate from The Royal Bank of Scotland in connection with proposed public issue of our Company.
12. Consent letters from Directors, Book Running Lead Manager to the Issue, Registrar to the Issue, Bankers to the Company, Statutory Auditors, Peer Review Auditors, Legal Advisors to the Issue


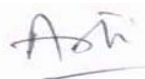


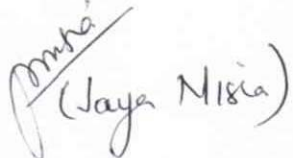

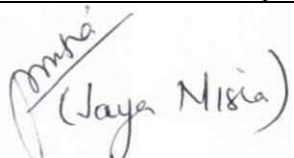
and Company Secretary & Compliance Officer to act in their respective capacities and for inclusion of their names in this Red Herring Prospectus.

13. Due Diligence Certificate dated November 6, 2010 issued by Book Running Lead Manager to the Issue.
14. A copy of the SEBI final observation letter number CFD/DIL/Bhartiya/12409/2011 dated April 13, 2011 received from SEBI, New Delhi in respect of the Initial Public Offering of Bharatiya Global Infomedia Limited.

DECLARATION

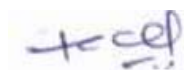
All the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or rules made thereunder or guidelines issued, as the case may be. The Company further certifies that all statements in this Red Herring Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF BHARATIYA GLOBAL INFOMEDIA LIMITED

 Mr. Rakesh Bhatia Chairman and Managing Director	 Mrs. Arti Bhatia Non Executive Non Independent Director
 Mr. Sanjay Kapoor Non-Executive Independent Director	 Mr. Harjit Singh Anand Non Executive Independent Director
 Mrs. Jaya Misra Non-Executive Independent Director	 Mr. Sanjeev Kumar Mittal Executive Director - Technical
 Mr. Anil Kapoor* Non-Executive Independent Director	

*Through duly constituted attorney Mrs. Jaya Misra, Independent Director signed on behalf of Mr. Anil Kapoor.

Signed by Manager (Finance)



Mr. Rajeev Kumar Agarwal

Date: June 28, 2011

Place: Noida, Uttar Pradesh

Grading Rationale
Bharatiya Global Infomedia Ltd. (BGIL)

Grading Assigned

Particulars	Number of equity shares	Grading	Remarks
IPO Grade	67,20,000 equity shares of face value Rs.10 each	'CARE IPO Grade 2' [Two]	Assigned

Grading Rationale

The grading is constrained by the emerging technologies based service offerings, average order book position, limited size of operations, stressed liquidity position due to long operating cycle as well as low entry barriers coupled with intense competition in the industry. The grading also factors in the past history of delays in payment of statutory dues as well as debt obligations. However, the grading draws strength from BGIL's experience in providing Radio Frequency Identification (RFID) based solutions and repeated contracts from the large automation players.

Background

Bharatiya Global Infomedia Ltd. (BGIL) was initially promoted as Bhartiya Global Financial & Allied Services Ltd in 1994 and subsequently its name was changed to Bhartiya Global Software Fintec Ltd. in 1999 and thereafter to Bhartiya Global Software Ltd. in 2001 and then to its present name in 2003. Mr Rakesh Bhatia after being appointed as MD in 2004 acquired the shares of BGIL from erstwhile promoters and became the promoter of BGIL. In 2005, BGIL acquired the business of two entities - VTV Network Ltd and STV Enterprises Ltd. and established a digital post production studio.

BGIL is in the business of providing information technology-based security and compliance automation systems, majorly based on RFID platform (IT division) and has a technology based digital post production service (entertainment division). The IT division contributed about 94% of revenues in FY10 and the balance 6% was contributed by the entertainment division.

