DRAFT RED HERRING PROSPECTUS
September 23, 2011
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated and become Red Herring Prospectus upon RoC filing)
100% Book Building Issue

Infonet IT Solutions (I) Limited

(Our Company was incorporated on May 27, 1999 under the provisions of the Companies Act, 1956 as Infonet Network Systems (India) Private Limited in Maharasthra. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on March 11, 2011 our Company was converted into a public limited company and consequently the name of our Company was changed to Infonet Network Systems (India) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on April 7, 2011. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on April 19, 2011, name of our Company was further changed from Infonet Network Systems (India) Limited to Infonet IT Solutions (I) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on April 27, 2011. The Corporate Identification Number of our Company is U72900MH1999PLC120069. For details in change of registered office please see the section titled "History and Other Corporate Matters" on Page No. 83).

Registered Office: A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (East), Mumbai- 400 059
E-mail:ipo@infonet.co.in; **Website:**www.infonet.co.in; **Tel:** +91-22-66027900, **Fax**: +91-22-66758844
Contact Person and Compliance Officer: Mr. Aditya Goswami, Company Secretary; **Email:** aditya.g@infonet.co.in
Promoters: Mr. Joson Thomas and Mr. Praveen Valiya Parampath

PUBLIC ISSUE OF [●] EQUITY SHARES OF RS.10/- EACH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF RS. [●] PER EQUITY SHARE) FOR CASH AGGREGATING UPTO RS. 6000 LAKHS (THE "ISSUE") BY INFONET IT SOLUTIONS (I) LIMITED (THE "COMPANY" OR THE "ISSUER"). THE ISSUE WILL CONSTITUTE [●] % OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.[1]

[1]*Our Company is considering a Pre-IPO Placement of upto maximum 25,00,000 Equity Shares aggregating upto maximum Rs.2000 Lakhs with various investors. The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the Registrar of Companies. If the Pre-IPO Placement is completed, the issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum size of 25% of the post-Issue-paid-up Equity Share capital being offered to the public.*

Price Band: Rs. [●] to Rs. [●] Per Equity Share of Face Value of Rs. 10 Each.

The Price Band and the minimum bid lot size will be decided by our Company, in consultation with the Book Running Lead Manager and advertised at least two Working Days prior to the bid/issue opening date.

The Floor Price is [●] times of the Face Value and the Cap Price is [●] times of the Face Value

In case of revision in the Price Band, the Bid/Issue Period shall be extended for three additional Working Days after such revision, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE), whose online IPO system will be available for bidding, by issuing a press release and by indicating the change on the website of the Book Running Lead Manager (BRLM) and the terminals of the member(s) of the Syndicate.

The Issue is being made under Sub-regulation (1) of Regulation 26 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and through a 100% Book Building Process wherein not more than 50% of the Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (QIBs) subject to valid bids being received at or above the Issue Price. For details, please see "Issue Procedure" on Page No. 191. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is Rs.10/- and the Issue Price is [●] times of the Face Value. The Issue Price (has been determined and justified by the BRLM and the Issuer as stated under the chapter on "Basis for Issue Price" beginning on Page No. 51 of the Draft Red Herring Prospectus) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does the SEBI guarantee the accuracy or adequacy of this document. **Specific attention of the investors is invited to the statement of 'Risk Factors' beginning on Page No.** xii **of the Draft Red Herring Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

Credit Analysis and Research Limited ("CARE") has been appointed for grading the Issue. The details of grades obtained will be disclosed in the Red herring Prospectus.

LISTING ARRANGEMENT

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Limited (BSE) and on The National Stock Exchange of India Limited (NSE). In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares *vide* their letters dated [●] and [●] respectively. For the purposes of this Issue, Bombay Stock Exchange Limited shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Chartered Capital and Investment Limited **SEBI Registration No:** INM000004018 418-C, "215 ATRIUM" Andheri Kurla Road, Andheri (East), Mumbai - 400 059 **Tel No:** + 91 - 22 - 28394252 **Fax No:** +91 - 22 - 28394270 **Email:** infonet.ipo@charteredcapital.net **Investor Grievance Email:** investor.relation@charteredcapital.net **Website:** www.charteredcapital.net **Contact Person:** Mr. Vimlesh Bansal	**Sharepro Services (India) Private Limited** **SEBI Registration No:** INR000001476 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off. Andheri-Kurla Road, Sakinaka, Andheri (E), Mumbai - 400 072 **Tel No:** + 91 - 22 - 61915402 **Fax No:**+91 - 22 -61915444 **Email:**infonet.ipo@shareproservices.com **Investor Grievance Email:** infonet.ipo@shareproservices.com **Website:**www.shareproservices.com **Contact Person:** Mr. Subhash Dhingreja/ Mr. Satheesh H K

ISSUE PROGRAMME[#]

BID/ISSUE OPENS ON : [●], 2011	BID/ISSUE CLOSES ON : [●], 2011

[#]Our Company in consultation with the BRLM, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.

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SECTION I – DEFINITIONS AND ABBREVIATIONS

ISSUER RELATED TERMS

Term	Description
"Infonet IT Solution (I) Limited", "Our Company", "The Company", "The Issuer Company", "The Issuer" "we", "us", and "our"	Unless the context otherwise requires, refers to Infonet IT Solution (I) Limited, a public limited company incorporated under the Companies Act, 1956.
Articles/ Articles of Association	The Articles of Association of Infonet IT Solutions (I) Limited.
Auditors	M/s. Laxmikant Kabra & Co.
Board / Board of Directors	The Board of Directors of Infonet IT Solutions (I) Limited unless otherwise specified or any committee constituted thereof.
Group Companies	Companies, firms, ventures etc. promoted by our promoters as described in the chapter "Our Promoters, Promoter Group and Group Companies" on Page No. 98.
Memorandum/ Memorandum of Association	The Memorandum of Association of Infonet IT Solutions (I) Limited.
Promoter(s)	Unless the context otherwise requires, refers to Mr. Joson Thomas and Mr. Praveen Valiya Parampath.
Promoter–Director(s)	Unless the context otherwise requires, refers to Mr. Joson Thomas and Mr. Praveen Valiya Parampath.
Promoter Group	Individuals, Companies and entities forming part of our Promoter Group as per the SEBI ICDR Regulations. For details please see "Our Promoters, Promoter Group and Group Companies" on Page No. 98**.**
RoC	Office of Registrar of Companies, Mumbai, Maharashtra.
Registered Office	A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Marol. Andheri (East), Mumbai- 400 059

CONVENTIONAL/GENERAL TERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Equity Shares	The Equity Shares of face value of Rs. 10 each of Infonet IT Solutions (I) Limited.
Indian GAAP	Generally Accepted Accounting Principles in India.
Non Resident	A person who is not an NRI, FII and is not a person resident in India.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Quarter	A period of three continuous months.
RBI Act	The Reserve Bank of India Act, 1934.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.

Term	Description
SEBI ICDR Regulations	Means the regulations for Issue of Capital and Disclosure Requirements issued by Securities and Exchange Board of India, constituted in exercise of powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Stock Exchanges	Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) referred to as collectively.

ISSUE RELATED TERMS

Term	Description
Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, issue and allotment of Equity Shares to successful Bidders pursuant to this Issue.
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted.
Applications Supported by Blocked Amount (ASBA)	Application Supported by Blocked Amount means an application (whether physical or electronic) subscribing to an Issue containing an authorization to block the Bid Amount in their specified bank account with Self Certified Syndicate Bank.
ASBA Bidders/Investor	A Bidder / an Investor, who intends to apply through ASBA process.
ASBA Form / ASBA BCAF/ ASBA Bid cum Application Form	The Bid-cum-Application Form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purpose of Red Herring Prospectus and Prospectus
Banker(s) to the Issue/ Escrow Collection Banks	The banks which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened and in this case being [●].
Bid	An indication to make an offer made during the Bidding Period by a prospective investor pursuant to submission of a Bid-cum-Application Form to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto. For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by any Bidder pursuant to the submission of an ASBA Bid-cum-Application Form to subscribe to the Equity Shares at a price within the Price Band, including all revisions and modifications thereto.
Bid Lot/ Minimum bid lot	[●] Equity Shares.
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 for this Issue and in the case of ASBA Bidders, the amount mentioned in the ASBA-Bid-cum-Application Form.
Bid/ Issue Closing Date	The date after which the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English and Hindi national newspapers and a Marathi newspaper, each with wide circulation.
Bid/ Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a Marathi language newspaper, each with wide circulation.
Bid-cum-Application Form / Bid Form	The form in terms of which the Bidder shall make an offer to subscribe to the Equity Shares of our Company and which will be considered as the application for allotment in terms of the Red Herring Prospectus and the Prospectus including ASBA Form or ASBA BCAF, if applicable.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form, including an ASBA Bidder
Bidding	The process of making a Bid.
Bidding Centre	A centre for acceptance of the Bid-cum-Application Form.
Bid/ Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date

Term	Description
	inclusive of both days and during which prospective Bidders can submit their Bids including any revisions thereof.
Book Building Process	Book Building Process as provided under Schedule XI of SEBI (ICDR) Regulations, 2009, as amended in terms of which this Issue is being made.
BRLM	Book Running Lead Manager to this Issue, in this case being Chartered Capital and Investment Limited.
Brokers to this Issue	Brokers registered with any recognized Stock Exchange, appointed by the Members of the Syndicate.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof.
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalized and above which no Bids will be accepted including any revision thereof. In this case being Rs. [●].
Cut-off /Cut-off Price	Any price within the Price Band finalized by our Company in consultation with the BRLM. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to bid at the Cut-off Price.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids received under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchange(s).
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid-cum-Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which the Escrow Collection Banks transfer and the SCSBs issue, instructions for transfer, of the funds from the Escrow Accounts and ASBA Accounts, respectively to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders.
Designated Stock Exchange or DSE	Bombay Stock Exchange Limited
Draft Red Herring Prospectus/ DRHP	The Draft Red Herring Prospectus which does not have complete particulars of the price and quantum of the Equity Shares offered which was filed with the SEBI and issued in accordance with Section 60B.
Eligible NRI	NRI from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein.
Equity Shares	The equity shares of our Company of face value of Rs. 10/-each.
Escrow Account(s)	An Account opened with Escrow Collection Bank(s) and in whose favour the Bidder (except ASBA Bidders) 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 to this Issue, the Escrow Collection Banks, the BRLM and the Syndicate Member(s) in relation to the collection of the Bid Amounts and dispatch of the refunds (if any) of the amounts collected, to the Bidders (excluding ASBA Bidders).
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form.
Floor Price	The lower end of the Price Band below which the Issue Price will not be finalized and below which no Bids will be accepted in this case being Rs. [●] and which shall not be lower than the face value of our Equity Shares.
Issue / The Issue / This Issue	Public Issue of [●] Equity Shares of Rs.10/- each at a Price of Rs. [●] per Equity Share (including a premium of Rs. [●] per Equity Share) for cash aggregating upto Rs. 6000 Lakhs, by Infonet IT Solutions (I) Limited. The Issue will constitute [●] % of the fully diluted Post Issue Paid-up capital of our Company.
Issue Agreement	The issue agreement entered into on September 20, 2011 between our Company and the BRLM.
Issue Price	The final price at which Equity Shares will be issued and allotted in terms of the

Term	Description
	Red Herring Prospectus and Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date.
Issue Proceeds	The proceeds of the Issue that will be available to our Company being upto Rs.6000 Lakhs.
IPO Grading Agency	Credit Analysis and Research Limited ("**CARE**"), the credit rating agency appointed by our Company for grading this Issue.
Key Management Personnel	The Personnel listed as key management personnel in "***Our Management***" on Page No. 88.
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	That portion of the Issue, being 5% of the QIB Portion or [●] Equity Shares shall be available for allocation to Mutual Funds, out of the QIB Portionon a proportionate basis to Mutual Funds.
Net Proceeds	Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds.
Non Institutional Bidders	All Bidders that are neither Qualified Institutional Buyers nor Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rupees Two Lakhs.
Non Institutional Portion	The portion of the Issue being not less than 15% of the Issue i.e. [●] Equity Shares of Rs.10/- each available for allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price.
Overseas Corporate Body	A company, partnership firm, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 03, 2003 and immediately before such date had taken benefits under the general permission granted to Overseas Corporate Bodies under the FEMA. Overseas Corporate Bodies are not permitted to invest in this Issue.
Pre-IPO Placement	A Pre-IPO Placement of up to maximum 25, 00,000 Equity Shares aggregating up to maximum Rs. 2,000 Lakhs with certain investors is being considered by our Company and will be completed prior to the filing of the Red Herring Prospectus with the RoC.
Price Band	Being the Price Band of a minimum price (Floor Price) of Rs. [●] and the maximum price (Cap Price) of Rs. [●] and includes revisions thereof. The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised atleast two working days prior to the Bid/ Issue Opening Date in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation.
Pricing Date	The date on which our Company in consultation with the BRLM will finalize the Issue Price.
Prospectus	The prospectus to be filed with the RoC in terms of Section 60B of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and accounts of ASBA Investors for this Issue on the Designated Date.
Qualified Institutional Buyers or QIBs	"Qualified Institutional Buyer" means: (i) a mutual fund, venture capital fund and foreign venture capital investor registered with the SEBI; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation;

Term	Description
	(vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs.2500 Lakhs; (ix) a pension fund with minimum corpus of Rs. 2500 Lakhs; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) Insurance funds set up and managed by Army, Navy or Air Force of the Union of India; and (xii) Insurance Funds set-up and managed by the Department of Posts, India
QIB Portion	The portion of this Issue being not more than 50% of the Issue i.e. [●] Equity Shares of Rs 10/- each available for allocation on proportionate basis to QIBs of which 5% shall be available for allocation on proportionate basis to Mutual Funds registered with SEBI, subject to valid bids being received at or above the Issue Price.
Refund Account(s)	Account(s) opened with Escrow Collection Bank(s) from which refunds of the whole or part of the Bid Amount (excluding ASBA Bidders), if any, shall be made.
Refund Bank	The bank(s) which have been appointed/designated for the purpose of refunding the amount to investors (except ASBA Investors) either through the electronic mode as prescribed by SEBI and/or physical mode in accordance with the procedure contained in the Chapter titled "Issue Procedure" beginning on Page No. 191 of the Draft Red Herring Prospectus.
Resident Retail Individual Investor /Resident Retail Individual Bidder	A Retail Individual Bidder who is a "Person Resident in India" (as defined in Foreign Exchange Management Act, 1999) and who has Bid for Equity Shares for an aggregate amount not more than Rupees Two Lakhs in all of the bidding options in the Issue.
Retail Individual Bidders	Individual Bidders (including HUFs, NRIs and Resident Individual Bidders) who have not Bid for an amount of more than Rupees Two Lakhs in any of the bidding options in this Issue.
Retail Portion	The portion of this Issue being not less than 35% of the Issue i.e. [●] Equity Shares of having Face Value Rs. 10/- each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid-cum-Application Forms or any previous Revision Form(s).
Red Herring Prospectus/ RHP	The Red Herring Prospectus to be issued in accordance with Section 60B of the Companies Act which will not have complete particulars of the price and quantum of Equity Shares offered. The Red Herring Prospectus will be filed with the RoC at least three days before the bid/ Issue Opening date and will become Prospectus after filing with the RoC after determination of the Issue Price.
Registrar to the Issue or Registrar	Registrar to the Issue in this case being, Sharepro Services (India) Private Limited.
Self Certified Syndicate Bank (SCSB) / SCSB(s)	Self Certified Syndicate Bank (SCSB) is a Banker to an Issue registered under SEBI (Bankers to an Issue) Regulations, 1994 and which offers the service of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf.
Syndicate	Collectively, the BRLM and the Syndicate Member(s).
Syndicate Agreement	The agreement to be entered into between our Company, BRLM and the Syndicate Member(s), in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue.
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Member(s) are appointed by the BRLM. In this case being Chartered Capital and Investment Limited.
TRS or Transaction Registration Slip	The slip or document issued by the Syndicate Member(s) to the Bidder as proof of registration of the Bid on the online system of BSE and NSE.
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997

Term	Description
Underwriters	The BRLM and the Syndicate Member(s).
Underwriting Agreement	The Agreement among the Underwriters and our Company to be entered into on or after the Pricing Date.
Working Days	All days other than a Sunday or a public holiday (except in reference to announcement of Price Band and Bidding Period, where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business.

INDUSTRY RELATED TERMS

Abbreviation	Full Form
CY	Current Year
GDP	Gross Domestic Product
CMIE	Centre for Monitoring Indian Economy
ICT	Information and Communications Technology
R&D	Research and Development
NASSCOM	National Association of Software & Services Companies
BPO	Business Process Outsourcing
BFSI	Banking and Financial Services Industry
GDM	Global Delivery Model
NeGP	National eGovernance Programmes
UIDAI	Unique Identification Authority of India
SWAN	State Wide Area Network
SDC	State Data Centres
MHRD	Ministry of Human Resource Development
CRM	Customer Relationship Management
ERP	Enterprise Resource Planning
BI	Business Intelligence
WLAN	Wireless Local Area Network
ESS	Electronic Security and Surveillance

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CAN	Confirmation of Allocation Note
CIDC	Construction Industry Development Council
CB	Controlling Branch
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
DB	Designated Branch
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
EME	Emerging Market Economies
EPS	Earnings per Equity Share
FCNR Account	Foreign Currency Non Resident Account

Abbreviation	Full Form
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
Fis	Financial Institutions
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year
GAAP	Generally Accepted Accounting Principles
GBS	Gross Budgetary Support
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
GT	Gross Tonnage
GQ	Golden Quadrilateral
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IEBR	Internal & Extra Budgetary Resources
IIP	Index of Industrial Production
IMF	International Monetary Fund
INR	Indian National Rupee
IPO	Initial Public Offering
IT Act	Income Tax Act, 1961, as amended
Kms.	Kilometres
Ltd.	Limited
MICR	Magnetic Ink Character Recognition
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992
M&A	Mergers and Acquisitions
MM	Milli Metre
NEFT	National Electronic Fund Transfer
NS-EW	North South – East West
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
OEM	Original Equipment Manufacturer
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIA	Project Implementation Agency
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
R&D	Research & Development
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time

Abbreviation	Full Form
SCSB	Self Certified Syndicate Bank
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UoI	Union of India
WDV	Written Down Value
w.e.f.	with effect from
YoY	Year on Year

SECTION II – GENERAL

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Financial Data

Unless stated otherwise, the financial information used in the Draft Red Herring Prospectus is derived from our Company's restated financial statements for the financial year ended 2007, 2008, 2009, 2010 and 2011 prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with SEBI (ICDR) Regulations stated in the report of our Peer Review Auditors, M/s Laxmikant Kabra & Co., Chartered Accountants, beginning on Page No. 107 of the Draft Red Herring Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g Financial Year 2009) are to the Financial Year ended March 31 of that particular year.

In the Draft Red Herring Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our financial statements and reported earnings, which are reported under the Indian GAAP, could be different in a material manner from those which would be reported under IFRS or U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition and results of operations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market and Industry Data

The Chapter titled "***Industry Overview***" beginning on Page No 59 has been derived from a report titled "**Indain IT Infrastructure Industry**" that the Company has commissioned Credit Analysis & Research Limited ("CARE") to prepare a report (the "**Report**"). CARE has obtained the information set forth in the Report from its databases and other sources available in the public domain identified in the Report. CARE's methodologies for collecting information and data, and therefore the information discussed in the "Industry Overview" section, may differ from those of other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the industry. The "Industry Overview" section also includes certain projections and estimates that are based on certain assumptions regarding contingencies and other matters that are not within the control of the Company, the BRLM, CARE or any other person. These assumptions are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those projected. CARE has given and has not withdrawn its written consent to the issue of this Draft Red Herring Prospectus with the inclusion herein of its name and all references thereto and to the inclusion of the Report, including extracts of the Report, in this Draft Red Herring Prospectus, in the form and context in which it appears in this Draft Red Herring Prospectus. While the Company has taken reasonable actions to ensure that the Report and the market share and industry data and forecasts have been extracted accurately and in their proper context, neither the Company nor the BRLM have independently verified any of the data and forecasts from CARE or from third party sources or ascertained the underlying assumptions relied upon. As a result, you are cautioned against placing undue reliance on such information. Accordingly, no investment decision should be made based on such information. Although we believe that industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

FORWARD LOOKING STATEMENTS

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

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

(i) Loss of one or more customers;
(ii) Discontinuance of relationship with OEMs;
(iii) Decrease in demand for Network solutions;
(iv) Failure to attract and retain highly skilled IT professionals;
(v) Continued services of our Promoters and other key managerial personnel and our ability to attract and retain them.
(vi) Failure 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.