Management

Mr Rakesh Bhatia, the main promoter, is a Company Secretary by qualification and has business interests in varied fields of information technology, financial consultancy, entertainment, and related activities. In 1996, Mr Rakesh Bhatia was associated with SRG Infotec Ltd. (SIL) (a listed entity), as a Managing Director. Mr Bhatia resigned from the Board of SIL in 1996. Mr Bhatia was the main promoter and CMD of Visesh Infotechnics Ltd. (VIL) and the company came out with an IPO in 1999. However, he completely disassociated himself in 2004. Further, in 2005, Mr Bhatia along with BGIL acquired Nam Credit and Investment Ltd. a Category I Merchant Banker listed on BSE and renamed the company as BGIL Films & Technologies Ltd (BFTL), and changed the main business of BFTL to producing & distribution of films. The promoter group holding stands at 88.66% as on November 06, 2010 and the same will fall to 51.06% post IPO.

Corporate Governance

BGIL has complied with the corporate governance code in accordance with Clause 49 of the listing agreement (as applicable) in relation to appointment of Independent Directors to its Board and constitution of the audit committee, remuneration committee and shareholders'/investor's grievance committee. Currently, the Board has seven Directors, with the Chairman being an Executive Director, and in compliance with the requirements of Clause 49 of the listing agreement, the company has four independent Directors on its Board.

Operations

The IT division operations of BGIL are carried out from Noida and Mumbai branch office and the entertainment division operations are carried out from the Mumbai-based digital post production studio. The IT division applications of the BGIL are majorly built on the RFID platform. The technology allows a tagged object to be identified when it comes in the radius of the RFID reader. The technology is used for automation of toll booths, parking management and asset tracking. Apart from RFID technology, BGIL provides the automation solutions based on technologies such as smart cards, bar code, biometrics etc. BGIL has developed the Token-less Two Factor Authentication (TTFA) which enables the financial transactions on the online platform and the same is under testing. Further, BGIL is developing various mobile applications which are also under final stages of testing. BGIL procures the hardware equipments required in building the automation system and uses in-house developed software to deliver the systems to customer. The hardware supplies accounted for about 75% of FY10 sales of the IT division.

BGIL bags sub-contracts from bigger automation players like Honeywell Automation Ltd. and Siemens Building Technologies Ltd. Apart from the said sub-contracts, BGIL derives revenues from relatively smaller contracts won directly from the end customers.

As on March 12, 2011, BGIL has total order book position of Rs.27.84 crore.

BGIL has elite clientele in the entertainment division and has been associated with few successful movies in the past. The revenue contribution from the entertainment division was 6% of the total revenues for FY10.

IPO Issue Details

BGIL intends to issue 67,20,000 equity shares of face value Rs.10 each, constituting 42.42% of fully diluted post issue paid-up capital of the company. BGIL proposes to utilise the net proceeds from the IPO for the following objects:

- i. To set up its owned corporate office at Noida for Rs. 3.96 crore. BGIL has entered into MoU's with M/s Gadeo Electronics to take over the said firm having immovable property at Noida for total consideration of Rs.5.96 crore. Out of the said sum, BGIL has already allotted 2,00,000 shares at a price of Rs.100 each as part consideration. The balance Rs. 3.96 crore will be paid in cash through the IPO proceeds.
- ii. To buy a 4,000-5,000 sq ft branch office premises between Vile Parle (W) and Jogeshwari (W) in Mumbai at an estimated cost of Rs.5.94 crore.
- iii. To buy machineries i.e. computer hardware and software for the Digital Post Production Studio at Mumbai at an estimated cost of Rs.13.60 crore.
- iv. To expand the IT division at Mumbai and Noida at an expected cost of Rs.8.33 crore.

- v. To expand the R&D center with estimated investment of Rs. 6.51 crore.
- vi. To repay the bank borrowings and meet long-term working capital requirements, Rs. 7.46 crore.

Financial Analysis

The net sales of the BGIL grew by 37.76% during FY10 after declining by 1.72% during FY09. The growth in net sales was mainly due to growth in the product offerings in the form of new automated solutions like toll management systems, traffic management systems, asset management system etc. BGIL has been able to generate healthy PBILDT margins with supply of in-house developed software to integrate with the procured hardware. The PAT margins for FY09 were low due to the provision for the deferred tax liability of Rs. 1.60 crore. The operating cycle of BGIL was high mainly due to high collection period on account of delayed realization. As such, the liquidity position of the company has been under stress with working capital borrowings not keeping pace with the growth in the business operations.