For a further discussion of factors that could cause our actual results to differ, *please refer Section titled "Risk Factors" beginning on Page No. xii of the Draft Red Herring Prospectus*, and Chapters titled "Business Overview" *and "Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements" beginning on Page No. 69 And 152 , respectivelyof the Draft Red Herring Prospectus.* By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION III- RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in the Draft Red Herring Prospectus, including the risks described below, before making an investment in our Equity Shares. 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 of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in the Draft Red Herring Prospectus, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in the Draft Red Herring Prospectus are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of our 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 not be material individually but may be found material collectively.*
2. *Some events may have material impact qualitatively instead of quantitatively.*
3. *Some events may not be material at present but may be having material impacts in future.*

Internal Risk Factors:

1. ***Our Company is involved in a number of legal proceedings, which may have financial implication on the business of our Company***

   There are outstanding legal proceedings involving our Company. These proceedings are pending at different levels of adjudication before various tribunals and enquiry/ adjudication officers. An adverse outcome in these proceedings could have an adverse effect on our business, prospects, financial condition and results of operations. In addition, further liability may arise out of these claims. Brief details of such outstanding litigation as of the date of the DraftRed Herring Prospectus are as follows:

Categories of Litigations	Total number of cases	Total Financial implication(if any) (Rs. In Lakhs)
Cases filed against our Company		
Service Tax	1	Not Quantifiable
FEMA	1	Not Quantifiable
Income Tax	1	Not Quantifiable
MVAT/ Central Sales Tax	3[(1)]	16.27
Companies Act, 1956	1	69.08
RoC	1	Not Quantifiable
Case filed byour Company		
Civil	1	14.98

[1]*One of the MVAT/CST cases is not quantifiable*

For further details of the legal proceedings involving our Company, see "Outstanding Litigations, Material Developments and Other Disclosures" on Page No. 167.

2. ***Delay in approval of Balance Sheet and Profit and Loss A/c by the Board of Directors for the financial year 2004-05, which may attract certain penalties under the Companies Act, 1956***

   Annual General Meeting for the financial year 2004-05 was held in accordance with Section 166 of the Companies Act, 1956 on September 30, 2005, but was adjourned due to non finalization of the Balance Sheet and Profit and Loss A/c. The Balance Sheet as at March 31, 2005 and the Profit and Loss A/c for the financial year 2004-05 could not be laid before the members of the Company, since it was not approved by our Board of Directors due to unfortunate accident of our both Promoter- Directors. The Balance Sheet and Profit and Loss A/c was thereafter laid down before the members of our Company at the adjourned Annual General Meeting held on March 24, 2006 and the same was duly approved. Our Company may therefore be subject to certain penal provisions under the Companies Act, 1956 for the aforesaid delay. However, as on the date of this Draft Red Herring Prospectus, we have not received any communication from the Registrar of Companies. If any penalty will be imposed, it may affect our financial.

3. ***We derive a significant portion of our revenue from a few customers and a loss of one or more such 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 customers contributed 56%, 66% and 57% respectively of our total revenue during FY 2011, FY 2010 and FY 2009 respectively. Any loss of business or significant reduction in the volume of work from our top 10 customers could adversely affect our revenues and profitability.

4. ***We derive a significant portion of our income from our Network Solutions business. Therefore, factors that adversely affect the demand for such IT solutions or our position and reputation as a provider of such IT solutions may adversely affect our business.***

   We have in the past derived, and believe that we will continue to derive, a significant portion of our income from our Network Solutions business and are dependent on the revenue generated from our Network Solutions business. By way of example, our Network Solutions business accounted for 92%, 88% and 87%, of our total operating income in fiscal 2009, fiscal 2010 and fiscal 2011, respectively. Consequently, factors that adversely affect the demand for Network Solutions or our position or reputation as a provider of such IT solutions, may adversely affect our business and profitability. The loss of a customer in the Network Solutions business could lead to a significant decrease in income. All of these factors could have an adverse effect on our business, financial condition and results of operations.

5. ***Hardware supply and integration is a significant part of our IT solutions offerings, for which we depend on original equipment manufacturers ("OEM") and other suppliers of hardware and software.***

   We are required to procure hardware and software on behalf of our customers in order to provide them with a complete IT Network Solution, creating a dependence on OEM and other suppliers of hardware and software. We have presently entered into certain arrangements with certain OEMs, which enables us to procure the products of the OEM at a discounted price. Therefore, our margins are dependent on the rates at which we procure such hardware and software from the OEMs. In the event, the OEM chooses to offer our competitors hardware and software at more competitive rates than what they offer us or we are unable to maintain our relationshipwith the OEMs, it could have a material adverse effect on our business, financial condition and results of operations.

6. ***Our Company is largely dependent on skilled human resources for execution and implementation of our customers order and if we cannot attract and retain highly-skilled IT professionals, our ability to obtain, manage and staff new projects and continue to cater to our existing orders may be adversely affected.***

   Our Company depends heavily on skilled human resources and our success and profitability depends to a great extent on these employees. Our ability to execute and expand existing projects and obtain new customers depends largely on our ability to hire, train and retain highly-skilled IT professionals,

particularly project managers, IT engineers and other senior technical personnel. We incur expenditure on our human resources by providing them with further training in the field of network solutions and allied areas. Further, we propose to enhance our employee skills by providing them with certification training. For further details, please see the section titled "***Objects of the Issue***" on Page No. 38. However, there is no guarantee that the employees will be at our service in future. Presently, we do not enter into any non-compete agreement with our employees. Further, we require large number of human resources to undertake various projects of our clients and due to the growing demand for IT professionals in India, we may have to increase the levels of employee compensation in order to retain our employees and may be unable to pass on this increase to our customers. In the event, our Company is unable to retain its existing employees or fails to attract fresh talent from the industry in the future, it will adversely affect our ability to successfully execute and implement the orders received by us from time to time and in turn affecting our profitability and results of operations.

7. We may have certain contingent liabilities not provided for crystallization of any of these liabilities could affect our financials.

Our contingent liabilities as of March 31, 2011 not provided for (as disclosed in our financial statements) are detailed in the following table:

Particulars	Amount (In Rs. Lakhs)
Letter of credit	33.39
Bank Guarantee	38.76
Total	**72.15**

8. Our Company provides annual maintenance services to its Customers from time to time and the terms and conditions of such services may be unfavourable to us.

Our Company provides annual maintenance services to its Customers from time to time and the terms and conditions of such services may be unfavourable to us. In the event, customers are not satisfied with our services and take shelter in these terms and conditions, we may have to submit to the said conditions and may be liable to pay some damages.

9. We might not be able to successfully implement our business strategies

In order to achieve our goal of expanding our presence across the country and to capture additional market share, we are constantly evaluating the possibilities of expanding our presence. Our initiatives, inter-alia, include:

- Focus on new business segments like Cloud Computing, etc;
- Target the SME segments and
- Increase our geographical presence;

Implementation of the aforesaid strategies may pose significant challenges to our administrative, financial and operational resources and additional risks, including some of which we may not be specifically aware of. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, it may have an adverse effect on our future business prospects. For further details, please see the Section titled "*Business Overview*" on Page No. 69.

10. Our Promoters are the First Generation Entrepreneurs and the investors would be subject to all consequential risks associated with respect to their limited knowledge.

Our Promoters are first generation entrepreneurs. Their experience in managing and being instrumental in the growth of our Company is limited to the extent of their individual knowledge, experience and expertise and we cannot assure that this will not affect our business growth.

11. The name of our Promoters is reported to Credit Information and Bureau of India by certain Banks and Financial Institutions for alleged delay in payment of EMIs and credit card charges.

Our Promoters namely Mr. Joson Thomas and Mr. Praveen Valia Parampath are reported to CIBIL with respect to alleged demand for overdue payment of annual membership charges of credit card

amounting to Rs.0.02 Lakhs for the year 1999 and delay of payment of housing loan EMI of approximately Rs. 1.64 Lakhs in the year 2009 respectively. However, subsequent to the reporting the names of our Promoters to CIBIL, no action and/or proceedings have been initiated against them.

12. ***We derive substantially all of our income from our customers within India. Therefore, factors that adversely affect the demand for IT solutions in India may adversely affect our business.***

We have in the past derived and believe that we will continue to derive, a significant portion of our income from our customers within India. In addition, almost all of our employees are based in India. Consequently, factors that adversely affect the Indian economy or the demand for IT solutions within India**,** may adversely affect our business and profitability. We are, therefore, less insulated from the risk of adverse changes in market conditions in India as compared to several of our competitors who have significant operations outside India.

13. ***Our business and profitability will suffer if we fail to anticipate and develop new services and enhance our existing 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. 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 product and service 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 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 sales and profitability and in turn our results of operations.

14. ***Our revenues and profits are difficult to predict and can vary significantly from year on year, which may impact our ability to pay dividend and which could cause the price of our Equity Shares to fluctuate.***

Our revenues are dependent on several factors such as continuous relationship with the customers and receipt of orders in the relevant accounting period, ability to attract fresh talent in the industry, etc the extent to which performance milestones have been achieved and general market conditions. For further details please see the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations as Reflected in the Financial Statements*" on Page No. 152. The combination of these factors may result in significant variations in revenues and profits and as a result year on year results may not be comparable and should not be relied upon as indicative of future performance. Any significant shortfall in revenue may have an adverse effect on our business, operating results and financial condition.

15. ***Delays or defaults in receivables from debtors could result in a reduction of our profits.***

We regularly commit resources to orders prior to receiving advances or other payments from clients in amounts sufficient to cover expenditures on orders as they are incurred. We may be subject to working capital shortages due to delays or defaults inreceivables from debtors. If clients default in their payments on an order 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.

16. ***Increases in wages for IT professionals could reduce our cash flows and profit margins.***

Historically, wage costs in the Indian IT services industry have been significantly lower than wage costs in the developed countries for comparable skilled technical personnel. However, in recent years wage costs in the Indian services industry have been increasing at a faster rate than those in certain developed countries. In the long term, wage increases may make us less competitive unless we are able to continue increasing the efficiency and productivity of our professionals and the prices we can charge for our products and services. Increases in wages, including an increase in the cash component of our compensation expenses, may reduce our cash flows and our profit margins.

17. ***We operate all our branch offices from rented properties and if we are required to vacate them, it may adversely affect our business and operations. Furthermore, some of the leave and license agreements and lease agreements entered into by us with respect to the rented properties for our branch offices may not be duly registered or adequately stamped.***

    Our Company carries on its functions through various branch offices spread across India, the properties of which are not owned by us. We operate all our branch offices from rented properties. We have entered into various leave and licence agreements and lease deeds from time to time, of which one of the lease deeds is entered into by us with our Promoters. We are yet to renew the leave and license agreement for two of our branch offices. If the lessor or licensor of such premises does not renew the agreements under which we occupy our branch offices or renew such agreements on terms and conditions that are unfavourable to us, we may have to vacate the premises and alternative premises may not be available at the same or similar cost. Such a situation could have a material adverse effect on our business and operations. Further, the rent payable in respect of the rented premises may escalate in future resulting in increase in operation costs.

    Furthermore, some of the lease agreements and leave and license agreements may not be adequately stamped or registered with the registering authority of appropriate jurisdiction. In case of non registration of document and inadequacy of stamp duty, our Company may not be able to enforce the contracts.

18. ***Our success depends upon our Promoter-Directors and the Key Managerial Personnel. Disassociation of our Promoter Directors or any failure to retain such key managerial personnel could have an adverse impact on our business, financial conditions and results of operations.***

    Currently, we depend heavily on our Promoter-Directors and the Key Managerial Personnel to implement our business strategy and carry out our operations. If our Promoter Directors disassociate or any of our key managerial personnel resign or discontinue their services and are not adequately replaced, our business operations and the implementation of our business strategy could be materially and adversely affected. Competition for management and industry experts in the industry is intense. Our future performance depends on our ability to identify, hire and retain key technical support, engineers and other qualified personnel. Failure to attract and retain such personnel could have a material adverse impact on our business, financial condition and results of operations.

19. ***Some of our Promoter Group entities have objects similar to that of our Company's business and this could lead to a potential conflict of interest. We have not as on date entered into any non-compete agreement with our Promoter Group Companies.Further, ourPromoter-Directors are also directors/ shareholders of our Promoter Group Companies.***

    Some of our Promoter Group Companies i.e JT and PV Enterprises Private Limited and Honeybe Distributors India Private Limited have some of their objects similar to that of our Company's business.

    Some of our directors are on the board of directors of our Promoter Group companies and have equity interest or investments in such companies that may offer services that are related to our business. As a result, a conflict of interest may arise in addressing business opportunities and strategies and implementing new plans. Currently, we do not have any non-compete agreement/arrangement with any of our promoter group/ group companies. *For further details, please see the Section titled "Our Promoters, Promoter Group and Group Companies" on Page No. 98.*

20. ***If we are not able to renew or maintain our statutory and regulatory registrations and approvals required to operate our business, it may have an impact on our business and operations.***

    Our Company requires certain statutory and regulatory licenses/registrations/approvals to operate its business. While, we believe we have procured all the necessary licenses/registrations/approvals, there cannot be any assurance that the same are adequate for legal compliance or that we have complied all the applicable laws. Further, as regards our existing licenses/approvals/registrations, we may be required to renew them in the future and obtain new licenses/approvals/registrations for any proposed operations, including any expansion of existing operations.

Our Company has made an application to regulatory authority for grant of the below mentioned Government / statutory approvaland license but the same has not been issued to us till date:-

Sr. No.	Particulars	Date of Application	Authority
1	Shops and Establishment Registration(Hyderabad)	July 25, 2011	District Labour officer, Hyderabad

While our Company believes that it will be able to renew or obtain such licenses/ approvals/ registrations as and when required, there can be no assurance that the relevant authorities will renew or issue any such licenses/approvals/registrations in the time-frame anticipated by the Company or at all. If the Company is unable to procure, renew, maintain or obtain the required licenses/ approvals/ registrations, it may result in the interruption of the Company's operations and may have an impact on its revenues and operations.

21. Our Company has entered into an Agreement for Sale dated February 20, 2010 for purchase of office premises situated at A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (E), Mumbai – 400059 with our Promoters which is not been registered in the name of our Company and a final sale deed remains to be executed in favour of our Company.

Our Company has entered into an Agreement for Sale dated February 20, 2010 with the Promoters for purchase of the premises located at A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (E), Mumbai- 400059. Our Company has allotted equity shares to the Promoters as part consideration for transfer of the said premises in favour of our Company; however a sale deed remains to be executed. Further, the said Agreement for Sale is not registered in the name of our Company. For further details, please see the section titled "*Capital Structure*" and "*Property*" on Page No. 23 and 76 respectively.

22. Our net cash flows from operating, investing and financing activities have been negative in the past. Any negative cash flow in the future may affect our liquidity and financial condition.

Our cash flow from our operating activities, investing and financing activities have been negative in the past.

Our cash flows from operating activities were negative in the year 2010 while cash flow from investing activities were negative in the year 2011, 2010 and 2009. They have been negative, primarily on account of purchase/ acquisition of fixed assets.

Net Cash Flow from financing activities was negative in the year 2009 on account of repayment of unsecured loans.

(Rs. in Lakhs)

Particulars	For the year ended March 31st		
	2011	2010	2009
Net Cash from Operating Activities	1.45	(310.26)	102.47
Net Cash from Investing Activities	(54.80)	(184.54)	(234.20)
Net Cash used in Financing Activities	152.42	542.44	(37.08)

Any net negative cash flows in the future could adversely affect our results of operations and consequently our revenues, profitability and growth plans.

23. Our Promoters have given personal guarantees in relation to certain debt facilities provided to us.

Our Promoters have given personal guarantees in relation to all our secured debt facilities amounting to Rs. 943.25 Lakhs as of March 31, 2011. In the event our Promoters withdraw or terminate their guarantee, the lender for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lender and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could adversely affect our financial

condition. For more information please see the section titled "*Financial Indebtedness*" appearing on Page No. 163.

24. We have issued Equity Shares during the last twelve months to our Promoter Group and certain individuals at a price that may be below the Issue Price.

We have in the last twelve months prior to filing this Draft Red Herring Prospectus, issued equity shares to our Promoter Group, namely, Mrs. Asha Joson and Mrs. Jini Praveen and certain other individuals as preferential allotment at a price that could be lower than the Issue Price. The price at which the equity shares have been issued in the last twelve months is not indicative of the price at which they will be issued or traded. For further details regarding such issuances of equity shares, see "*Capital Structure*" on Page No. 23.

25. One of our Group Companies has incurred losses in one or more of the last three years. Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc, which may affect our credibility and business operations.

The following Group Company promoted by our Promoters have incurred losses in one or more of the last three years:

(Rs. In Lakhs)

Name of the Company	FY 2009*	FY 2010	FY-2011
Netlabs Education (India) Private Limited	-	(1.28)	(11.95)

**Incorporated on November 23, 2009.*

26. Our loan agreements have several restrictive covenants and certain unconditional rights in favour of the lender, which could influence our ability to expand, in turn affecting our business and results of operations.

As on March 31, 2011 we have availed an aggregate of Rs. 977 Lakhs as secured loans from Union Bank of India. Further Standard Chartered Bank, Bangalore branch has sanctioned a term loan of Rs. 243.25 Lakhs; however, the same was not availed in the fiscal 2011. The said term loan has been secured by way of mortgage of immovable property owned by our Promoters and personal guarantee of our Promoters. We have also availed of unsecured loans aggregating to Rs. 23.04 Lakhs from our Promoters and certain members of our Promoter Group which may be recalled at any time**.** The credit facilities availed by our Company from Union Bank of India are secured by way of mortgage of fixed assets and hypothecation of current assets both present and future. Further in case we are not able to pay our dues in time, the same could adversely impact our operations. In addition to the above, our financing arrangements also include conditions and covenants that require us to obtain consents of Union Bank of India and Standard Chartered Bank prior to carrying out certain activities like payment of dividend, etc. Failure to obtain such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. We cannot assure you that we have requested or received all consents from Standard Chartered Bank and Union Bank of India that are required by our financing documents. As a result, it is possible that these banks could assert that we have not complied with all terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by the Banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility and may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lender, at its discretion. In the event the lender refuses to renew/enhance the credit facilities and/or cancels/suspends/reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as proposed expansion may be severely affected. Consequently, it would have a bearing on the financial condition of the Company.

27. 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 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 office building and group medical 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.

28. Our Promoters will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.

Upon completion of the Issue our Promoters would own [•] % of the post-issue equity share capital. As a result, our Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval including the election of Directors and approval of significant corporate transactions. Our Promoters will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

29. Our Company has entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.

Our Company has entered into certain related party transactions. Whilst, it believes that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that our Company could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. For further details please see the section titled "*Auditors' Report and Financial Information of Our Company*" on Page No. 107.

30. Some of our Directors and key management personnel have interests in the Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business

Our Directors, Mr. Joson Thomas and Mr. Praveen Valiya Parampath and some of our key managerial personnel hold certain Equity Shares in our Company and may be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. Further, our Company has obtained the premises located at 201, 2nd floor, Smart Square situated at Binnamangala Village, Hoysala Nagar, Bangaloreon leasehold basis from our Promoters on a monthly rent of Rs. 1 Lakh and interest free refundable security deposit of Rs. 300 Lakhs for a term of ten years. Therefore, our Promoters would be deemed to be interested to extent of rent payable to them by our Company. For further details, see the sections "*Our Management*"on Page No. 88 of this Draft Red Herring Prospectus.

31. Our ability to pay dividends will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditure, lender's approvals and other factors.

The amount of future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. There can be no assurance that we shall have distributable funds or that we will declare dividends.

32. There have been instances where we have had delays in respect of some of the periodic filings required to be made by us with various authorities. If the authorities impose monetary penalties on us or require us to undertake certain punitive actions, our business, financial condition and results of operations could be adversely affected.

As we have a Subsidiary in Singapore, Infonet Network System (Singapore) Private Limited, we are required to comply with the provisions of Foreign Exchange Management Act, 1999 ("**FEMA**"), including various rules, regulations and circulars issued there under. Under the applicable provisions of

FEMA, an Indian company having direct investment in a wholly-owned subsidiary ("**WOS**") or a joint venture ("**JV**") abroad is required to file with the RBI, through an authorised dealer, an Annual Performance Report of the WOS/JV within three months of the closure of annual accounts of the WOS/JV. Further, we are also required to file various returns as prescribed under the Companies Act and rules and regulations made thereunder with the Registrar of Companies. There have been instances of delays in respect of some of the periodic filings required to be made by us (i) under FEMA with RBI and (ii) under Companies Act with the RoC. For the financial year ending March 31, 2009, we submitted the annual performance report in respect of our Subsidiary beyond the cut-off date stipulated under FEMA. Although, as of the date of this Draft Red Herring Prospectus, we have not received any communication from the RBI in relation to the delay in filings, we cannot assure you that there will be no adverse action initiated by the RBI. We have, however, received a notice from the Registrar of Companies for alleged non-filing of annual returns and balance sheet. For further details please see the section titled "Outstanding Litigations, Material Developments and Other Disclosures" on Page No. 167.If the authorities impose monetary penalties on us or require us to undertake certain punitive actions, our business, financial condition and results of operations could be adversely affected.

33. Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.

As on March 31, 2011, our Company has availed of unsecured loans aggregating to Rs. 23.04 Lakhs which arerepayable on demand. Any demand from the lenders for repayment of such unsecured loans, the cash outgo may adversely affect the financial condition and result of operations of our Company. For further details of these unsecured loans, please refer to the Section titled"*Financial Indebtedness*" on Page No. 163 of this Draft Red Herring Prospectus.

34. We have not carried out an independent appraisal of our working capital requirements

Our business requires a substantial amount of working capital and we propose to utilize Rs. 900 lakhs from the proceeds of the Issue. Our working capital requirements are as per the management's estimates and we have not independently appraised or evaluated our working capital requirements by any bank or financial institution.

35. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters orother major shareholders may adversely affect the trading price of the Equity Shares.

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

RISK RELATING TO OBJECTS OF THE ISSUE

36. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our proposed expenditure and may have a bearing on our expected revenues and earnings.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our estimates for proposed expansion may exceed the value that would have been determined by third party appraisals and may require us to reschedule our proposed expenditure which may have a bearing on our expected revenues and earnings. Further, the deployment of the funds towards the Objects of the Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee.

37. As the specific acquisition targets have not been identified, the fund deployment in this regard is uncertain.

Our Company intends to use part of the proceeds amounting to Rs.1200 Lakhs for acquisitions as described in the section titled '*Objects of the Issue*' on Page No. 38 of this Draft Red Herring Prospectus. We have not yet entered into any definitive agreements to utilize the funds allocated for making acquisitions. Our Company proposes to complete the acquisitions by Fiscal 2012-2013. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. As on the date of this Draft Red Herring Prospectus, we have not yet identified specific acquisition targets. Pending utilization for the purpose described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration or for reducing overdraft.

38. The acquisition of other companies businesses or technologies and/or entering into strategic partnership or joint ventures in the future, could result in operating difficulties, integration issues and other adverse consequences.

As on the date of this Draft Red Herring Prospectus, we have experienced primarily organic growth, which signifies expansion of our Company from its own (internally generated) resources, without resorting to acquisitionsof other companies and strategic partnership or joint venture. However, as part of our growth strategy, we intend to pursue acquisitions to expand our business. There can be no assurance that we will be able to identify suitable acquisition targets or strategic investment at acceptable cost and on commercially reasonable terms, obtain the finance, if required, to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. Any future acquisitions may result in integration issues and employee retention problems. We may not be able to realize the benefits we might anticipate from any such acquisitions.

If we attempt to acquire non-Indian companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the RBI which we may not obtain. Further, foreign acquisitions also involve risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with doing business in other countries. Any failure to achieve successful integration of such acquisitions or investments could have an adverse effect on our business, results of operations or financial condition.

39. We have not entered into any MOUs / Letter of Intents/ agreements with third parties abroad to utilise the Issue proceeds for setting-up offices in Middle East and Asia Pacific Region.

We intend to use part of the Issue Proceeds for setting up of offices abroad for strategic initiatives, increase sales, marketing and promotional activities. For further details please refer to the section titled "***Objects of the Issue***" beginning on Page No. 38 of this Draft Red Herring Prospectus. As on date, we have not entered into any MoUs, letter of intents, for setting up our offices. Pending any use of the net proceeds of the Issue, we intend to invest the funds in high quality, liquid instruments including deposits with banks. We may be required to obtain governmental and regulatory approvals for setting-up of offices abroad and applications for the same, if necessary, will be made in due course.

40. We have not made definite arrangements for procurement/order placement of equipment worth Rs. 1237.14 Lakhs (being 100% of the equipment cost) for renovating and setting-up network operating centre at our existing office at 201, 2nd floor, Smart Square situated at Binnamangala Village, Bangalore, setting-up of new regional office in Bangalore and expansion of existing business divisions. Any delay in placing the orders or delay at the suppliers' end may result in time and cost overrun.

While, we have received estimates/quotations for the equipment, we would be placing orders for the equipment at an appropriate time, as the same are available at reasonably short notice. The purchase of equipments would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers' end in providing

timely delivery of these machineries, which in turn may delay the implementation of our project. Further, we cannot assure you that the purchase of the equipment would occur at the estimated price only.

41. ***We intend to utilise portion of the Issue proceeds aggregating to Rs. 690.62 Lakhs to purchase and set-up new regional office in Bangalore. However, we have not, as of the date of this Draft Red Herring Prospectus, identified the premises on which our proposed regional office would be set-up.***

    We intend to use Rs. 690.62 Lakhs of the Issue Proceeds to purchase and set up our new regional office in Bangalore. For use of Proceeds, see "***Objects of the Issue***" on Page No. 38.Furthermore, we have not, as of the date of this Draft Red Herring Prospectus, identified the premises on which we propose to set-up our new regional office.Any delay in the acquiring the said premises may adversely affect our business, financial condition and results of operations.

42. ***We intend to utilise Rs. 612.17 Lakhs, a portion of the Issue Proceeds to renovate and set-up Network Operating Centre at our office at 201, 2nd floor, Smart Square situated at Binnamangala Village, Kasaba Hobli, Indiranagar Post, Ward no. 82, Hoysala Nagar, Bangalore, which is obtained on leasehold basis from our Promoters. The said lease, however, may be terminated by either of the parties to the Agreement in the event of breach of the certain terms contained therein.***

    One of the Objects of the Issue is to renovate and set-up a network operating centre at 201, 2nd floor, Smart Square situated at Binnamangala Village, Bangalore. The said office premises is obtained on leasehold basis from our Promoters for a term of 10 years expiring on June 30, 2021. In the event, the said lease is terminated by either parties prior to the expiry of the term it may have an adverse effect on our future business prospects and may also result in delay in proposed schedule of implementation. For further details, please see the section titled "*Objects of the Issue*" on Page No. 38.

43. ***The schedule of implementation envisaged by us may be delayed and as a result thereof, we may face operational delays. This may have an adverse effect on our business operations and our return on investments.***

    The proposed schedule of implementation may be delayed on account of several factors, such as contractor performance shortfalls, delays in procuring equipments, force majeure events, non-availability of premises, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents, any of which could give rise to delays, cost overruns or the termination of the project. While we may seek to minimize the risks from any unanticipated events, we cannot ensure that all potential delays can be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

EXTERNAL RISK FACTORS

44. ***Indian corporate and other disclosure and accounting standards differ from countries in the European Union and other jurisdictions.***

    Our financial statements are prepared in accordance with Indian GAAP, which differ in significant respects from IFRS. As a result, our financial statements and reported earnings could be significantly different from those which would be reported under IFRS. Such differences may be material. We have not attempted to quantify the impact of IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Because differences exist between Indian GAAP and IFRS, the financial information in respect of our Company contained in this Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of the Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of

these differences between Indian GAAP and IFRS and how such differences might affect the financial information contained herein.

45. Our Company may engage in future acquisitions, investments, strategic partnerships or other ventures that may harm its performance or change its business strategy.

Our Company's growth strategy may involve acquiring or making investments in similar or related businesses, subsidiaries, technologies, or products, or entering into strategic partnerships with parties who can provide access to new markets and new products however, the same may pose management and integration challenges. These acquisitions may not necessarily contribute to our profitability, may require us to assume high level of debt or liabilities. Further, we may experience difficulties in integrating the operations and cultures, which may lead to lower synergies and efficiencies. In the past, our Company has relied on expanding some of its service offerings and gaining new clients through strategic acquisitions. It is possible that in the future our Company may not succeed in acquiring suitable entities on reasonable terms or have difficulty in accessing the capital required to finance potential acquisitions or be able to consummate any acquisition. In such a case, our company's future growth prospectus, especially through the inorganic route, may be adversely impacted.

46. We may require further equity issuances to satisfy our capital needs which we may not be able to procure.

We may need to raise additional capital from time to time, dependent on business requirements. Some of the factors that may require us to raise additional capital include (i) business growth beyond what the current balance sheet can sustain, (ii) additional capital requirements imposed due to changes in regulatory regime or new guidelines, and (iii) significant depletion in our existing capital base due to unusual operating losses. We may not be able to raise such additional capital at the time it is needed or on terms and conditions favourable to us or to the existing shareholders.

47. There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue price or at all.

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The Issue Price of the Equity Shares offered hereby may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the
- fiscal regime; and
- Volatility in the Indian and global securities markets.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future.

48. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors (For *further information please refers the Chapter titled "Basis for Issue Price" beginning on Page No. 51 of the Draft Red Herring Prospectus*) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue

Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Amongst the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- General market conditions; and
- Changes in economic, legal and regulatory factors (both domestic and international) unrelated to our performance such as global recession, imposition of trade / non trade barriers and sanctions etc.

49. You will not be able to immediately sell any of our Equity Shares purchased through this Issue on Stock Exchanges until the receipt of appropriate trading approvals from Stock Exchanges.

Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' demat accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of trading approval from the Stock Exchanges, trading in the Equity Shares is expected to commence within seven working days of the date on which the basis of allotment is approved. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above. Any delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

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

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. In accordance with section 73 of the Companies Act, in the event that the permission of listing the Equity Shares is denied by the Stock Exchanges, our Company is required to refund all monies collected to investors. For further information, see **"*Other Regulatory and Statutory Disclosures*"** on Page No. 177. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

The regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S.A closure or prolonged suspension of trading on either or both of the BSE and the NSE may adversely affect the trading price of the Equity Shares.

51. The price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.

The price of our Equity Shares on the Stock Exchanges may fluctuate as a result of several factors including:

- Volatility in Indian and global securities market;
- Our results of operations and performance;
- Performance of our competitors;
- Adverse media reports, if any, relating to our Company;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant development in India's economic liberalization and de-regulation policies; and
- Significant development in India's fiscal and environmental regulations.

There can be no assurance that an active trading market for our Company's Equity Shares will develop or be sustained after this Issue or the price at which our Equity Shares are initially traded will correspond to the prices at which our Equity Shares will trade in the market subsequent to this Issue.

52. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of shares and debentures are generally taxable in India. Any gain realised on the sale of shares and debentures on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which shares or debentures are sold. Any gain realised on the sale of shares and/or held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of shares and/or debentures held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of shares and/or debentures will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares and/or debentures, as the case may be.

53. Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

54. Political instability and significant changes in the Government's policy on liberalisation of the Indian economy could impact Our Company's financial results and prospects.

The role of the Indian central and state governments in the Indian economy and their effect on producers, consumers and regulators has remained significant over the years. Since 1991, successive governments of India have pursued policies of economic liberalisation, including insignificantly relaxing restrictions on the private sector. However, there is no assurance that these liberalisation policies and the political stability will continue in the future. The rate of economic liberalisation could change, and laws and policies affecting the automotive component manufacturers, foreign investment and other matters affecting investment in our Company's securities could change as well. Any significant change in liberalisation and deregulation policies could adversely affect business and economic conditions in India generally and our Company's business and results of operations and the market for the Equity Shares in particular.

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

India has witnessed localised civil disturbances in recent years and any future civil unrest or other acts of violence or war may adversely affect the global equity markets and economic growth. These acts may result in a loss of business confidence, make travel, transport, communications and other services more difficult and have other consequences that may have an adverse effect on our Company's business, results of operations and financial condition. Any deterioration in international relations may result in investor concern regarding regional stability, which could adversely affect the market for the Equity Shares.

56. Natural calamities may have a negative impact on the Indian economy and harm Our Company's business.

India has experienced natural calamities in recent years, including earthquakes, floods, drought and a tsunami. The severity and duration of these natural disasters or abnormal weather conditions determines their impact on the Indian economy. Such natural calamities may have an adverse impact

on the Indian economy, which could in turn adversely affect our Company's business and the market for the Equity Shares.

57. Any increase in interest rates due to the factors beyond the control of our Company may affect our business operations and financial conditions.

We have not entered into any swap or interest rate hedging transactions in connection with our loan agreements. Any increase in interest expense due to factors beyond our control such as Governmental, monetary and tax policies and domestic and international economic and political conditions may affect our business operations and financial condition.

Prominent Notes:

- The investors may contact the BRLM for any complaint pertaining to the Issue.
- Public Issue of [●] Equity Shares of Rs. 10/- each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating upto Rs.6000 Lakhs.The Issue shall constitute [●] % of the post issue paid-up capital.
- Our Company's net worth as at March 31, 2011 was Rs. 1426.49 Lakhs.
- Based on our restated financial statements, the net asset value per equity share having a face value of Rs. 10/- each was 14.47as on March 31, 2011.
- The average cost of acquisition per Equity Share by our Promoters are as follows:

Sr. No.	Name of Promoters	Cost of Acquisition (in Rs.)
1.	Mr. Joson Thomas	1.3
2.	Mr. Praveen Valiya Parampath	1.3

- For details of the transactions between our Company and our Group Companies, see section titled "***Financial Informations***" on Page No. 107.
- Our Company was originally incorporated in Mumbai as Infonet Network Systems (India) Private Limited on May 27, 1999 under the provisions of the Companies Act, 1956. Our Company was converted into a public limited company and consequently, the name of our Company was changed to Infonet Network Systems (India) Limited and a fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Mumbai on April 7, 2011. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on April 19, 2011, name of our Company was further changed from Infonet Network Systems (India) Limited to Infonet IT Solutions (I) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on April 27, 2011. For details please refer to the chapter titled "***History and Other Corporate Matters***" beginning on Page No. 83 of the Draft Red Herring Prospectus.
- For details of transactions in the securities of our Company by our Promoters, Promoter Group, Directors of our Company and their relatives in the last six months, see thenotes to the chapter "***Capital Structure***" on Page No. 23 of this Draft Red Herring Prospectus.
- There is no financing arrangements whereby our Promoter Group, our Promoters, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI.
- Our Group Companies do not have any business interests or other interests in our Company.
- For the details of transactions with the Group Companies and other related party transaction, please refer to the notes on related party transactions in "*Financial Information*" on Page No. 107.

SECTION IV – INTRODUCTION

SUMMARY OF INDUSTRY, BUSINESS, STRENGTHS AND STRATEGIES

This is only a summary and does not contain all information that one should consider before investing in the Equity Shares offered by our Company. Investors should read the entire Draft Red Herring Prospectus, including the information in the section titled "Risk Factors" beginning from Page No. xii of this Draft Red Herring Prospectus and the section titled "Financial Informations" and related notes beginning from Page No. 107 of this Draft Red Herring Prospectus before taking any decision to invest in the Equity Shares offered by our Company.

Summary of Industry

The information in this section is derived from industry sources, government publications and CARE Report dated August 26, 2011. The consent dated August 26, 2011 from CARE to use their report has been received. None of the Company, the BRLM and any other person associated with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, Investors should not place undue reliance on this information.

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Overview of Global and Indian IT Industry

The global IT industry is primarily classified into hardware and software. The hardware industry includes computer systems, peripherals, storage including servers, mobile devices and network equipment (routers, switches, modem, cabling etc.); while the software industry includes software development, consulting, training and outsourcing business. In 2009, the global technology and services related spending was critically impacted due to the recessionary scenario and declined by 2.9 % y-o-y to US $1.4 trillion while hardware markets were impacted worse than the software or service markets and reported a decline of 8% y-o-y. Companies and individuals deferred their discretionary spending and plans to acquire new hardware thereby extending product lifecycle. In 2010, pent up demand for hardware upgrade and infrastructure investment pushed global IT growth by 8% y-o-y to US $1.5 trillion, the fastest since 2007. Including telecom services, the overall information and communications technology (ICT) market grew by 6% y-o-y to approximately US $3.4 trillion in 2010. Global hardware spending in particular led the way by growing 16% y-o-y to US $661 billion in 2010 compared to spending on software and services which grew 4% and 2% respectively.

In 2011, it is expected that overall global IT spending will grow by 7.1% y-o-y this year to US $1.65 trillion with another year of double-digit growth for hardware spending (10%), while software and services markets will increase by 5% and 4% respectively. Worldwide ICT spending is estimated to grow to US$ 3.6 trillion in 2011, a growth of 5.6% y-o-y from US$ 3.4 trillion in 2010. However, somekey challenges still linger in the IT industry with sovereign debt crisis looming in Europe and lack of clear visibility regarding the state of global economy.

The Indian IT industry is one of the biggest exporters of the country and contributed approximately 6.1% to the GDP in FY2010. The overall IT-ITeS sector has become one of the most significant growth catalysts of the Indian economy and has considerably influenced the lives of its people through active direct and indirect

employment, higher standard of living and work place diversity. The industry has matured over the last three years and has made paradigm changes in their operations with the changing demand outlook, client negotiations and requirements for greater efficiencies andflexibility within the service delivery and the business models. The IT industry has launched new agenda to diversify beyond core offerings and markets through new business and pricing models. It has equipped itself to provide end-to-end service offerings, transform the deliveryprocess, innovate through R&D and drive inclusive growth in India by developing targeted solutions for the domestic market.

According to NASSCOM, total revenues in India's IT industry touched US$ 73.1 billion in 2009–2010 compared with US$ 70.5 billion in FY 2009; growing at 3.7% y-o-y of which US$ 50bn was through exports and the remaining US $23 billion from domestic market. The US and the UK account for the largest share of exports market accounting for 61% and 18% respectively in FY 2010. The industry added 90,000 new jobs in FY 2010, taking the total number of employees to 2.3 million and employs around 8.2 million through indirect jobs. The IT services exports segment grew to US$ 27.3billion in FY 2010 as compared to US$ 25.8 billion in FY 2009, showing a growth of 5.8% y-o-y while revenue from the domestic market (IT Services and ITeS-BPO) is also expected to grow to US $14.2billion in FY 2010. Moreover, India has a 51% market share of the global off-shoring market. There is tremendous headroom for growth as current off-shoring market is still a small part of the outsourcing industry. The BPO segment continues to be the fastest growing segment of the industryand is expected reach US $14.1 billion in FY11, growing at 14% y-o-y.

By 2020, it is expected the Indian IT-BPO-ITeS industry to reach a market size of US$ 225 billion based on significant opportunities from core verticals like BFSI, retail, healthcare and government along with geographic segment like the US and emerging markets like Asia-Pacific region.

Growth drivers for Indian IT Infrastructure Industry

Major growth drivers of the Indian IT industry have been strong economic growth in the domestic market, rapid advancement in technology infrastructure, need for higher security, increasing competitiveness of Indian organizations and enhanced focus on IT solutions (e-Governance) by the Government of India.

Increased Technology related spending globally

Globally, organizations, governments and individuals are increasing their spending on IT related products and services to remain networked and connected to internet and intranet in a secured way. Outsourcing of many such software services and solutions is transferred to cost-effective centres such as India. Total global IT spending in 2011 will grow by 7% y-o-y this year to US$1.65 trillion and hardware spending will increase by 10% y-o-y. According to Naasscom, India's IT -BPO outsourcing is increasing and 2010 its global outsourcing share increased to 55% from 51% share in 2009. North America remains the largest outsourcing market with increasing demand from government, health care and BFSI segment.

Wireless Infrastructure

With telecom operators upgrading and expanding existing networks, spending on India's wireless infrastructure equipment market in 2011 will reach US$ 11billion, from US$ 10.8billion in 2010 but primarily due to rollout of nation wide WiMax and 3G networks. Telecom equipment manufacturers are increasingly opting to establish local plants and reduce on importing costs as domestic production capabilities will provide manufacturers with a distinct advantage in the price-sensitive Indian market.Various players already have announced their plans to further invest in the expansion of manufacturing and R&D facilities. Ericsson and Nokia-Siemens Network have retained top market share despite competition from Chinese vendors such as Huawei and ZTE despite government's security concern which impacted their business to some extent. It is believed that India adds more than 15 million wireless subscribers a month and is the second-largest market after China for wireless services with more than 771 million subscribers presenting huge opportunity for wireless infrastructure.

Voice over IP Telephony (VoIP)

VoIP Telephony has emerged as the dominant architecture for future voice communications. As the line between voice and data applications continues to blur, new innovative features and services will continue to emerge that will drive measurable business value. VoIP Telephony in the Indian market within the enterprise and not consumer segment has been pegged at US$ 203million in 2010. It is expected to growth at a CAGR of 5.5% from 2008 till 2015. Cisco has clearly been a pioneer in driving IP communication adoption in India and

has worked with several corporations to point out benefits that companies can derive from a converged network of voice, video and data.

Network Storage

The phenomenal upsurge in the enterprise data is pushing the need for efficient storage management. Unstructured data has the highest growth, followed by replicated data. Structured data (databases for transactional workloads) is also growing, albeit at a slower rate. In FY 2011, the total storage market has been pegged at Rs 1,655 crore which comprises the external disk storage and storage software. Approximately 80% of the market comprises of external disk storage and the remaining 20% consists of storage software.

Cloud Computing

Cloud computing is one of the newest innovations in the IT industry. The Indian cloud computing industry is valued at US$110 million in 2010, which is expected to grow to US$1 billion by 2015. Ofthe total market size Software as a Service (SaaS) estimated at US$ 66 million and Platform as a Service (PaaS) along with Infrastructure as a Service (IaaS) constitutes the remaining US$44 million.The public cloud computing market itself in India is estimated to touch Rs 2,434 crore by 2014 after growing at a CAGR of 53% between 2010-2014 according industry experts. The cloud computing platform is expected to mainly benefit enterprise SMEs (small and medium enterprises), SoHo (small office, home office) and consumer segments. Cloud computing has tremendous potential in India despite its challenges and is a technology which can usher India's domestic IT services to a new era. However, always-on connections are a must for cloud computing to succeed, which is challenging in the Indian context.