The gearing level has been low for BGIL with majorly working capital borrowings and interest coverage ratio has been comfortable despite high rate of interest on working capital borrowings. The EPS and return on networth took dip in FY09 mainly due to sharp fall in profitability. However, the same improved in FY10.

As per provisional results for 9MFY11, BGIL recorded net sales of Rs. 39.62 crore and a PAT of Rs. 4.58 crore.

As on March 31, 2010, the service tax for the period October 2007 to March 2010 aggregating to Rs. 0.89 crore was outstanding to be paid to the service tax authorities. The said sum increased to Rs. 0.96 crore as on September 30, 2010. However, the same was subsequently paid in tranches till November 04, 2010. The Auditor has qualified the CARO report for FY09 and FY10 for non-payment of the service tax for more than six months.

Industry Review

Radio frequency identification is an enabling technology, which enables companies to develop applications based on RFID platform. Its advantages are that it requires no human intervention, tags can usually be read even when a tag is not facing a reader antenna (tags cannot be read through metal and some other materials) and the information can be transmitted to computers in real time. Supply chain, asset tracking, retailing, manufacturing, payment systems, security systems can be developed around the RFID technology.

The application of the RFID technology is finding its way in the toll management system and the parking management systems for buildings. Of the central programmes, the Rs.3,31,400 crore National Highways Development Project (NHDP) undertaken by Government of India (GoI) through NHAI provides a significant opportunity for the development of national highways including construction of bridges, flyovers and elevated structures. Spread across seven phases, the project includes upgradation of more than 50,000 km of national highways. The Media and Entertainment industry grew at a Compounded Annual Growth Rate (CAGR) of 8% over the last three years (CY2007-10) and is expected to grow at a CAGR of 14% over the next five years (CY2010-15). Rising digitalisation (as content creation and as a distribution platform), increase in penetration of media segments & new media, narrowcasting (niche segmentation of target audience), regionalization (strategy to capture untapped potential of tier 2 and tier 3 cities), consolidation, expanding

international markets for Indian content and entry of foreign players, organized funding and deregulation would be the key growth drivers for the industry.

Financial Performance

(Rs. Cr)

<i>For the period ended / as at Mar.31,</i>	2008 (12m, A)	2009 (12m, A)	2010 (12m, A)
<u>Working Results</u>			
Net Sales	34.19	33.60	46.29
Total Operating income	34.19	33.60	46.29
PBILDT	4.84	4.86	7.72
Interest	0.37	0.84	0.91
Depreciation	1.40	2.00	2.77
PBT	3.07	2.02	4.09
PAT (after deferred tax)	3.28	0.12	2.78
Gross Cash Accruals	4.10	3.72	6.01
<u>Financial Position</u>			
Equity share capital	6.64	6.64	6.84
Networth	22.68	24.39	29.56
Total capital employed	27.15	31.62	37.02
<u>Key Ratios</u>			
<i>Growth</i>			
Growth in Total income (%)	15.87	-1.75	37.76
Growth in PAT (after Deferred Tax) (%)	28.99	-96.37	High
<i>Profitability</i>			
PBILDT/ Total Op. income (%)	14.16	14.45	16.69
PAT (after deferred tax)/ Total income (%)	9.60	0.35	6.01
ROCE (%)	13.89	9.73	14.58
RONW (%)	15.42	0.51	10.32
EPS (Rs.)	4.94	0.18	4.07
<i>Solvency</i>			
Long Term Debt Equity ratio (times)	0.01	0.03	0.01
Overall gearing ratio(times)	0.16	0.26	0.22
Interest coverage(times)	13.06	5.81	8.45
Term debt/Gross cash accruals(years)	0.40	0.63	0.43
<i>Liquidity</i>			
Current ratio(times)	2.82	1.83	1.85
Quick ratio(times)	2.10	1.29	1.65
<i>Turnover</i>			
Average collection period (days)	93	105	128
Average creditors (days)	25	45	65
Average inventory (days)	75	72	48
Operating cycle (days)	144	132	111