Structured Cabling Solution (SCS)

The Indian structured cabling market is expected to grow steadily with increasing investments (projects) in IT infrastructure with growth from verticals like telecom, BFSI, education, IT/ITeS. SCS includes fiber cable and components and copper cables used in setting up a data centre. It is expectedthat India's Structured Cabling Solutions market to reach a size of Rs 1,928 crore by end-2011, andgrow to an industry size of nearly Rs 3,315crore by 2015 according to industry experts. Of this, copper cables and components contribute approximately 80% while fiber cables and components contribute the remaining 20%. Corporations in general have started to realize the importance of data centres and there has been aspike in investment related to data centres in terms of up-gradation and consolidation and setting up of remote disaster recovery centres, all of which require better cabling systems. This trend is also contributing to the growth of the India SCS market

Video Conferencing (VC)

In today's fast-paced world, Video Conferencing plays an important role in reducing several complexities in the work environment and the latest trend in the VC Industry is embedding video conferencing systems into the unified communication framework of an enterprise. In FY2011, the VC market in India was estimated to be approximately Rs. 337 crore. Conferencing solutions allow organizations to bring key people together that are geographically dispersed into a single conference, to facilitate discussions, ideas and decision-making thereby saving on travelling time and expenses. One of the main challenges that VC industry has been facing for long of constricted bandwidth which is supposed to minimize to a considerable degree in the future with the technologies like 3G and WiMax. Going forward, it is expected that there will be an explosion of video data as masses including small businesses and home users will increasingly communicate and share informationusing through this technology.

Server Market

The server market in India is back on a strong growth trajectory after a brief hiatus during the global financial crisis in 2009. In FY 2011, India's server market is estimated to be approximately Rs 3,680 crore (US$ 800 mn) and about 30% of the market is captured by non-x86 UNIX servers. A server is designed for various functions like serving e-mail, storage, protecting internal networks and hosting web sites. Globally, the outlook for server market in CY 2011 is expected to grow at sustained levels, despite high level of the replacement cycle for x86 servers already reached in 2010. It is expected that out of the four components that make up the total IT market, computing hardware (PCs, servers, tablets) would grow the fastest at 11.7% in 2011.

Source: CARE Research, Industry interactions and Annual Report of various companies in the industry.

Major end user industries

India continues to be a vastly underpenetrated IT market relative to other developed markets and even Asia-Pacific region. India's IT spending compared to GDP is also low compared to developed market. Infrastructure projects undertaken by India's government will strongly drive IT, in conjunction with the growth of the hyper competitive banking-financial services-insurance (BFSI) business in India, which requires sophisticated IT systems. BFSI (Banking, Financial Services and Insurance), telecommunications, manufacturing and government are the four major verticals which contribute about 75% of the IT services spending in India. This demonstrates that domestic IT services market isat a nascent stage and just waitingto be tapped. The BFSIs segment allocates the second largest budget in the industry on IT expenditure after the Indian government and is strong in leveraging technology for business objectives. Other prominent industry players investing in IT industry are from the telecom and manufacturing sectors.

SUMMARY OF BUSINESS

Our Company provides a comprehensive range of IT Solutions which includes Designing and consultancy, Structured cabling, Switching, Routing, Optical fibre services, Network auditing, Wireless network, Security, Video conferencing, Servers, Uninterrupted power Supply (UPS) and Storage, Voice over Internet Protocol Telephony (VoIP), Unified Communications, Managed Leased Line Network (MLLN) technology, Physical Security and Facility Management Services, etc.

In the initial days, the business focus of our company was only on structured cabling segment. Now we are one of the companies which is a dedicated IT specialist, providing strategic, personalized, end-to-end IT solutions to customers across several sectors.

Over the last 12 years, our Company has served more than 800 customers across various business verticals including Jet Airways, Willis processing Services India Private Limited, one of the recognized stock exchanges etc. Our Company has also catered to clients operating in the aviation sector, telecommunication sector, banking and financial sector, software/IT sector, etc.

Our Company is head quartered in Mumbai and has seven branches across the country, which enables us to address business opportunities in North, East, West and South of India. We have international presence in Singapore through our wholly owned subsidiary, Infonet Network Systems (Singapore) Pvt Ltd. In the coming years, our Company intends to set up a NOC at Bangalore and also intends to globally expand by setting up fully fledged offices in Middle East (UAE).

As on March 31, 2011, we had 300 employees which include trained OEM certified system engineers.We adhere to international best practices standards and have been certified with ISO 9001: 2008 and also have a mature Quality Management System that spans across all functions of the organization.

We primarily face competition from Indian IT services companies as well as international technology services companies which offer turnkey solutions. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market.

In FY 2011, our total income was Rs. 3586.35 lakhs and we earned net profit after tax of Rs. 394.74 lakhs. For the period ending March 31, 2010, our total income stood at Rs. 3587.11 lakhs and we earned a net profit of Rs. 344.89 lakhs.

OUR COMPETITIVE STRENGTHS

Ability to provide end to end network related solutions

We believe that our Company is ably positioned to provide all network related services to our clients. Our ambit of services includes Designing and consultancy, Structured cabling, Switching, Routing, Optical fibre services, Network auditing, Wireless network, Security, Video Conferencing, Servers, Uninterrupted Power Supply (UPS) and Storage, Voice over Internet Protocol Telephony (VoIP), Unified Communications, Managed Leased Line Network (MLLN) technology, Physical Security and Facility Management Services, etc.

Strong client base with long working relationship

Our clients include some of the largest corporates of the country and had a long and mutually beneficial working relationship including Jet Airways, Willis processing Services India Private Limited, one of the recognized stock exchanges, etc. Over the years our Company has catered to clients operating in the aviation sector, telecommunication sector, banking and financial sector, software/IT sector, etc

We have been closely associated with them for over 10 years. We have built relationship on the basis of quality of our products and services which is demonstrated by the fact that customers have given repeat orders. Our track record of delivering customised solutions and our product development experience helped us in building long working relationship with our customer.

Our Company's business is diversified and we have experience in servicing clients from different industries

We have the experience of servicing clients from diverse industries like Banking and Finance, Manufacturing enterprises, Hospitality services, IT Enabled Services, Software and Service Providers, etc. We have the capacity to deliver, manage and deploy solutions for various network types and business complexities, with industry-proven practices, methodologies and standard tools.

We have geographical presence and quality systems and processes

Our Company has branches across India and we have been certified with ISO 9001: 2008 and also have a Quality Management System that spans across all functions of the organization.

Highly trained, motivated and dedicated human assets

As on March 31, 2011, we had 300 employees which includes trained OEM certified system engineers. The employees are given regular training in their respective domains. As part of the objects of the issue, our company intends to further enhance our employee skills by training and certification. For further details refer to the section on training and OEM certification on Page No. 38 of the "***Objects of the Issue***".

Promoters have experience and expertise in the business they operate

Our promoters are highly experienced in the various business of our Company and this is a guiding factor in the continuous growth of our Company. They are first generation entrepreneurs with 15 years of experience in the IT industry.

Acclamation and awards

Our company has received continuous acclamation from its clients for its services. We have been awarded the Nortel Award for SMB Partner of the year 2008, CRN Award for Solution Provider-Networking etc. Further, we have been given solution partnership levels by various OEMs such as Cisco Premier Certified Partner, AMP Netconnet, Juniper Elite Reseller, Grainger Authorised Reseller, Digilink Empower Value Added System Integrator and Netmagic Solutions-Elite Partner etc.

FUTURE PROSPECTS / BUSINESS STRATEGY

To become a market leader in its business segments

Our Company plans to become a market leader by both organic and inorganic routes. It aims to acquire talent from the industry by which it can sell new products and services to its existing customers. Our Company also plans to take the inorganic route of growth by acquiring companies or strategic partnership or joint ventures.

Increase its national and international presence by increasing the number of branches

We intend to grow our business by spreading our geographical reach to tap high potential markets such as Middle East and Asia Pacific Region. Our Company plans to set up international offices in Middle East (UAE).

Our Company also wants to set up offices in smaller cities and increase its national presence. We are proposing to set-up our new Regional Office in Bangalore. However, we are yet to identify the premises on which the same would be set-up. For Further details please refer to "***Objects of the Issue***" on Page No. 38 of the Draft Red Herring Prospectus.

Increase our profit margins by focussing on SME sector

Our Company plans to have a dedicated business development team to work with SME customers as we feel this will be a high growth sector in the future. The SME sector warrants higher profit margins for our Company.

Develop skill sets of its employees through training

Our Company believes in continuously developing the skill sets of its employees to services our clients efficiently. Our Company wants to focus further on training and development of its employees and have identified a few certification and training areas. We are also planning to set-up an in-house lab for testing and training our employees on various solutions and technologies offered by us. This will bring down the employee cost of the organisation. Our Company has identified the following areas for training:

- Switching,
- Routing,
- VOIP Telephony,
- Physical Security Solutions,
- Telecom products, etc

For further details please refer to the section "***Objects of the Issue***" on Page No. 38 of the Draft Red Herring Prospectus.

Decentralize branches and treat them as independent profit making centres

In order to encourage accountability and increase profitability of the organisation we have decided to decentralize our branch offices and treat them as independent profit centres.

Focus on new business segments and alliances

Our company plans to grow through entering new business segments like:

- Cloud computing, baggage scanning systems, tripod access control systems, elevator access control, light automation, etc
- Participate in high-growth sectors like Telecom products (3G, 4G and Wimax Solutions), Government and Public Sector Undertaking's, Educational Institutions.
- Develop new alliances with international market players in the field of networking projects.

Exploit the existing customer relationship and promote the sales of all our products

Some of our Company's existing customers have large IT budgets. Our Company plans to use its relationship to sell its products to the customer. Our Company plans to have a dedicated team to manage relationship with customers who are major industry players.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary of financial information derived from our restated financial statements as of and for the FY March 31, 2011, 2010, 2009, 2008 and 2007. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations and are presented in the section titled "Financial Information" on Page No. 107 of this Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with our restated financial statements, the notes thereto and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on Page No. 152 of this Draft Red Herring Prospectus.

SUMMARY STATEMENT OF STANDALONE ASSETS AND LIABILITIES, RESTATED

(*Amount in Lakhs*)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Fixed Assets					
Gross Block	685.81	684.57	499.91	265.90	217.48
Less: Depreciation	220.10	176.54	124.73	88.84	59.13
Net Block	465.71	508.03	375.19	177.06	158.35
Capital WIP	41.41	0.00	0.00	0.00	0.00
Total (A)	**507.12**	**508.03**	**375.19**	**177.06**	**158.35**
Investments (B)	**0.04**	**0.04**	**2.79**	**1.29**	**1.29**
Current Assets, Loans & Advances					
Inventory	466.96	461.25	92.87	85.73	69.97
Sundry Debtors	1733.04	1396.84	1585.02	963.05	751.04
Cash and Bank Balances	309.73	214.49	174.37	355.12	146.88
Loans and Advances	814.44	652.20	266.14	151.67	67.04
Deferred Tax Assets	0.00	0.00	0.00	23.50	19.81
Total (C)	**3324.18**	**2724.78**	**2118.39**	**1579.07**	**1054.74**
Total Assets (A+B+C) = D	**3831.34**	**3232.84**	**2496.37**	**1757.42**	**1214.38**
Liabilities and Provisions					
Current Liabilities	850.86	941.90	1375.33	1008.66	788.18
Provisions	575.36	497.96	252.16	149.60	61.95
Secured Loans	992.65	774.74	276.35	288.58	197.71
Unsecured Loans	23.04	11.60	5.00	0.00	12.00
Deferred Tax Liabilities	8.73	9.79	1.79	0.00	0.00
Total (E)	**2450.64**	**2235.99**	**1910.62**	**1446.84**	**1059.85**
Net Worth (D-E)	**1380.70**	**996.85**	**585.76**	**310.58**	**154.53**
Net Worth represented by					
Equity Share Capital	986.26	657.24	100.00	10.00	10.00
Reserve and Surplus					
General Reserve	0.00	17.38	17.38	17.38	17.38
Profit & Loss account	394.44	322.23	468.38	283.20	127.15

Sub-Total	**1380.70**	**996.85**	**585.76**	**310.58**	**154.53**
Less: Miscellaneous Expenditure *(to the extent not written off or adjusted)*	0.00	0.00	0.00	0.00	0.00
Net Worth	**1380.70**	**996.85**	**585.76**	**310.58**	**154.53**

SUMMARY STATEMENT OF STANDALONE PROFIT AND LOSSES, RESTATED

(Amount in Lakhs)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
INCOME					
Sales	1897.09	2460.92	3283.81	2964.50	1923.56
Network Installation Charges	1639.72	805.89	466.87	504.28	399.51
Other Income	21.15	46.65	39.39	26.47	21.95
Variation in Stock	3.09	138.39	0.00	0.00	0.00
Total	**3561.05**	**3451.86**	**3790.07**	**3495.25**	**2345.02**
EXPENDITURE					
Cost of Goods Sold	1423.53	1564.71	2432.76	2323.53	1578.17
Sub Contract Charges	296.91	320.30	159.84	125.68	149.94
Payment & Provision to Employees	597.81	477.60	392.40	320.97	177.76
Administrative & Selling Expenses	481.75	382.03	317.72	354.29	224.37
Finance Expenses	96.47	59.43	49.66	37.39	20.08
Depreciation	55.19	55.66	34.67	31.44	22.49
Misc. Expenses written off	0.00	6.30	0.00	0.00	0.00
Total	**2951.66**	**2866.03**	**3387.05**	**3193.30**	**2172.81**
Adjusted Profit before tax	**609.39**	**585.82**	**403.03**	**301.96**	**172.21**
Provision for Tax					
Current	227.00	239.00	92.87	139.94	86.37
Deferred Tax Asset\Liabilty	(1.06)	8.00	25.29	(3.69)	(24.78)
Fringe Benefit	0.00	0.00	9.69	9.65	7.51
Profit after Tax	**383.45**	**338.82**	**275.18**	**156.05**	**103.11**
Appropriations					
Dividend	0.00	40.01	0.00	0.00	0.00
Dividend tax	0.00	6.80	0.00	0.00	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**383.45**	**292.02**	**275.18**	**156.05**	**103.11**

SUMMARY STATEMENT OF STANDALONE CASH FLOWS, RESTATED

(Amount in Lakhs)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Cash flows from Operating Activities					
Net profit before taxation, and extraordinary item	**609.39**	**585.82**	**403.03**	**301.96**	**172.21**
Adjustments for:					
Depreciation	55.19	55.66	34.67	31.44	22.49
Profit /Loss on sale of Fixed Assets	0.52	(0.90)	0.00	0.32	0.18
Interest received	(19.21)	(18.25)	(20.83)	(17.84)	(6.55)
Misc Expense written off	0.00	6.30	0.00	0.00	0.00
Dividend	(0.01)	(0.31)	(0.10)	(0.01)	(0.04)
Interest expenses	96.47	59.43	49.66	37.39	20.08
Operating Profit before Working Capital Changes	**742.35**	**687.75**	**466.43**	**353.26**	**208.37**
Decrease / (Increase) in sundry debtors	(336.21)	188.18	(621.97)	(212.00)	34.52
Decrease / (Increase) in inventories	(5.71)	(368.38)	(7.14)	(15.76)	11.58
Decrease / (Increase) in loans and advances	(291.00)	(312.11)	(16.39)	(16.81)	(47.81)
Increase / (Decrease) in current liabilities & provisions	(91.04)	(439.73)	366.67	220.48	(49.85)
Cash Generated from Operations	**18.39**	**(244.29)**	**187.60**	**329.17**	**156.80**
Income taxes paid	(20.84)	(73.95)	(98.07)	(129.78)	(75.98)
Cash flow before extraordinary item	**(2.45)**	**(318.23)**	**89.52**	**199.39**	**80.82**
Extra Ordinary Items	0.00	0.00	0.00	0.00	0.00
Net Cash from Operating Activities	**(2.45)**	**(318.23)**	**89.52**	**199.39**	**80.82**
Cash flows from Investing Activities					
Purchase of Fixed Assets	(66.57)	(195.91)	(232.80)	(61.08)	(82.51)
Sale of Fixed Assets	11.76	8.31	0.00	10.60	2.55
(Increase) in Investments	0.00	2.75	(1.50)	0.00	(1.26)
Dividend	0.01	0.31	0.10	0.01	0.04
Net cash from Investing Activities	**(54.81)**	**(184.54)**	**(234.20)**	**(50.47)**	**(81.18)**
Cash flows from Financing Activities					
Proceeds from Issue of Share Capital	0.40	119.08	0.00	0.00	0.00
Increase/(Decrease) in	11.44	6.60	5.00	(12.00)	0.82

unsecured loans (Short term)					
Increase/(Decrease) in secured loans	217.90	498.40	(12.24)	90.87	75.94
Interest received	19.21	18.25	20.83	17.84	6.55
Interest paid	(96.47)	(59.43)	(49.66)	(37.39)	(20.08)
Dividend paid	0.00	(40.00)	0.00	0.00	0.00
Net cash used in Financing Activities	**152.48**	**542.89**	**(36.07)**	**59.32**	**63.23**
Net increase in Cash and Cash Equivalents	**95.24**	**40.12**	**(180.75)**	**208.24**	**62.88**
Add : Cash and cash equivalents at beginning of the Year	214.49	174.37	355.12	146.88	84.00
Cash and Cash Equivalents at end of the Year	**309.73**	**214.49**	**174.37**	**355.12**	**146.88**

SUMMARY STATEMENT OF CONSOLIDATED ASSETS AND LIABILITES, RESTATED

(Amount in Lakhs)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Fixed Assets			
Gross Block	685.81	684.57	499.91
Less: Depreciation	220.10	176.54	124.73
Net Block	465.71	508.03	375.19
Capital WIP	41.41	0.00	0.00
Total (A)	**507.12**	**508.03**	**375.19**
Investments (B)	**0.04**	**0.04**	**2.79**
Current Assets, Loans & Advances			
Inventory	466.96	461.25	123.13
Sundry Debtors	1733.04	1396.84	1585.02
Cash and Bank Balances	333.04	233.96	186.31
Loans and Advances	815.40	652.22	267.08
Deferred Tax Assets	0.00	0.00	0.00
Total (C)	**3348.44**	**2744.27**	**2161.54**
Total Assets (A+B+C) = D	**3855.60**	**3252.33**	**2539.51**
Liabilities and Provisions			
Current Liabilities	836.87	926.32	1387.28
Provisions	567.82	498.52	254.91
Secured Loans	992.65	774.74	276.35
Unsecured Loans	23.04	11.60	5.00
Deferred Tax Liabilities	8.73	9.79	1.79
Total (E)	**2429.11**	**2220.98**	**1925.32**
Net Worth (D-E)	**1426.49**	**1031.36**	**614.19**
Net Worth represented by			
Equity Share Capital	986.26	657.24	100.00
Reserve and Surplus			
General Reserve	0.00	17.38	17.38
Profit & Loss account	440.23	356.74	496.81

Sub-Total	**1426.49**	**1031.36**	**614.19**
Less: Miscellaneous Expenditure *(to the extent not written off or adjusted)*	0.00	0.00	0.00
Net Worth	**1426.49**	**1031.36**	**614.19**

SUMMARY STATEMENT OF CONSOLIDATED PROFITS AND LOSSES, RESTATED

(Amount in Lakhs)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
INCOME			
Sales	1919.50	2596.17	3481.19
Network Installtion Charges	1639.72	805.89	466.87
Other Income	24.04	46.66	39.39
Variation in Stock	3.09	138.39	0.00
Total	**3586.35**	**3587.11**	**3987.45**
EXPENDITURE			
Cost of Goods Sold	1441.09	1690.77	2366.38
Sub Contract Charges	296.91	320.30	368.21
Payment & Provision to Employees	597.81	477.60	392.50
Administrative & Selling Expenses	485.29	383.71	341.14
Finance Expenses	96.53	59.88	50.34
Depreciation	55.19	55.66	34.67
Misc Expenses written off	0.00	6.30	0.00
Total	**2972.82**	**2994.22**	**3553.24**
Adjusted Profit before tax	**613.53**	**592.89**	**434.21**
Provision for Tax			
Current	219.86	240.00	95.62
Deferred Tax Asset / Liabilty	(1.06)	8.00	25.29
Fringe Benefit	0.00	0.00	9.69
Profit after Tax	**394.74**	**344.89**	**303.61**
Appropriations			
Dividend	0.00	40.01	0.00
Dividend tax	0.00	6.80	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**394.74**	**298.09**	**303.61**

SUMMARY STATEMENT OF CONSOLIDATED CASH FLOWS RESTATED

(Amount in Lakhs)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Cash flows from Operating Activities			
Net profit before taxation, and extraordinary item	**613.53**	**592.89**	**434.21**
Adjustments for:			
Depreciation	55.19	55.66	34.67
Profit /Loss on sale of Fixed Assets	0.52	(0.90)	0.00
Interest received	(19.21)	(18.25)	(20.50)
Preliminary Expense written off	0.00	6.30	0.00
Dividend	(0.01)	(0.31)	(0.10)
Interest expenses	96.53	59.88	50.34
Operating Profit before Working Capital Changes	**746.55**	**695.27**	**498.62**
Decrease / (Increase) in sundry debtors	(336.21)	188.18	(621.97)
Decrease / (Increase) in inventories	(5.71)	(338.12)	(37.40)
Decrease / (Increase) in loans and advances	(291.93)	(311.20)	(17.34)
Increase / (Decrease) in current liabilities & provisions	(89.45)	(467.26)	378.62
Cash Generated from Operations	**23.25**	**(233.12)**	**200.54**
Income taxes paid	(21.80)	(77.13)	(98.07)
Cash flow before extraordinary item	1.45	(310.26)	102.47
Extra Ordinary Items	0.00	0.00	0.00
Net Cash from Operating Activities	**1.45**	**(310.26)**	**102.47**
Cash flows from Investing Activities			
Purchase of Fixed Assets	(66.57)	(195.91)	(232.80)
Sale of Fixed Assets	11.76	8.31	0.00
(Increase) in Investments	0.00	2.75	(1.50)
Dividend	0.01	0.31	0.10
Net cash from Investing Activities	**(54.80)**	**(184.54)**	**(234.20)**
Cash flows from Financing Activities			
Proceeds from Issue of Share Capital	0.40	119.08	0.00
Increase/(Decrease) in unsecured loans (Short term)	11.44	6.60	5.00
Increase/(Decrease) in secured loans	217.90	498.40	(12.24)
Interest received	19.21	18.25	20.50
Interest paid	(96.53)	(59.88)	(50.34)
Dividend paid	0.00	(40.00)	0.00
Net cash used in Financing Activities	**152.42**	**542.44**	**(37.08)**
Net increase in Cash and Cash Equivalents	**99.08**	**47.65**	**(168.80)**
Add : Cash and cash equivalents at beginning of year	233.96	186.31	355.12
Cash and Cash Equivalents at end of year	**333.04**	**233.96**	**186.31**

THE ISSUE

Issue by our Company[1]	[●] Equity shares of Face Value of Rs.10 each for cash at price of Rs. [●] (including a premium of Rs. [●]) aggregating upto Rs. 6000 Lakhs
Of which	
A) **QIB Portion**	Not more than [●] Equity Shares shall be available for allocation
Of which:	
Available for Mutual Funds	Upto [●] Equity Shares shall be available for allocation
Balance of QIB Portion (available for QIBs including Mutual Funds)	Upto [●] Equity Shares shall be available for allocation
B) Non-institutional Portion	Not less than [●] Equity Shares shall be available for allocation
C) Retail Portion	Not less than [●] Equity Shares shall be available for allocation
Equity Shares outstanding prior to the Issue	10362600 Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of Net Proceeds	See "***Objects of the Issue***" on Page No. 38

[1]*Our Company is considering a Pre-IPO Placement of upto maximum 25, 00,000 Equity Shares aggregating upto maximum Rs. 2,000 Lakhs with various investors. The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the Registrar of Companies. If the Pre-IPO Placement is completed, the issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum size of 25% of the post-Issue-paid-up equity share capital being offered to the public.*

Note:

1. *Allocation to all categories shall be made on a proportionate basis.*

2. *In the event of over-subscription, allocation shall be made on a proportionate basis subject to valid Bids being received at or above the Issue Price.*

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

For details of the terms of the Issue, see "***Terms of the Issue***" on Page No. 186.

GENERAL INFORMATION

Our Company was incorporated on May 27, 1999 under the provisions of the Companies Act, 1956 as private limited Company with its registered office at 12, Aysha Sadan, Marol Maroshi Road, Marol, Andheri (East),Mumbai – 400 059. On April 7, 2011, our Company became a public limited company. For further details please see the section titled "*History and Other Corporate Matters*" on Page No 83.

REGISTERED OFFICE:

Infonet IT Solutions (I) Limited
A/32 Nand Dham Industrial Estate,
Marol Maroshi Road,
Marol, Andheri (East)
Mumbai – 400059
Tel No: + 91-22-66027900
Fax No: + 91-22-66758844
Company Secretary and Compliance Officer: Mr. Aditya Goswami
Email: aditya.g@infonet.co.in
Website: www.infonet.co.in
Registration Number-11-120069
Corporate Identification Number: U72900MH1999PLC120069.

ADDRESS OF REGISTRAR OF COMPANIES:

Office of Registrar of Companies,
100, Everest,
Marine Drive,
Mumbai- 400002.
Tel No: + 91-22-22812639
Fax No: + 91-22-22811977
Email: roc.mumbai@mca.gov.in

OUR BOARD OF DIRECTORS:

Name of our Directors	Age	DIN	Category	Designation
Mr. Joson Thomas	40	00033053	Executive	Managing Director and Non-Independent
Mr. Praveen Valiya Parampath	41	00242155	Executive	Whole-time Director and Non-Independent
Mr. Krishnan Kunnathmadam Subramanian Iyer	74	03499127	Non-Executive	Independent Director
Mr. Prakash Shimpi	63	03499133	Non-Executive	Independent Director
Mr. Chunduru Sambasiva Rao	57	01757876	Non-Executive	Independent Director

For detailed profile of our Directors, *please refer to the Chapter titled "Our Management" beginning On Page No. 88 of the Draft Red Herring Prospectus.*

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Aditya Goswami
A/32 Nand Dham Industrial Estate,
Marol Maroshi Road,
Marol, Andheri (East)
Mumbai – 400 059
Tel No: + 91-22-66027900
Fax No: + 91-22-66758844
Email: aditya.g@infonet.co.in
Website: www.infonet.co.in

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

BANKERS TO OUR COMPANY

Union Bank of India
Ground Floor, Building 'B',
Plot No.18, Bhavani Nagar,
M.M Road, Andheri (East),
Mumbai- 400 059
Tel. No.: + 91-22-29259985
Fax No.: + 91-22-29259131
E-mail: cbsbhavani@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Mr. Satish Kumar

Standard Chartered Bank*
112, 'Serenity', Ground Floor,
Koramangala Industrial Area,
5th Block, Koramangala,
Bangalore- 560 095
Tel. No.: [•]
Fax No.: [•]
E-mail: [•]
Website: www.unionbankofindia.co.in
Contact Person: [•]

**Our Company has not received the Consent Letter till the date of filing of this DRHP, however our Company has already requested to the bank for their consent letter for inclusion of their name in this DRHP*

STATUTORY AUDITORS AND PEER REVIEW AUDITORS TO OUR COMPANY

Laxmikant Kabra & Co.
1, Matruchaya, M.Karve Road,
Opp. Bedekar Hospital,
Naupada, Thane - 400602
Tel No: 022 25390009
Fax:022 25438095
Email: lkk@laxmikantkabra.com
Website: www.laxmikantkabra.com
Contact Person: Mr. Laxmikant Kabra

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER

Chartered Capital and Investment Limited
418-C, "215 ATRIUM", Andheri Kurla Road,
Andheri (East), Mumbai - 400059
Tel. No.: +91- 22-28394252
Fax No.: +91- 22-28394270
SEBI Registration No: INM000004018
Email: infonet.ipo@charteredcapital.net
Website: www.charteredcapital.net
Contact Person: Mr. Vimlesh Bansal
Investor Grievance Email Id: investor.relation@charteredcapital.net

REGISTRARS TO THE ISSUE

Sharepro Services (India) Private Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri-Kurla Road, Sakinaka, Andheri (E),
Mumbai – 400 072
Tel No: + 91 - 22 - 61915402
Fax No: +91 – 22 - 61915444
SEBI Registration No: INR000001476
Email: infonet.ipo@shareproservices.com
Investor Grievance Email: infonet.ipo@shareproservices.com
Website: www.shareproservices.com
Contact Person: Mr. Subhash Dhingreja/ Satheesh H K

LEGAL ADVISOR TO THE ISSUE

M/s. Kanga and Company
Advocates & Solicitors
Readymoney Mansion
43, Veer Nariman Road
Mumbai – 400 001.
Tel No: +91 22 6623 0000
Fax No: +91 22 6633 9656/6633 9657
Email:dhaval.vussonji@kangacompany.com
Contact person: Mr. Dhaval Vussonji

SYNDICATE MEMBER (S)

The Syndicate Member(s) will be appointed prior to filing the Red Herring Prospectus with RoC.

BANKERS TO THE ISSUE & ESCROW COLLECTION BANK

The Bankers to the Issue shall be appointed prior to filing of the Red Herring Prospectus with RoC.

REFUND BANKER TO THE ISSUE

The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.

SELF CERTIFIED SYNDICATE BANKS

The SCSBs are as per the updated list available on SEBI's website at www.sebi.gov.in/pmd/scsb.pdf. Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs or the Syndicate/Sub-syndicate member, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs or the Syndicate/ Sub-syndicate member where the ASBA Form was submitted by the ASBA Bidders.

For all Issue related queries and for redressal of complaints, Bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Manager, who will respond to the same.

STATEMENT OF RESPONSIBILITIES

Chartered Capital and Investment Limited is the sole BRLM to the Issue and shall be responsible for the following activities:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.
2.	Drafting and designing the Offer Document and of statutory advertisement or publicity material including nees paper advertisement and brochure of memorandum containing salient features of the offer document.
3.	Selection of various agencies connected to the Issueincluding Registrars to the Issue, Printers, advertising agencies, etc
4.	Marketing of the Issue which shall inter-alia include formulating marketing strategies, preparation of publicity budget, arrangement for selection of (i) Ad Media; (ii) Centres for holding conferences for stock brokers, investors, etc; (iii) Bankers to the Issue; (iv) collection centres as per schedule III of SEBI (ICDR) Regulations, 2009; (v) Brokers to the Issue and Underwriters and Underwriting arrenagements, distribution of publicity and issue material including application forms, prospectus and brochure and deciding upon the quantum of Issue material.
5.	The post-Issue activities for the Issue shall involve essential follow up steps, including follow-up with Bankers to the Issue and SCSBs to get quick estimates of collection and advising the Issuer Company about the closure of the Issue based on correct figures, finalistion of Basis of Allotment or weeding out of multiple applications, the listing of instruments and dispatch of certificates/demat credits or refunds and co-ordination with various agencies connected with post-issue activity such as the Registrar to the Issue, Bankers to the Issue, SCSBs, etc.

The selection of various agencies like the Bankers to the Issue, Escrow Collection Bank(s), Syndicate Members, Brokers, Advertising agencies etc. will be finalized by our Company in consultation with the BRLM.

Even if other intermediaries will handle any of these activities, the BRLM shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

CREDIT RATING

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO GRADING

Credit Analysis and Research Limited ("CARE") has been appointed for grading this Issue. Details of IPO Grading along with the grading rationale will be incorporated before filing of the Red Herring Prospectus with RoC and will be made available for inspection at our Registered Office from 10.00a.m to 4.00 p.m. on Business Days during the Bidding Period.

EXPERT OPINION

Except for the report of CARE in respect of IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, the Audit Reports of the Auditors of our Company on the restated financial information, and the Tax Benefit Statement by the Auditors of our Company included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

TRUSTEES

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

APPRAISAL AND MONITORING AGENCY

The proposed funds requirement is not appraised by any Bank/Financial Institution. As the net proceeds of the Issue will be less than Rs. 50,000 Lakhs, under the SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

BOOK BUILDING PROCESS

Book building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Issue Price is finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

- Our Company;
- BRLM;
- Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLM;
- Registrar to the Issue; and
- Escrow Collection Banks; and
- SCSBs.

Regulation 43(2) of the SEBI (ICDR) Regulations, 2009 has permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds, and the remainder of the Qualified Institutional Buyers' portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, not less than 15% of the Issue shall be available for allocationto Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.

We will comply with the SEBI (ICDR) Regulations, 2009 for this Issue. In this regard, we have appointed Chartered Capital and Investment Limited as the BRLM to manage the Issue and procure subscriptions to the Issue.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. For further details, please see the section titled "*Issue Procedure*" on page no. 191 of this Draft Red Herring Prospectus.

The process of Book Building under the SEBI Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

Illustration of Book Building and Price Discovery Process *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 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 below shows the demand for the Shares of the issuer company at various prices and is collated from bids received from various investors.

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

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

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (please see the section titled "Issue Procedure-Who Can Bid?" on Page No. 191 of this Draft Red Herring Prospectus).

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;

3. Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts andsubject to the SEBI circular dated April 3, 2008 from the residents of the state of Sikkim, for all Bids, ensure that you have mentioned your PAN in your Bid-cum-Application Form or ASBA Bid-cum-Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of the transaction (please see the section titled "*Issue Procedure*" on Page No. 191 of this Draft Red Herring Prospectus);

4. Ensure that the Bid-cum-Application Form or ASBA Bid-cum-Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid-cum-Application Form or ASBA Bid-cum-Application Form;

5. Ensure the correctness of your Demographic Details (as defined in the section titled "IssueProcedure" at Page No. 191), given in theBid-cum-Application Form or ASBA Bid-cum-Application Form, with the details recorded with your DepositoryParticipant;

6. Bids by ASBA Bidders may be submitted either to the Syndicate Member (s)/ sub-syndicate members at the Syndicate ASBA Centres or the SCSBs at the Designated Branches.ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time ofsubmission to the Syndicate Member (s)/sub-syndicate member or the SCSB to ensure that their ASBA Bid cum Application Form is not rejected; and

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the Issue after closure of bidding, we will be required to file a fresh draft offer document with the Securities and Exchange Board of India.

Bid/ Issue Programme

Bid/Issue Opens On	[●]*
Bid/Issue Closes On	[●]

**Our Company in consultation with the BRLM, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.*

Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centers mentioned in the Bid cum Application Form, or in the case of Bids submitted through ASBA, the designated branches of the SCSBs or to the Syndicate Member(s)/ sub-syndicate members at the Syndicate ASBA Centres, **except that on the Bid/ Issue Closing Date, Bids excluding ASBA Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to Rs.2 Lakhs. 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 3.00 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 IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue.

If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum Application Forms and ASBA Bid cum Application Forms 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 Bidding Period in accordance with SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLM and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

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 RoC)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. In Lakhs)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalized after determination of the Issue Price and actual allocation.

The Board of Directors (based on the certificates given by the Underwriters), confirm that the resources of 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 or registered as brokers with the Stock Exchanges.

The Board of Directors has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the table above, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the investors procured by them. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

Our Equity Share capital, as at the date of filing of this Draft Red Herring Prospectus with SEBI, immediately prior to and after the proposed Issue is set forth below:

(Rs. In Lakhs. Except share data)

		Aggregate Value at Face value (Rs. In Lakhs)	Aggregate Value at Issue Price (Rs. In Lakhs)
A	**AUTHORISED SHARE CAPITAL**		
	2,00,00,000 Equity Shares of Rs. 10/- each	2000.00	[●]
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	1,03,62,600 Equity Shares of Rs. 10/- each	1036.26	[●]
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares of Rs. 10/- each	[●]	6000.00
	Of which:		
	QIB portion of not more than [●] Equity Shares shall be available for allocation	[●]	[●]
	Non-Institutional portion of not less than [●] Equity Shares shall be available for allocation	[●]	[●]
	Retail portion of not less than [●] Equity Shares shall be available for allocation	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of Rs. 10/- each	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**	Nil	[●]
	Before the Issue	Nil	
	After the Issue	[●]	

1. The Issue has been authorised by the Board at its meeting held on July 4, 2011 and by the shareholders of our Company at an Annual General Meeting held on September 6, 2011.

2. Our Company is considering a Pre-IPO Placement of upto maximum 25, 00,000 Equity Shares aggregating upto maximum Rs. 2000 Lakhs with various investors. The Pre-IPO Placement is at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of such Equity Shares prior to the filing of the Red Herring Prospectus with the Registrar of Companies. If the Pre-IPO Placement is completed, the issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum size of 25% of the post-Issue-paid-up Equity Share capital being offered to the public.

Details of increase in Authorised Share Capital since incorporation

The Authorised Share Capital of our Company at the time of incorporation was Rs. 10 Lakhs divided into 10,000 Equity Shares of Rs. 100/- each. The following table gives the increase in the Authorised Capital post Incorporation of our Company:

Sr. No.	Particulars of increase	Date of Shareholder's Meeting	AGM/ EGM
1.	Sub-division of 10,000 Equity Shares of Rs. 100 each to 10,00,000 Equity Shares of Re.1/- each. Increase in authorised share capital from Rs. 10,00,000/- divided into 10,00,000/- Equity Shares of Re.1 each to Rs.1,00,00,000/- divided into 1,00,00,000 equity shares of Re.1/- each.	October 16, 2006	EGM
2.	Increase in authorised share capital from Rs.1,00,00,000/- divided into 1,00,00,000 Equity shares of Re.1/- each to Rs.10,00,00,000/- divided into 10,00,00,000 Equity Shares of Re.1/- each.	February 5, 2010	EGM
3.	Consolidation of 10,00,00,000 Equity Shares of Re.1/- each to 1,00,00,000 Equity Shares of Rs.10/- each.	July 10, 2010	EGM
4.	Increase in authorised share capital from Rs.10,00,00,000/- divided into 1,00,00,000 Equity shares of Rs. 10 each to Rs. 20,00,00,000/- divided into 2,00,00,000 Equity shares of Rs. 10 each.	May 23, 2011	EGM

Notes to Capital Structure

1. *Share Capital history of our Company*

A. The following is the history of the equity share capital of our Company:

Date of the allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of consider -tion	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (Rs. In Lakhs)	Cumulative Securities Premium (Rs. In Lakhs)
May 27, 1999	200	100	100	Cash	Subscription to the Memorandum	200	0.2	Nil
April 30, 2000	3860	100	100	Other than Cash	Further Allotment[1]	4060	4.06	Nil
April 25, 2004	5940	100	100	Cash	Further Allotment	10000	10	Nil
October 16, 2006	Sub—Division of 10,000 Equity shares of Rs.100/- each to 10,00,000 Equity Shares of Re.1/- each							
March 20, 2009	90,00,000	1	Nil	Other than Cash	Bonus Issue in the ratio of 9:1[2]	1,00,00,000	100	Nil
February 25, 2010	1,19,08,000	1	1	Other than Cash	Further Allotment[3]	2,19,08,000	219.08	Nil
March 15, 2010	43,816,000	1	Nil	Other than Cash	Bonus Issue in the ratio of 2:1[4]	6,57,24,000	657.24	Nil
July 10, 2010	Consolidation of 6,57,24,000 Equity Shares of Re.1 each to 65,72,400 Equity Shares of Rs.10/- each							

Date of the allotment of Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of consider -tion	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (Rs. In Lakhs)	Cumulative Securities Premium (Rs. In Lakhs)
September 15, 2010	32,86,200	10	Nil	Other than Cash	Bonus Issue in the ratio 1:2 [5]	98,58,600	985.86	Nil
March 4, 2011	4000	10	10	Cash	Further Allotment[6]	98,62,600	986.26	Nil
July 20, 2011	5,00,000	10	10	Cash	Further Allotment[7]	1,03,62,600	1036.26	Nil

[1]*Allotment of Equity Shares against acquisition of business of M/s Infonet (Partnership). The Equity Shares were allotted to the partners of erstwhile Messrs Infonet i.e Mr. Joson Thomas and Mr. Praveen Valiya Paramapth, being the Promoters of Our Company in equal proportion. For further details please see section "History and Other Corporate Matters" on Page No.83].*

[2]*90,00,000 bonus shares were issued to eligible shareholders in the ratio of 9:1 by way of capitalization of Profit & Loss A/c of Rs.90 Lakhs.*

[3]*By an Agreement of Sale dated February 20, 2010, our Promoters i.e Mr. Joson Thomas and Mr. Praveen Valiya Parampath agreed to sell the property situated at Unit No. 31, A Wing, Nand Dham Industrial Premises, Andheri, Mumbai to our Company for an aggregate consideration of Rs. 119.28 Lakhs. Our Company issued 1,19,08,000 Equity Shares of Re.1/- each to the Promoters as part consideration for the purchase of the aforesaid property.The balance consideration of Rs.0.2 Lakhs was paid in cash in equal proportion to the Promoters.*

[4]*4,38,16,000 bonus shares were issued to eligible shareholders in the ratio of 2:1 by way of capitalization of Profit and Loss A/c of Rs.438.16 Lakhs.*

[5]*32,86,200 bonus shares were issued to eligible shareholders in the ratio of 1:2 by way of capitalization of Profit and Loss A/c of Rs.328.62 Lakhs.*

[6]*Equity shares were allotted to the employees of the Company i.e Mr. Madhu Mohannan M.B Nair, Mr. Sujith Kumar T.K, Mr. Satish Nair, Mr. Manoj K.Nair and Mr. Sindhu Sukesh.*

[7]*2,50,000 equity shares each were allotted to(i) Mrs.Asha Joson and (ii) Mrs. Jini Praveenby way of Preferential Allotment.*

Equity Shares issued for consideration other than cash

Other than the issues made by us, details of which are set out in the table below, we have made no issues of shares for consideration other than cash:

Date of the allotment	No. of Equity Shares	Issue Price (Rs.)	Reasons for allotment	Benefits accruing to the Company	Persons to whom the allotment were made
April 30, 2000	3860	100	Allotment of Shares against acqusition of business of Messrs Infonet (Partnership)*	Acquisition of Business of Messrs Infonet (Partnerhsip)	Promoters
March 20, 2009	90,00,000	Nil	Bonus Issue in the ratio of 9:1 by way of capitalization of profit & loss A/c of Rs. 90 Lakhs	Nil	Shareholders
February 25, 2010	1,19,08,000	1	Allotment of equity shares against transfer of property located at A-31, Nand dham Industrial Estate, Marol-Maroshi Road, Andheri, Mumbai- 400059.	Transfer of property located at A-31, Nand dham Industrial Estate, Marol-Maroshi Road, Andheri, Mumbai-400059 to the Company.	Promoters
March 15, 2010	43,816,000	Nil	Bonus Issue in the ratio of 2:1 by way of capitalization of Profit & Loss A/c of Rs. 438.16 Lakhs	Nil	Shareholders

Date of the allotment	No. of Equity Shares	Issue Price (Rs.)	Reasons for allotment	Benefits accruing to the Company	Persons to whom the allotment were made
September 15, 2010	32,86,200	Nil	Bonus Issue in the ratio 1:2 by way of capitalization of Profit & Loss A/c of Rs. 328.62 Lakhs	Nil	Shareholders

* *For further details please see section "***History and Other Corporate Matters***" on Page No.83*

2. Till date no Equity Shares have been allotted pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.

3. As of date of filing the DRHP, our Company has not issued any equity shares under any employee stock option scheme.

4. ***Build-up of Promoters' Capital, Promoter's Contribution and Lock-In***

a) History of Equity Share capital held by the Promoters:

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Offer / Acquisition Price (Rs.)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Mr. Joson Thomas								
May 27, 1999	100	100	100	100	Cash	Subscription to the Memorandum	-	[●]
April 30, 2000	1,930	2,030	100	100	Other than Cash[1]	Further Allotment	-	[●]
April 25, 2004	2,970	5,000	100	100	Cash	Further Allotment	-	[●]
November 5, 2004	(1)	4,999	100	100	(Cash)	Transfer to Mr. V. Balkrishna Baiju	-	[●]
July 21, 2005	(1)	4,998	100	100	(Cash)	Transfer to Mrs. Asha Joson	-	[●]
June 7, 2006	1	4,999	100	100	Cash	Transfer from Mr. V. Balkrishna Baiju	-	[●]
October 16, 2006	Sub-division of 4999 Equity share from Rs. 100/- each to 499900 Equity Shares of Re. 1/- each.							
March 20, 2009	44,99,100	49,99,000	1	Nil	Other than Cash	Bonus Issue in the ratio of 9:1	-	[●]
February 25, 2010	59,54,000	1,09,53,000	1	1	Other than Cash[2]	Further Allotment	-	[●]
March 15, 2010	21,906,000	3,28,59,000	1	Nil	Other than Cash	Bonus Issue in the ratio of 2:1	-	[●]
July 10, 2010	Consolidation of 32859000 Equity share of Re. 1/- each to 3285900 equity shares of Rs. 10/- each.							
September 15, 2010	16,42,950	49,28,850	10	Nil	Other than Cash	Bonus Issue in the ratio 1:2	-	[●]
May 31, 2011	(30900)	48,97,950	10	11	(Cash)	Transfer to Mrs. Asha Joson	-	[●]

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Offer / Acquisition Price (Rs.)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
May 31, 2011	(43600)	48,54,350	10	11	(Cash)	Transfer to Jini Praveen	-	[●]
May 31, 2011	(9000)	48,45,350	10	11	(Cash)	Transfer to Sujith Kumar T K	-	[●]
May 31, 2011	(9000)	48,36,350	10	11	(Cash)	Transfer to Madhu Mohanan M. B. Nair	-	[●]
May 31, 2011	(1000)	48,35,350	10	11	(Cash)	Transfer to Manoj Kumar Nair	-	[●]
May 31, 2011	(1000)	48,34,350	10	11	(Cash)	Transfer to Sindhu Sukush	-	[●]
May 31, 2011	(500)	48,33,850	10	11	(Cash)	Transfer to Grace George	-	[●]
May 31, 2011	(300)	48,33,550	10	11	(Cash)	Transfer to C J Antony	-	[●]
May 31, 2011	(1000)	48,32,550	10	11	(Cash)	Transfer to Anish Kurup	-	[●]
May 31, 2011	(125)	**48,32,425**	10	11	(Cash)	Transfer to Ajay Kumar K S	-	[●]
Total		**4832425**					**46.63**	**[●]**

[1]*Allotment of Equity Shares against acquisition of business of Messrs Infonet (Partnership).The Equity Shares were allotted to the partners of erstwhile Messrs Infonet i.e Mr. Joson Thomas and Mr. Praveen Valiya Paramapth, being the Promoters of our Company in equal proportion. For further details please see section "History and Other Corporate Matters" on Page No. 83*

[2]*By an Agreement of Sale dated February 20, 2010 our Promoters i.e Mr. Joson Thomas and Mr. Praveen Valiya Parampath agreed to sell the property situated at Unit No. 31, A Wing, Nand Dham Industrial Premises, Andheri, Mumbai to our Company for an aggregate consideration of Rs. 119.28 Lakhs. Our Company issued 1,19,08,000 Equity Shares of Re.1/- each to the Promoters as part consideration for the purchase of the aforesaid property, of which 59,54,000 Equity Shares of Re. 1/- were issued to Mr. Joson Thomas. The balance consideration of Rs.0.2 Lakhs was paid in cash in equal proportion to the Promoters.*

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Offer / Acquisition Price (Rs.)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Mr. Praveen Valiya Parampath								
May 27, 1999	100	100	100	100	Cash	Subscription to the Memorandum	-	**[●]**
April 30, 2000	1,930	2,030	100	100	Other than Cash[1]	Further Allotment	-	**[●]**
April 25, 2004	2,970	5,000	100	100	Cash	Further Allotment	-	**[●]**
November 5, 2004	(1)	4,999	100	100	(Cash)	Transfer to Mr. Santosh Prasad	-	**[●]**
July 21, 2005	(1)	4,998	100	100	(Cash)	Transfer to Mrs. Jini Praveen	-	**[●]**

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Offer / Acquisition Price (Rs.)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post-Issue Paid-up Capital
June 7, 2006	1	4,999	100	100	Cash	Transfer from Mr. Santosh Prasad	-	[●]
October 16, 2006	Sub-division of 4999 Equity share from Rs. 100/- each to 499900 Equity Shares of Re. 1/- each.							
March 20, 2009	44,99,100	49,99,000	1	Nil	Other than Cash	Bonus Issue in the ratio of 9:1	-	[●]
February 25, 2010	59,54,000	10953000	1	1	Other than Cash[2]	Further Allotment	-	[●]
March 15, 2010	21,906,000	32,859,000	1	Nil	Other than Cash	Bonus Issue in the ratio of 2:1	-	[●]
July 10, 2010	Consolidation of 32859000 Equity share of Re. 1/- each to 3285900 equity shares of Rs. 10/- each.							
September 15, 2010	16,42,950	49,28,850	10	Nil	Other than Cash	Bonus Issue in the ratio 1:2	-	[●]
May 31, 2011	(500)	49,28,350	10	11	(Cash)	Transfer to Satish Nair	-	[●]
May 31, 2011	(24700)	49,03,650	10	11	(Cash)	Transfer to Jini Praveen	-	[●]
May 31, 2011	(30000)	48,73,650	10	11	(Cash)	Transfer to Asha Joson	-	[●]
May 31, 2011	(1000)	48,72,650	10	11	(Cash)	Transfer to Vinod Kumar Naroth	-	[●]
May 31, 2011	(1200)	48,71,450	10	11	(Cash)	Transfer to Joshy Chacko	-	[●]
May 31, 2011	(300)	48,71,150	10	11	(Cash)	Transfer to Ravi Kanderao	-	[●]
May 31, 2011	(5000)	48,66,150	10	11	(Cash)	Transfer to Ravi Narayan Iyer	-	[●]
May 31, 2011	(1000)	48,65,150	10	11	(Cash)	Transfer to Vasanth Dhoble	-	[●]
May 31, 2011	(700)	48,64,450	10	11	(Cash)	Transfer to Sandeep Kopull	-	[●]
May 31, 2011	(700)	48,63,750	10	11	(Cash)	Transfer to Rajaram Supanekar	-	[●]
May 31, 2011	(500)	48,63,250	10	11	(Cash)	Transfer to Vijeesh Chalil	-	[●]
May 31, 2011	(1500)	48,61,750	10	11	(Cash)	Transfer to Grace George	-	[●]
May 31, 2011	(1500)	48,60,250	10	11	(Cash)	Transfer to Suresh P	-	[●]
May 31, 2011	(1000)	48,59,250	10	11	(Cash)	Transfer to Sunita Amresh Singh	-	[●]
May 31, 2011	(1000)	48,58,250	10	11	(Cash)	Transfer to Ganesh Divakaran	-	[●]

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (Rs.)	Offer / Acquisition Price (Rs.)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post-Issue Paid-up Capital
May 31, 2011	(1000)	48,57,250	10	11	(Cash)	Transfer to Keshav Dattraya Dhupkar	-	[●]
May 31, 2011	(1000)	48,56,250	10	11	(Cash)	Transfer to Arvind Khade	-	[●]
May 31, 2011	(700)	48,55,550	10	11	(Cash)	Transfer to Pranay Kesarinath Patil	-	[●]
May 31, 2011	(500)	48,55,050	10	11	(Cash)	Transfer Manish Kumar Saxena	-	[●]
May 31, 2011	(2000)	48,53,050	10	11	(Cash)	Transfer to E.K.Narayan	-	[●]
May 31, 2011	(5000)	48,48,050	10	11	(Cash)	Transfer to Damodaran Nair	-	[●]
May 31, 2011	(5000)	48,43,050	10	11	(Cash)	Transfer to T.K Raghavan	-	[●]
May 31, 2011	(5000)	48,38,050	10	11	(Cash)	Transfer to A T Thomas	-	[●]
May 31, 2011	(5000)	48,33,050	10	11	(Cash)	Transfer to Aprame P.V	-	[●]
May 31, 2011	(500)	48,32,550	10	11	(Cash)	Transfer to Jayson Joseph	-	[●]
May 31, 2011	(125)	**48,32,425**	10	11	(Cash)	Transfer to Ajay Kumar A.S	-	[●]
Total		**4832425**					**46.63**	[●]

[1]*Allotment of Equity Shares against acquisition of business of Messrs Infonet (Partnership).The Equity Shares were allotted to the partners of erstwhile Messrs Infonet i.e Mr. Joson Thomas and Mr. Praveen Valiya Paramapth, being the Promoters of our Company in equal proportion. For further details please see section "History and Other Corporate Matters" on Page No. 83*

[2]*By an Agreement of Sale dated February 20, 2010our Promoters i.e Mr. Joson Thomas and Mr. Praveen Valiya Parampath agreed to sell the property situated at Unit No. 31, A Wing, Nand Dham Industrial Premises, Andheri, Mumbai to our Company for an aggregate consideration of Rs. 119.28Lakhs. Our Company allotted 1, 19, 08,000 Equity Shares of Re.1/- each to the Promoters as part consideration for the purchase of the aforesaid property, of which 59, 54, 00 Equity Shares of Re.1 was allotted to Mr. Praveen Valiya Parampath. The balance consideration of Rs.0.2 Lakhs was paid in cash in equal proportion to the Promoters.*

b) Details of Promoters' contribution locked in for three years:

Promoters	No. of Equity Shares Locked in	Face Value (Rs.)	Date of Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of post-Issue paid-up capital
Mr. Joson Thomas	**[●]**	**10**	**[●]**	**[●]**	**[●]**	**[●]**
Mr. Praveen Valiya Parampath	**[●]**	**10**	**[●]**	**[●]**	**[●]**	**[●]**

The figures to be provided in this table shall be finalised upon determination of the Issue Price and the number of Equity Shares to be issued in the Issue, consequent to the Book Building Process.

Our Promoter have by a written undertaking dated September 21, 2011, given consent for Equity Shares held by them it to be considered as Promoters' contribution to be locked in for a period of three years from the date of Allotment, consisting of 20% of the post-Issue equity share capital of our Company ("*Promoters' Contribution*").

Our Promoters have pursuant to their undertaking dated September 21, 2011, agreed not to sell or transfer or pledge their shares or otherwise dispose off in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

The SEBI ICDR Regulations require that an aggregate of 20% of the post-issue shareholding of the Promoters be considered as promoters' contribution and locked-in for a period of three years. Such lock-in is required to commence from the date of Allotment in the Issue and end on the date that is three years subsequent to the date of Allotment in the Issue.

The Equity shares that are being locked-in are not ineligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI (ICDR) Regulations, our Company confirms that the Equity Shares locked-in do not consist of:

i. Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares of shares which are otherwise ineligible for computation of Promoters' Contribution;
ii. Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
iii. Equity Shares issued to our Promoters upon conversion of a partnership firm;
iv. Equity Shares held by our Promoters that are subject to any pledge; and
v. Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in our Promoters' Contribution subject to lock-in.

Promoters' Contribution has been brought in to the extent, not less than the specified minimum lot and from the persons defined as "Promoters" under Regulation 2 (za) of the SEBI ICDR Regulations.

Details of share capital locked in for one year

Other than the above Equity Shares that would be locked in for three years, the entire pre-Issue capital of our Company including the shares issued pursuant to Pre-IPO placement would be locked-in for a period of one year from the date of Allotment in the Issue pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations.

Other requirements in respect of lock-in

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

Provided that securities locked in as Promoters' contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are

locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

5. *Our Promoters, Promoter Group, Directors of our Company and their relatives have not undertaken any transactions of Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI except as follows:*

(a) Transfers from Promoters to members of Promoter Group:

Sr. No.	Name of Transferor (Promoters)	No. of Shares	Price per share (In Rs)	Name of Transferee (Promoter Group)	Date of Transaction
1.	Joson Thomas	30900	11	Asha Joson	May 31, 2011
2.	Joson Thomas	43600	11	Jini Praveen	May 31, 2011
3.	Praveen Valiya Parampath	5000	11	Damodaran Nair	May 31, 2011
4.	Praveen Valiya Parampath	5000	11	A T Thomas	May 31, 2011
5.	Praveen Valiya Parampath	5000	11	Aprame PV	May 31, 2011
6.	Praveen Valiya Parampath	5000	11	T.K Raghavan	May 31, 2011
7.	Praveen Valiya Parampath	24700	11	Jini Praveen	May 31, 2011
8.	Praveen Valiya Parampath	30000	11	Asha Joson	May 31, 2011

(b) Transfers from Promoters to Others:

Sr. No.	Name of Transferor (Promoters)	No. of Shares	Price per share (In Rs)	Name of Transferee	Date of Transaction
1.	Joson Thomas	9000	11	Sujith Kumar T K	May 31, 2011
2.	Joson Thomas	9000	11	Madhu Mohanan M. B. Nair	May 31, 2011
3.	Joson Thomas	1000	11	Manoj Kumar Nair	May 31, 2011
4.	Joson Thomas	1000	11	Sindhu Sukesh	May 31, 2011
5.	Joson Thomas	500	11	Grace George	May 31, 2011
6.	Joson Thomas	300	11	C J Antony	May 31, 2011
7.	Joson Thomas	1000	11	Anish Kurup	May 31, 2011
8.	Joson Thomas	125	11	Ajay Kumar K.S	May 31, 2011
9.	Praveen Valiya Parampath	1000	11	Vinod Kumar Naroth	May 31, 2011
10.	Praveen Valiya Parampath	1200	11	Joshy Chacko	May 31, 2011
11.	Praveen Valiya Parampath	300	11	Ravi Kanderao	May 31, 2011
12.	Praveen Valiya Parampath	5000	11	Ravi Iyer	May 31, 2011
13.	Praveen Valiya Parampath	1000	11	Vasant Dhoble	May 31, 2011
14.	Praveen Valiya Parampath	700	11	Sandeep Bhaskaran Kopulli	May 31, 2011
15.	Praveen Valiya Parampath	700	11	Rajaram Supanekar	May 31, 2011
16.	Praveen Valiya Parampath	500	11	Vijeesh Chalil	May 31, 2011
17.	Praveen Valiya Parampath	1500	11	Grace George	May 31, 2011
18.	Praveen Valiya Parampath	1500	11	Suresh P	May 31, 2011
19.	Praveen Valiya Parampath	1000	11	Sunita Amresh Singh	May 31, 2011
20.	Praveen Valiya Parampath	1000	11	Ganesh Divakaran	May 31, 2011
21.	Praveen Valiya Parampath	1000	11	Keshav Dattraya Dhupkar	May 31, 2011
22.	Praveen Valiya Parampath	1000	11	Arvind Khade	May 31, 2011
23.	Praveen Valiya Parampath	700	11	Pranay Patil	May 31, 2011
24.	Praveen Valiya Parampath	500	11	Manesh Saxena	May 31, 2011
25.	Praveen Valiya Parampath	2000	11	E K Narayan	May 31, 2011
26.	Praveen Valiya Parampath	500	11	Jayson Joseph	May 31, 2011
27.	Praveen Valiya Parampath	125	11	Ajay Kumar K S	May 31, 2011
28.	Praveen Valiya Parampath	500	11	Satish Nair	May 31, 2011

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

Name of the Shareholder	Date of Issue	Whether belongs to Promoter Group	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Reasons for the Issue
Mr. Madhu Mohanan M.B Nair	March 4, 2011	No	1000	10	10	Allotment
Mr. Sujith Kumar	March 4, 2011	No	1000	10	10	Allotment
Mr. Satish Nair	March 4, 2011	No	1000	10	10	Allotment
Mr. Sindhu Sukesh	March 4, 2011	No	500	10	10	Allotment
Mr. Manoj Nair	March 4, 2011	No	500	10	10	Allotment
Mrs. Asha Joson	July 20, 2011	Yes	2,50,000	10	10	Allotment
Mrs. Jini Praveen	July 20, 2011	Yes	2,50,000	10	10	Allotment

(d) ***The list of shareholders of our Company and the Equity Shares held by them is as follows:***

(i) Our top ten shareholders and the number of equity shares held by them as of the date of filing this Draft Red Herring Prospectus with SEBI, is as follows:

Sr. No.	Name	No. of Equity Shares (Face Value of Rs. 10/- each)	Percentage of Pre-Issue paid-up Share Capital
1.	Joson Thomas	4832425	46.63%
-	Praveen Valiya Parampath	4832425	46.63%
2.	Jini Praveen	318750	3.08%
3.	Asha Joson	311350	3.00%
4.	Madhu Mohanan M.B Nair	10000	0.10%
-	Sujith Kumar T.K	10000	0.10%
5.	Ravi Iyer	5000	0.05%
-	Damodaran Nair	5000	0.05%
-	T.K.Raghavan	5000	0.05%
-	AT Thomas	5000	0.05%
-	Aprame V.P	5000	0.05%
6.	E.K.Narayan	2000	0.02%
	Grace George	2000	0.02%
7.	Suresh P	1500	0.01%
-	Satish Nair	1500	0.01%
-	Sindhu Sukesh	1500	0.01%
-	Manoj K. Nair	1500	0.01%
8.	Joshy Chacko	1200	0.01%
9.	Anish Kurup	1000	0.01%
-	Vinod Kumar Naroth	1000	0.01%
-	Vasant Dhoble	1000	0.01%
-	Sunita Amresh Singh	1000	0.01%
-	Ganesh Diwakaran	1000	0.01%
-	Keshav Dattraya Dhupkar	1000	0.01%
-	Arvind Parshuram Khade	1000	0.01%
10.	Sandeep Bhaskaran Kopulli	700	0.01%
-	Rajaram Supanekar	700	0.01%
-	Pranay Kesarinath Patil	700	0.01%
Total		**10360250**	**99.98%**

(ii) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing the DRHP with SEBI, is as follows:

Sr. No.	Name	No. of Equity Shares (Face Value of Rs. 10/- each)	Percentage of Pre-Issue pai-up Share Capital
1.	Joson Thomas	4832425	46.63%
-	Praveen Valiya Parampath	4832425	46.63%
2.	Jini Praveen	318750	3.08%
3.	Asha Joson	311350	3.00%
4.	Madhu Mohanan M.B Nair	10000	0.10%
-	Sujith Kumar T.K	10000	0.10%
5.	Ravi Iyer	5000	0.05%
-	Damodaran Nair	5000	0.05%
-	T.K.Raghavan	5000	0.05%
-	AT Thomas	5000	0.05%
-	Aprame V.P	5000	0.05%
6.	E.K.Narayan	2000	0.02%
-	Grace George	2000	0.02%
7.	Suresh P	1500	0.01%
-	Satish Nair	1500	0.01%
-	Sindhu Sukesh	1500	0.01%
-	Manoj K. Nair	1500	0.01%
8.	Joshy Chacko	1200	0.01%
9.	Anish Kurup	1000	0.01%
-	Vinod Kumar Naroth	1000	0.01%
-	Vasant Dhoble	1000	0.01%
-	Sunita Amresh Singh	1000	0.01%
-	Ganesh Diwakaran	1000	0.01%
-	Keshav Dattraya Dhupkar	1000	0.01%
-	Arvind Parshuram Khade	1000	0.01%
10.	Sandeep Bhaskaran Kopulli	700	0.01%
-	Rajaram Supanekar	700	0.01%
-	Pranay Kesarinath Patil	700	0.01%
Total		**10360250**	**99.98%**

(iii) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Draft Red Herring Prospectus with SEBI is as follows.

Sr. No.	Name	No. of Equity Shares (Face Value of Re. 1 each)	Percentage of Pre-Issue paid-up Share Capital
1.	Joson Thomas	49,99,000	49.99 %
2.	Praveen Valiya Parampath	49,99,000	49.99 %
3.	Asha Joson	1000	0.01 %
4.	Jini Praveen	1000	0.01 %
Total		**10,000,000**	**100%**

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

Particulars	Pre- Issue		Post- Issue	
	No. of Equity Shares	Percentage of Equity Share Capital	No. of Equity Shares	Percentage of Equity Share Capital
Promoters (A)				
Joson Thomas	4832425	46.63%	[●]	[●]
Praveen Valiya Parampath	4832425	46.63%	[●]	[●]
Sub Total (A)	**9664850**	**93.26%**	**[●]**	[●]
Promoter Group (B)				
Asha Joson	311350	3.00%	[●]	[●]
Jini Praveen	318750	3.08%	[●]	[●]
AT Thomas	5000	0.05%	[●]	
P.V.Aprame	5000	0.05%	[●]	
Damodaran Nair	5000	0.05%	[●]	
T.K.Raghavan	5000	0.05%		
Sub Total (B)	**650100**	**6.28%**	**[●]**	[●]
Total Holding of Promoters and Promoter Group (C=A + B)	**10314950**	**99.54%**	**[●]**	[●]
Public (D)				
Employees (E)	27500	0.27%	[●]	[●]
Others (F)	20150	0.19%	[●]	[●]
Total holding of Others (D=E+F)	**47650**	**0.46%**	[●]	[●]
Total	**10362600**	**100.00%**	**[●]**	**100.00**

(v) Details of Shareholding patternas per Clause 35 of the Listing Agreement:

Category of Shareholder	No. of Share holders	Total No. of Shares	Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of Total No. of Shares
(A) Shareholding of Promoters and Promoter Group							
(1) Indian							
Individuals / HUF	8	10314950	-	99.54	99.54	-	-
Bodies Corporate	-	-	-	-	-	-	-
Any Others							
Persons Acting in Concert	-	-	-	-	-	-	-
Sub Total	8	10314950	-	99.54	99.54	-	-
(2) Foreign	-	-	-	-	-	-	-
Total shareholding of Promoters and Promoter Group (A)	**8**	**10314950**	**-**	**99.54**	**99.54**	**-**	**-**

Category of Shareholder	No. of Share holders	Total No. of Shares	Shares held in Dematerialised Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of Total No. of Shares
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	-	-	-	-	-	-	-
Financial Institutions / Banks	-	-	-	-	-	-	-
Any Others (Specify)	-	-	-	-	-	-	-
HUF	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
(2) Non-Institutions				-	-		
Bodies Corporate	-	-	-	-	-	-	-
Individuals							
Individual shareholders holding nominal share capital up to ` 1 lakh	26	47650	-	0.46	0.46	-	-
Individual shareholders holding nominal share capital in excess of ` 1 lakh	-	-	-	-	-	-	-
Any Others (Specify)	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-
Directors & their Relatives & Friends	-	-	-	-	-	-	-
Sub Total	26	47650	-	0.46	0.46	-	-
Total Public shareholding (B)	**26**	**47650**	-	**0.46**	**0.46**	-	-
Total (A)+(B)	**34**	**10362600**	-	**100.00**	**100.00**	-	-
(C) Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-
(1) Promoter & Promoter Group	-	-	-	-	-	-	-
(2) Public	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-
Total (A)+(B)+(C)	**34**	**10362600**	-	**100.00**	**100.00**	-	-

(e) Other than the following, none of our Key Management Personnel holds Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of Rs. 10 each)	Percentage of pre-issue paid up share capital
1.	Madhu Mohanan M. B. Nair	10000	0.10
2.	Ravi Iyer	5000	0.05
3.	Arvind Khade	1000	0.01
4.	Suresh P	1500	0.01
5.	Sujith Kumar T.K	10000	0.10

(f) Our Company, Directors and the BRLM have not entered into any buy-back or standby / safety net arrangements for the purchase of the Equity Shares of our Company from any person.

(g) There are no financing arrangements wherein the Promoter Group, the Directors of our Company and relatives of the Directors of our Company have financed the purchase by any other person of securities of our Company, during the period of six months immediately preceding the date of filing this DRHP.

(h) No shares of our Company have been pledged by our Promoters or the Promoter Group.

(i) Our Company has not issued any bonus shares out of revaluation of reserves.

(j) As on the date of this DRHP, BRLM does not hold any Equity Shares in our Company.

(k) Our Promoters and members of the Promoter Group and BRLM will not participate in this Issue.

(l) Except as specified herein, our Company has not issued Equity Shares out of revaluation reserves and for consideration other than cash.

(m) Except as stated hereinabove, there has been no purchase or sale of Equity Shares by our Promoters, the Promoter Group, our Directors and their immediate relatives during the six months immediately prior to the filing of this Draft Red Herring Prospectus with SEBI.

(n) Our Company shall ensure that transactions in the Equity Shares by the Promoters and the relatives of the Promoters between the date of filing the RHP with the Registrar of Companies and the Bid/Issue Closing Date are reported to the Stock Exchange within 24 hours of such transaction.

(o) Our Company has not made any public issue since its incorporation.

(p) We do not have any intention or proposal to alter our capital structure for a period starting six months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further Public issue or Qualified Institutional Placement otherwise. Further, if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures, subject to approvals as may be required.

(q) Our Company has not raised any bridge loan against the proceeds of the Issue.

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

(s) Under subscription, in any category, shall be allowed to be met with spillover from the other categories or combination of categories by our Company and the BRLM in consultation with the Designated Stock

Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

(t) Investors may note that incase of over subscription, not more than 50% of the Issue shall be available for allocation to QIBs on a proportionate basis. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

(u) An over-subscription to the extent of 10% of the offer to public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum bid lot in this Issue.

(v) The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on date. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up shares.

(w) Subject to Pre-IPO Placement, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.

(x) As per the extant policy, OCBs are not permitted to participate in the Issue.

(y) There are no outstanding warrants, options or right to convert debentures, loans or other financial instruments into our Equity Shares as on the date of this Draft Red Herring Prospectus.

(z) There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.

(aa) The equity shares held by our Promoter and Promoter group are presently in physical form. However, the process of dematerialisation of the said shares has already commenced and the same would be completed in due course.

(bb) We have availed financial facilities from Union Bank of India. In respect of various agreements entered into by our Company with our lender and sanction letters issued by our lender to us, we are bound by certain restrictive covenants. For further details on the restrictive covenants contained in the financing documents, please refer to chapter titled “Financial Indebtedness” beginning on Page No. 163 of this Draft Red Herring Prospectus.

(cc) No payment, direct or indirect, in the nature of discount, allowance, commission or otherwise, shall be made either by us or our Promoters to the persons who receives Allotments, if any, in this Issue.

SECTION V -OBJECTS OF THE ISSUE

Our Company intends to utilize the Issue Proceeds for the following objects:

1. To finance the cost of renovating and setting-up a Network Operating Centre located at Office No. 201, Smart Square, 100 ft Road, Indira Nagar, Bangalore;
2. To purchase and set-up new Regional Office at Bangalore;
3. To finance the expansion of our existing business division;
4. To finance the cost of establishment of overseas offices;
5. To finance the funds required for our potential acquisitions;
6. To finance the cost for Training and OEM Certification Programs;
7. To finance Additional Working Capital requirements; and
8. General Corporate Purposes.

The other Objects of the Issue also include creating a public trading market for the Equity Shares of our Company by listing them on BSE and NSE. We believe that the listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

The main object clause and objects ancillary to the main objects set-out in ourMemorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue.

Fund Requirement:

Sr. No.	Particulars	Total Amount (Rs. In Lakhs)
1.	Gross Proceeds of the Issue	6000
2.	Issue related expenses*	[•]
	Net Proceeds of the Issue*	**[•]**

**will be completed upon finalization of the Issue Price*

Means of Finance

Sr.No.	Manner of Funding	Total Amount (Rs. In Lakhs)
1.	Net Proceeds of the Issue	[•]
2.	Internal Accruals	[•]

The details of the Net Proceeds of the Issue are as follows:

Use of Net Proceeds of the Issue

Sr. No.	Particulars	Total Amount (Rs. In Lakhs)
1.	To finance the cost of renovating and setting-up a Network Operating Centre at our existing facility at Office No. 201, Smart Square, 100 Ft Road, Indira Nagar, Bangalore	612.17
2.	To purchase and set-up new Regional Office at Bangalore	690.62
3.	To expand our existing business division	537.98
4.	Establishment of overseas offices	550.00
5.	Cost of potential acquisitions	1200.00
6.	Cost of Training and OEM Certifications	106.88
7	Additional Working Capital requirements	900.00
8	General Corporate Purposes	[•]*
	Total	[•]*

**will be completed upon finalization of the Issue Price*

The entire requirements of the objects detailed above are intended to be funded from the Issue Proceeds and internal accruals. We confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

No part of the Issue Proceeds will be paid by us as consideration to our Promoter, Directors, key management personnel or companies promoted by our Promoter, except in the course of normal business.

Our assessment of funds requirement and deployment is based on internal management estimates, vendor quotations and has not been appraised by any bank or financial institution or any independent organisation. Our expansion plans are subject to a number of variables, including possible cost overruns, receipt of various approvals from different authorities and changes in management's views of the desirability of current plans, among others. In case of any variations in the actual utilization of funds earmarked for the above activities, the difference, if any, may be adjusted against the availability / requirement of funds in the areas identified as part of the expansion plans and/or increased fund deployment for a particular activity. The shortfall, if any, may be met with by surplus funds, if any available in the other areas and/or our Company's internal accrual, and/or borrowed funds. The balance proceeds of the Issue in addition to the above-mentioned requirements, if any, will be utilised for general corporate purposes.

There are no material existing or anticipated transactions in relation to utlisation of the Issue Proceeds or project cost with promoters, directors, key management personnel, associates and group companies**.**

Details of Fund Utilisation:

1. Renovation and Setting-up of Network Operating Centre

We have existing property of approximately 5250 square feet on lease basis at Office No. 201, Smart Square, 100 Ft Road, Indira Nagar, Bangalore. We intend to renovate this property from the proceeds of the Issue and also setup a Network Operating Centre (NOC) on the same premises to provide remote network management services to our customers.

Break up of Cost:

(Rs. In Lakhs)

Activities	Approx. Cost	FY 2011-12
A. Renovation of Office	105.00	105.00
B. Setting-up of NOC	507.17	507.17
Total: (A+B)	**612.17**	**612.17**

Details of Quotation:

A. Renovation of Office

(Rs. In Lakhs)

Sr. No	Description	Architect/ Interior Decorators	Amount
1	Renovation of Office	Apple Design & Fitout Pvt. Ltd	105

B. Setting-up of NOC

The breakup of approximate estimated investment for setting up these facilities is as detailed below:

(Rs. In Lakhs)

Sr. No	Description	Vendor Name	Amount
1	Hewlett-Packard products	Redington (India) Limited	267.03
2	Cisco Products	Redington (India) Limited	166.49
3	Microsoft Products	Redington (India) Limited	14.15
4	Video Walls	Beetel Teletech Limited	59.50
Total			**507.17**

2. Purchase and Setting-up of new regional office in Banglore:

We are desirous of purchasing another commercial property in Bangalore which will serve as our new regional office. We intend to utilise a portion of the Issue Proceeds to fund the acquisition and renovation of this property, however, our Company has not yet identified the premises for setting-up the new regional office.

We have obtained quotations from various vendors for supplying equipments, office interiors, lighting, air, conditioning, furniture and fixtures, electrical works and interior designing and are in the process of finalising the contracts. The Office which we desire of purchasing shall serve as a Regional Office for the Company for the southern region.

Break up of Cost:

(Rs. In Lakhs)

Activities	Requirement	FY 2011-12
A. Purchase of Office Premises	393.75	393.75
B. Cost of computer, printer, Xerox, Server, networking equipments, software licenses etc.	191.87	191.87
C. Renovation of Office Premises: Office Interiors, lighting, air conditioning, furniture and fixtures and electrical works	105.00	105.00
Total (A+B+C)	**690.62**	**690.62**

Details of Quotation:

(Rs. In Lakhs)

Sr. No.	Description, Make/Model	Vendor	Quantity	Pricing/ Unit	Amount
1	HP ProLiant DL380 G7 E5640 1P 6GB-R P410i/256 8 SFF 460W PS Base Server (583967-371), 5 nos of 300GB SAS	Redington (India) Limited	4	11.47	45.87
2	HP StorageWorks X1600 G2 12TB SATA Network Storage System (BV861A)	Redington (India) Limited	1	6.38	6.38
3	Cisco 3750G-24TS-S	Redington (India) Limited	2	2.19	4.38
4	Cisco 2960G-24TC-L	Redington (India) Limited	4	1.03	4.13
5	HP LaserJet P2055dn Printer (CE459A)	Megahertz Systems Private Limited	2	0.36	0.67
6	HP LaserJet M5025 Multifunction Printer (Q7840A)	Megahertz Systems Private Limited	7	1.54	10.78
7	HP Color LaserJet CM6040 Multifunction Printer (Q3938A)	Megahertz Systems Private Limited	1	5.46	5.46
8	HP Designjet 4020ps 42-in Printer (CM766A)	Megahertz Systems Private Limited	1	6.72	6.72
9	HP Scanjet 5590 Digital Flatbed Scanner	Megahertz Systems Private Limited	1	0.27	0.27
10	Microsoft LifeCam VX-6000	Max Infosolutions	8	0.05	0.40
11	FortiGate-310B ,Fortinet FortiGate-310B 8x5 Enhanced Bundle, 1 Year	Doyen Infosolutions Private Limited	4	6.50	26.00

12	Cisco 1142 802.11n Access Point AIR-AP1142N-A-K9	Redington (India) Limited	3	0.31	0.93
13	Polycom® VoiceStation® 300	Ashok Traders	2	0.18	0.35
14	Sony Business Projector VPL-FX35	Pacific Infotech Private Limited	1	2.46	2.46
15	Windows Server Std 2008 English OLP NL	Redington (India) Limited	4	0.33	1.30
16	Windows Server 2008 Device CAL	Redington (India) Limited	150	0.01	2.08
17	Win Pro 7 SNGL OLP NL Legalization GetGenuine	Redington (India) Limited	150	0.09	13.04
18	Microsoft Office Professional 2010 OLP NL	Redington (India) Limited	150	0.23	34.29
19	Microsoft SQL 2008 R2	Redington (India) Limited	1	0.40	0.40
20	Microsoft Exchange Server 2010 Enterprise Edition	Redington (India) Limited	1	1.82	1.82
21	Microsoft Exchange Server 2010 CAL	Redington (India) Limited	250	0.03	7.19
22	AutoCAD – 2012 Commercial , Standalone	Genesis Datacomp Private Limited	5	1.35	6.75
23	AutoCAD - LT2012 Commecial , Standalone Version, (2D Drafting Package)	Genesis Datacomp Private Limited	8	0.22	1.76
24	Erricom licenses for remote connectivity	Virtual Data Consultants	31	0.09	2.64
25	Microsoft Visio 2010 Professional	Redington (India) Limited	15	0.23	3.26
26	Microsoft Project 2010	Redington (India) Limited	10	0.25	2.54
				Sub Total (A):	**191.87**
1	Purchase of Office Space -	Irshad Properties		393.75	393.75
				Sub Total (B):	**393.75**
1	Office Interiors, lighting, air conditioning, furniture and fixtures and electrical works	Apple Design & Fitout Pvt. Ltd		105.00	105.00
				Sub Total (C):	**105.00**
				Grand Total (A+B+C)	**690.62**

Notes: Total cost excludes taxes, brokerage and Stamp duty etc.

3. Expansions of Our Existing Business Divisions:

A . <u>OPTICAL FIBER DIVISION</u>

Our Company is offering optical fibre related services and will be tying up with existing players in the segment**.** Our main focus will be in designing, Network Operating Centre (NOC) support, troubleshooting, installation, commissioning and conducting link testing and acceptance testing. Our Company is already equipped with two Optical Time-domain reflectometer testers and a number of hand held testers, further we are planning to install the below mentioned Optical Equipments to further expand the division for optical fibre:

Sr. No.	Description	Quantity	Unit Price (Rs. In lakhs)	Price (Rs. In lakhs)
1	Ethernet tester upto 1GE	2	2	4.77
	SmartClass Ethernet Complete Package			
	10/100/1000 base electrical and 1000 base optical			
2	Ethernet tester upto 10GE	2	19	37.73
	MTS 6000A Platform 10/100/1000 base electrical			
	1000 base optical, 10G base optical			
	1310 nm and 1550 nm			
3	PDH, SDH STM1/4/16 jitter and wander	2	33	66.76
	MTS-8000 tester with battery module			
	(PDH,SDH upto STM16 jitter and wander)			
4	STM64 jitter and wander tester	2	53	105.46
	ONT-503 Optical Network Tester with			
	Module-E STM64 jitter and wander			
5	Power Meter	2	0	0.73
	OLP-38 Optical Power meter, High Power,			
	InGaAS (DYNAMIC RANGE OF -50 UP TO +26			
	DBM)			
6	Optical Attenuator	2	1	2.94
	OLA-55 Optical Attenuator, singlemode, PC			
7	Laser Source	2	1	1.72
	OLS-35 Laser Source 1310/1550nm, SM;			
	Universal adapter			
8	Tunable Laser Source	2	4	8.58
	TLS-55C Tunable laser source C-band			
9	Fiber Visual Fault Locator	2	0	0.26
	OVF-1 Visual Fault Locator			
10	OSA	2	15	29.72
	MTS8000 OSA-180 DWDM OSA			
11	Fiber Inspection Probe	2	1	1.80
	PROBE KIT: 400X FBE PROBE - HARDWIRED TO HD2 DISPLAY			
			Total	**260.46**

Quotation received from JDSU India Private Limited as on July 04, 2011

B. NETWORK AUDITING

Our Company is planning to set up a dedicated team for Network Auditing. Our Company is presently providing solutions with regards to network analysis and monitoring tools.

- **Wireless Site Survey**

  Our Company is providing and intends to provide specialized services to its clients in wireless site solution as it is a difficult task for them to design the geographical position of access points and managing the signal strength requirement for Applications.

- **Network Testing and Certification**

  Our Company with its team of experienced members has been providing network testing services to its clients and intends to offer more such specialized value added services to its customers.

The following is a table detailing the costs associated with acquiring further equipmentsfor network auditing:

Sr. No	Description	No. of Units	Unit Cost (Rs. In lakhs)	Cost (Rs. In lakhs)
1	Etherscope S2 LAN SX fiber ITO + linkrunner PRO reflector	8	6.50	52.00
2	Airmagnet spectrum XT (USB based)			
3	1 Year Maintenance for airmagnet spectrum XT (USB based)(AM/B4070)			
4	Airmagnet survey PRO (INCL. Planner module), SW			
5	1 Year Maintenance for Airmagnet survey PRO (INCL. Planner) (AM/A4018)			
6	Airmagnet WIFI analyzer PRO, SW			
7	1 Year Maintenance for Airmagnet WIFI analyzer PRO(AM/A1150)			
8	Intellitone PRO 200 toner and probe kit	8	0.07	0.55
9	Microscanner2 cable verifier	8	0.18	1.44
10	Cable analyzer	8	3.70	29.57
11	DTX quad OTDR module	8	3.62	28.99
12	Launch cable kit, 50UM	8	0.32	2.59
13	OTDR launch cable kit, single mode	8	0.32	2.59
14	Fiberinspector mini video microscope	8	0.90	7.22
15	Fiber optic cleaning supplies: CUBE,PEN,2.5SWABS,5cards	8	0.05	0.41
16	Optiview XG, network analysis tablet	8	19.02	152.16
Total				**277.52**

Source: Quotation received from Fluke networks dated July 04, 2011

4. Expansion and Establishment of Overseas Offices

We intend to grow our business by spreading out our geographical reach to tap high potential markets such as Middle East and Asia Pacific Region by setting-up offices in this region. Initially, these offices will handle the functions of customer liaisoning and marketing. Over the period, these offices will also handle other functions such as customer support operations, network support and implementation.

We believe these offices will become fully functional within a span of around 18 months from the date of being set up. The estimated cost of Rs. 550 Lakhs comprises of rentals, salaries of the staff and other operational expenses on account of office establishment, travelling, conveyance, etc.

We have not entered into any definitive arrangements for establishing any of the above offices. Further, no second hand equipment / instruments are proposed to be purchased for the above offices.

5. Proposed Acquisition

Our Company intends to utilise part of the Issue Proceeds aggregating to approximately Rs.1200 Lakhs for the proposed acquisitions of company's or strategic partnership or joint venture as it is a key component for our growth.

We have expertise in the area of computer networking and have done projects in IT security, servers, and advanced telecom equipments. We would like to expand further in these areas through acquisitions. We believe we will be able to tap our existing clients as well as acquire new clients for these new business segments. These acquisitions/ strategic partnership will be by way of investments in the equity of the target company or in any other manner as may be deemed feasible and these initiatives will be governed by medium to long term organisational goals / other business objectives. Accordingly, we intend to earmark and use it from the Issue proceeds for strategic investment, acquisitions or joint venture.

Going forward, we believe that strategic investments and acquisitions may act as an enabler to growing business and consolidate our position in the networking industry and establish ourselves as an IT and ITES solutions provider in India, Middle East and Asia Pacific Region. Regional and local systems integrators are unable to scale up their operations and presence because of lack of good processes, systems, finance, over dependency on single owners etc. Hence there is a huge opportunity to create another National System Integration player by acquiring these regional and local system integrators which can service the customers through processes which are nimble-footed at the same time effective.

As of the date of this Draft Red Herring Prospectus, we have not yet entered into any letter of intent or definitive commitment for such acquisition, investment or joint venture. The form of investment is not yet decided by us. Any specific acquisition opportunity will be considered based on the valuation of that business at the time of acquisition. However, we have identified a few opportunities, the details of which are summarized as hereunder:

Acquisition Profile	Business Segment	Location
Security Solutions Provider	IT Security Solutions	India, Middle East and Asia Pacific
Network Servers Solutions	Servers	India, Middle East and Asia Pacific
Computing	Hardware	India
Advanced Telecom Technology Provider	Telecom	India and Asia Pacific

Following are the major benefits we intend to derive from the acquisitions:

A. Endeavour to be a complete IT infrastructure solutions provider:

Our customers need certain extensions, modifications and up-gradations on the existing technologies and solutions from time to time, which we do not provide currently. Through acquisitions we are confident that we will be able to cater to their requirements.

B. New technologies

Our proposed acquisition shall help us to be conversant with new technologies without spending on training our existing employees.

C. Enhancing our geographical reach

Currently, our Company is operating primarily in India and Singapore. One of our strategies is to expand our business reach to countries and regions where we do not have presence. Through acquisitions we will get entries into these markets thereby helping us to expand in these new geographies.

D. Addition of new clients

Through acquisitions we can acquire new clients who are clients of the target companies and increase our customer base. We can also cross sell our existing solutions to them without incurring any additional overheads that we would have otherwise incurred in servicing them.

Considering the above merits our Company plans to earmark an amount of Rs. 1200 Lakhs out of the Issue Proceeds towards acquisitions.

Further, our Company is not sure of any dividends/returns arising out of the proposed acquisitions.

6. Training and OEM Certification

The need for OEM certified staff in the system integration industry is justified by the need to provide high-quality, cutting-edge technology solutions to clients that advance organizational success in a changing, competitive marketplace. The details of the courses in which, we propose to train our existing employees are as follows:

Certification / Training	Description	No. of People	Fees per individual	Total Fees
Certification	646-205: Cisco Sales Expert	8	4,400.00	35,200.00
Certification	640-864: Designing for Cisco Internetwork Solutions	8	8,250.00	66,000.00
Certification	640-802: Cisco Certified Network Associate	2	13,750.00	27,500.00
Certification	642-902: Implementing Cisco IP Routing (ROUTE)	2	11,000.00	22,000.00
Certification	642-813: Implementing Cisco IP Switched Networks (SWITCH)	2	11,000.00	22,000.00
Certification	642-832: Troubleshooting and Maintaining Cisco IP Networks (TSHOOT)	2	11,000.00	22,000.00
Certification	350-001: Routing and Switching written	2	19,250.00	38,500.00
Certification	CCIE Routing and Switching Practical Exam	2	75,000.00	1,50,000.00
Training	Cisco Certified Network Associate	2	15,000.00	30,000.00
Training	Cisco Certified Network Profesional	2	45,000.00	90,000.00
Training	Cisco Certified Internetwork Expert - Routing and Switching	2	95,000.00	1,90,000.00
Certification	640-802: Cisco Certified Network Associate	2	13,750.00	27,500.00
Certification	640-553: Implementing Cisco IOS Network Security (IINS)	2	13,750.00	27,500.00
Certification	642-637: Secure v1.0 Securing Networks with Cisco Routers and Switches (SECURE v1.0)	2	8,250.00	16,500.00
Certification	642-617: Deploying Cisco ASA Firewall Solutions (FIREWALL v1.0)	2	8,250.00	16,500.00
Certification	642-647: Deploying Cisco ASA VPN Solutions (VPN v1.0)	2	8,250.00	16,500.00
Certification	642-627: Implementing Cisco Intrusion Prevention System v7.0 - (IPS v7.0)	2	8,250.00	16,500.00
Certification	350-018: CCIE Security written	2	19,250.00	38,500.00
Certification	CCIE Security Practical Exam	2	75,000.00	1,50,000.00
Training	Cisco Certified Network Associate	2	15,000.00	30,000.00
Training	Cisco Certified Network Associate – Security	2	15,000.00	30,000.00

Certification / Training	Description	No. of People	Fees per individual	Total Fees
Training	Cisco Certified Security Professional	2	80,000.00	1,60,000.00
Training	Cisco Certified Internetwork Expert – Security	2	1,25,000.00	2,50,000.00
Certification	640-802: Cisco Certified Network Associate	2	13,750.00	27,500.00
Certification	640-461: Introducing Cisco Voice and Unified Communications Administration v8.0 (ICOMM)	2	13,750.00	27,500.00
Certification	642-437: Implementing Cisco Voice Communications and QoS v8.0 (CVOICE v8.0)	2	8,250.00	16,500.00
Certification	642-447: Implementing Cisco Unified Communications Manager, Part 1 v8.0 (CIPT1 v8.0)	2	8,250.00	16,500.00
Certification	642-457: Implementing Cisco Unified Communications Manager, Part 2 v8.0 (CIPT2 v8.0)	2	8,250.00	16,500.00
Certification	642-427: Troubleshooting Cisco Unified Communications v8.0 (TVOICE v8.0)	2	8,250.00	16,500.00
Certification	642-467: Integrating Cisco Unified Communications Applications v8.0 (CAPPS v8.0)	2	8,250.00	16,500.00
Certification	350-030: CCIE Voice written	2	19,250.00	38,500.00
Certification	CCIE Voice Practical	2	75,000.00	1,50,000.00
Training	Cisco Certified Network Associate	2	15,000.00	30,000.00
Training	Cisco Certified Network Associate – Voice	2	15,000.00	30,000.00
Training	Cisco Certified Network Professional – Voice	2	1,00,000.00	2,00,000.00
Training	Cisco Certified Internetwork Expert – Voice	2	1,50,000.00	3,00,000.00
Certification	640-802: Cisco Certified Network Associate	2	13,750.00	27,500.00
Certification	640-721: Implementing Cisco Unified Wireless Networking Essentials (IUWNE)	2	13,750.00	27,500.00
Certification	642-731: Conducting Cisco Unified Wireless Site Survey (CUWSS)	2	8,250.00	16,500.00
Certification	642-741: Implementing Cisco Unified Wireless Voice Networks (IUWVN)	2	8,250.00	16,500.00
Certification	642-746: Implementing Cisco Unified Wireless Mobility Services (IUWMS)	2	8,250.00	16,500.00
Certification	642-736: Implementing Advanced Cisco Unified Wireless Security (IAUWS)	2	8,250.00	16,500.00
Certification	350-050: CCIE Wireless written	2	19,250.00	38,500.00
Certification	CCIE Wireless Practical	2	75,000.00	1,50,000.00
Training	Cisco Certified Network Associate	2	15,000.00	30,000.00

Certification / Training	Description	No. of People	Fees per individual	Total Fees
Training	Cisco Certified Network Associate – Wireless	2	15,000.00	30,000.00
Training	Cisco Certified Network Professional – Wireless	2	80,000.00	1,60,000.00
Training	Cisco Certified Internetwork Expert – Wireless	2	1,50,000.00	3,00,000.00
Certification	640-802: Cisco Certified Network Associate	20	13,750.00	2,75,000.00
Training	Cisco Certified Network Associate	20	15,000.00	3,00,000.00
Certification	642-902: Implementing Cisco IP Routing (ROUTE)	10	11,000.00	1,10,000.00
Certification	642-813: Implementing Cisco IP Switched Networks (SWITCH)	10	11,000.00	1,10,000.00
Certification	642-832: Troubleshooting and Maintaining Cisco IP Networks (TSHOOT)	10	11,000.00	1,10,000.00
Training	Cisco Certified Network Profesional	10	45,000.00	4,50,000.00
Training	AirMagnet Hands-On Training and Certification	5	1,50,000.00	7,50,000.00
Training	AirMagnet Enterprise Expert	5	85,000.00	4,25,000.00
Training	Advanced WLAN Design and Site Survey	5	1,00,000.00	5,00,000.00
Training	CCTT Training - DTX Copper	5	25,000.00	1,25,000.00
Training	CCTT Training - DTX Fiber Tier 1 and Tier 2 (OTDR)	5	25,000.00	1,25,000.00
Training	OptiView Network Troubleshooting Course	5	50,000.00	2,50,000.00
Training	JNO-101: Juniper Networks Certified Internet Associate (JNCIA-JunOS	5	5,500.00	27,500.00
Training	JNO-120: E-Series, Associate (JNCIA-E)	5	5,500.00	27,500.00
Training	JNO-130: E-Series, Specialist (JNCIS-E)	5	11,000.00	55,000.00
Training	JNO-141: AC, Associate (JNCIA-AC)	5	5,500.00	27,500.00
Training	JNO-311: WX, Associate (JNCIA-WX)	5	5,500.00	27,500.00
Training	JNO-332: Juniper Networks Certified Internet Specialist (JNCIS-SEC)	5	11,000.00	55,000.00
Training	JNO-343: Enterprise Routing and Switching, Specialist (JNCIS-ENT)	5	11,000.00	55,000.00
Training	JNO-360: Service Provider, Specialist (JNCIS-SP)	5	11,000.00	55,000.00
Training	JNO-522: FWV, Associate (JNCIA-FWV)	5	5,500.00	27,500.00
Training	JNO-532: FWV, Specialist (JNCIS-FWV)	5	11,000.00	55,000.00
Training	JNO-541: IDP, Associate (JNCIA-IDP)	5	5,500.00	27,500.00

Certification / Training	Description	No. of People	Fees per individual	Total Fees
Training	JNO-562: SSL, Associate (JNCIA-SSL)	5	5,500.00	27,500.00
Training	JNO-570: SSL, Specialist (JNCIS-SSL)	5	11,000.00	55,000.00
Training	JNO-632: Security, Professional (JNCIP-SEC)	5	16,500.00	82,500.00
Training	JNO-643: Enterprise Routing and Switching, Professional (JNCIP-ENT)	5	16,500.00	82,500.00
Training	JNO-660: Service Provider, Professional (JNCIP-SP)	5	16,500.00	82,500.00
Certification	Operating and Troubleshooting of Juniper Networks Routers	5	55,000.00	2,75,000.00
Certification	Configuring Juniper Networks Routers	5	75,000.00	3,75,000.00
Certification	Advanced Juniper Networks Routers	5	75,000.00	3,75,000.00
Certification	Operating Juniper Networks Routers in the Enterprise	5	65,000.00	3,25,000.00
Certification	Advanced Juniper Networks Routers in the Enterprise	5	65,000.00	3,25,000.00
Certification	Operating Juniper Networks Switches in the Enterprise	5	65,000.00	3,25,000.00
Certification	Security Manager Fundamentals	5	35,000.00	1,75,000.00
Certification	Configuring Juniper Networks Firewall/IPSec VPN Products	5	55,000.00	2,75,000.00
Certification	Advanced Juniper Networks IPSec VPN Implementations	5	35,000.00	1,75,000.00
Certification	Attack Prevention with Juniper Networks Firewalls	5	25,000.00	1,25,000.00
Certification	Configuring Juniper Networks Secure Access	5	45,000.00	2,25,000.00
Certification	Advanced Juniper Networks Secure Access	5	45,000.00	2,25,000.00
Total Amount				**1,06,88,200.00**

Source: Different websites of Original Equipment Manufacturers (OEMs).

7. Additional Working Capital Requirement

As on March 31, 2011 our existing fund based working capital facilities was Rs. 877 Lakhs.For further details of the working capital facilities availed by us, please see the section '*Financial Information'* on Page No. 107 of this Draft Red Herring Prospectus. These limits and our internal accruals are adequate to meet our existing requirements. However, our Company will utilize a part of the proceeds of the Issue to fund additional future working capital requirements. Considering the existing growth rate and the proposed expansion, the total working capital needs of our Company, as assessed based on the internal working of our Company is expected to reach Rs. 2262 Lakhs by fiscal 2012 out of which we propose to fund Rs. 900 Lakhs through this Public Issue, details of which are mentioned hereunder:

Current Assets	Holding Period (Days)	Holding Period (Month)	31-3-2011	Estimates after Expansion
Raw material	45	1.50	325.48	468.00
WIP	30	1.00	141.48	416.00
Debtors	90	3.00	1733.04	1950.00
Sub-Total (A)			***2200.00***	***2834.00***
Current Liabilities				
Creditors:	30	1.00	475.07	312.00
Goods and other expenses	30	1.00	361.86	260.00
Sub-Total (B)			***836.93***	***572.00***
Working Capital Gap (A-B)			1363.07	2262.00
Actual/Projected Net Working capital Available			486.07	486.07
Bank Finance			877.0	877.00
Additional Working Capital required after Expansion (to be financed through public issue)				900

Company being in the service industry installed capacity and capacity utilization is not applicable to the Company. The debtors collection period for FY 2011 was 90 days which has been estimated at 90 days for FY 2012. The creditors' payment period for FY 2011 was 30 days which has been estimated at 30 days for FY 2012.

For further details please refer "*Financial Indebtedness*" for working capital and bank finance on Page No. 163.

8. General Corporate Purposes

Our Company intends to deploy the balance Issue proceeds towards the general corporate purposes, including but not restricted to strategic initiatives, entering into strategic alliances, partnerships, joint ventures etc. and meeting exigencies and contingencies for the project, which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors.

Our management, in response to the dynamic nature of the information technology industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Issue Proceeds. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

9. Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO grading expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchanges, amongst others. The estimated Issue expenses are as under:

Activity	Expenses (Rs. Lakhs)	% of Issue Size	% of Issue expenses
Lead management, Syndicate fees, Underwriting and Selling fees	[●]	[●]	[●]
Advertisement and marketing expenses	[●]	[●]	[●]
Printing and stationery (including expenses on transportation of the material)	[●]	[●]	[●]
Others (Filing fees with SEBI, BSE, NSE, Registrar's fees, legal fees, IPO Grading fees, listing fees,travelling, SCSB Commisions and other misc expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Appraisal Report

None of the projects for which the Issue Proceeds will be utilised have been financially appraised by any financial institutions/banks.

Estimated Schedule of Implementation:

Break-up of the utilization of issue proceeds is given below:

(Rs. in Lakhs)

Sr. No	Particulars	FY 2011-12	FY 2012-13	Total
1.	To finance the cost of renovating and setting-up a Network Operating Centre at our existing facility at Office No. 201, Smart Square, 100 Ft Road, Indira Nagar, Bangalore	105	507	612
2.	To purchase and set-up new Regional Office at Bangalore;	394	297	691
3.	To expand our existing business division	278	260	538
4.	Establishment of overseas offices	200	350	550
5.	Additional Working Capital Requirement	100	800	900
6.	Cost of potential acquisitions	1,000	200	1,200
7.	Training and OEM Certifications	50	57	107
8.	General Corporate Purpose	[●]	[●]	[●]
	Total	[●]	[●]	[●]

Deployment of Funds

As per the certificate by the Auditors of our Company fund deployment in the Project and its Means of Finance dated August 26, 2011 our Company has not deployed any other fund except the expenditure incurred of Rs. 29.30 Lakhs towards IPO expenses.

Interim Use of Proceeds

Our 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, our Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in working capital loan accounts and other investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time. No part of the Issue proceeds will be paid to our Promoters, Directors, key management personnel or Promoter Group Company.

Monitoring Utilization of Funds

The Audit Committee of our Board will monitor the utilization of the Issue proceeds. We will disclose the utilization of the Issue proceeds including interim use, under a separate head in our balance sheet for fiscal 2012 clearly specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of listing agreement with the Stock Exchanges.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by us in consultation with the BRLM on the basis of assessment of market demand and on the basis of the following qualitative and quantitative factors in relation to the Equity Shares offered by the Book Building Process. The face value of the Equity Shares is Rs. 10/- and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative factors

For some of the qualitative factors, which form the basis for computing the price refer to the sections titled " *Business Overview*" on Page No. 69 and "*Risk Factors*" on Page No. xii of this Draft Red Herring Prospectus respectively.

- Ability to provide end to end network related solutions;
- Strong client base with long working relationship;
- Long-term relationship with reputed clients;
- Our Company's business is diversified and we have experience in servicing clients from different industries; and
- Highly trained, motivated and dedicated human assets.

Quantitative factors

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

Weighted average earnings per share (EPS)

Financial period	Consolidated EPS (Rs.)	Standalone EPS (Rs.)	Weight
Financial year 2009	3.50	3.17	1
Financial year 2010	3.93	3.86	2
Financial year 2011	4.00	3.89	3
Weighted average	**3.89**	**3.76**	

Annualized

Notes:

- *The earnings per share has been computed on the basis of adjusted profits and losses for the respective years / periods after considering the impact of accounting policy changes, prior period adjustments / re-groupings pertaining to earlier years as per the auditor's report.*

- *The denominator considered for the purpose of calculating Earnings Per Share is the weighted average number of Equity Shares outstanding during the year.*

- *The face value of each equity share is Rs. 10.*

Price/Earnings (P/E) ratio

- EPS based on the year ended March 31, 2011 is Rs. 4.00 for consolidated financials and Rs. 3.89 for standalone financials

- P/E ratio based on the EPS for financial year ended March 31, 2011; P/E ratio is Rs. [•] at the Floor Price and Rs. [•] at the Cap Price.

- P/E ratio based on the weighted average EPS for financial year ended March 31, 2011; P/E ratio is Rs. [•] at the Floor Price and Rs. [•] at the Cap Price.

- Industry P/E*:
  (i) Highest: 49.40
  (ii) Lowest: 6.30
  (iii) Average: 21.96

*(*Source:* Capital Markets, Volume XXVI/13 August 22- September 04, 2011 (Industry- Computer Hardware)

Weighted Average Return on Net Worth**

Financial period	Consolidated Return on average net worth (%)	Standalone Return on average net worth (%)	Weight
Financial year 2009	49.43	46.98	1
Financial year 2010	33.44	33.99	2
Financial year 2011	27.67	27.77	3
Weighted average	**33.22**	**33.05**	

*Not annualized
** Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for revaluation reserves, intangible assets and deferred tax assets as per our audited restated financial statements.

Minimum return on net worth required to maintain Pre-Issue EPS

The minimum return on net worth required for maintaining pre-Issue EPS is [●] % at the floor price band and [●] % at the cap price.

NAV per Equity Share

Financial period	Consolidated NAV per Equity Share	Standalone NAV per Equity Share	Weight
Financial year 2009	7.09	6.76	1
Financial year 2010	11.75	11.36	2
Financial year 2011	14.47	14.00	3
Weighted average	**12.33**	**11.91**	

NAV per Equity Share after the Issue

The NAV per Equity Share after the Issue is Rs. [●]
The Issue Price per Equity Share is Rs. [●]
The Issue Price per Equity Share will be determined on conclusion of the Book Building Process.

Comparison of Accounting Ratios

The comparable ratios of the companies which are to some extent similar in business are as given below (on consolidated basis):

Company	Year Ended	Basic EPS (Rs.)	P/E	Return on average net worth (%)	Book Value per share (Rs.)	Face Value (Rs.)
Infonet IT Solutions (I) Limited	March 31, 2011	4.00	[●]	27.67%	14.46	10
HCL Infosystems Limited	June 30, 2011	7.67	7.99	8.89%	18.86	2
CMC Limited	March 31, 2011	118.42	7.23	30.81%	471.70	10

***Source:** # Annual Reports/Financial Statements from the respective company website*

P/E Computed based on the market price as on September 20, 2011on BSE

**Our EPS, return on average net worth and book value per share have been calculated from our audited restated financial statements.*

The Issue Price will be determined by us in consultation with BRLM on the basis of assessment of market demand for the offered securities by way of book building process and is justified as above. For further details, see the section titled "***Risk Factors***" on Page No. xii of this Draft Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the auditor's report stated on Page No. 107 to have a more informed view of the investment.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
Infonet IT Solutions India Limited
A-31, Nand Dham Industrial Estate,
Marol Maroshi Road, Andheri (East)
Mumbai – 400059

Statement of Possible Direct Tax Benefits

We hereby confirm that the enclosed Annexure, prepared by Infonet IT Solutions India Limited ('**the Company'**), states the possible tax benefits available to the Company and the shareholders of the Company under the Income-tax Act, 1961 ("**IT Act**") and the Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. 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 which the Company may face in the future, the Company may or may not fulfill.

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the current tax laws in force in India.

We do not express any opinion or provide any assurance whether:
• The Company or its shareholders will continue to obtain these benefits in future; or
• The Conditions prescribed for availing the benefits have been or would be met.

The contents of the 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.

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

Thanking you,
Yours faithfully,

For **Laxmikant Kabra & Co.,**
Firm Registration No. 117183W
Chartered Accountants

Laxmikant Kabra
Proprietor
Membership No: 101839

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO INFONET IT SOLUTIONS (INDIA) LIMITED AND TO ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. TO COMPANY

I. SPECIAL TAX BENEFITS

There are no special benefits accruing to the company.

II. GENERAL TAX BENEFITS

1. As per section 10(34) of the Act, income earned by the company by way of dividend from another domestic company referred to in section 115-O of the Act is exempt from tax.
2. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the company:
    a. Income received in respect of the units of a Mutual Fund specified under section 10(23D); or
    b. Income received in respect of units from the Administrator of the specified undertaking; or
    c. Income received in respect of units from the specified company.
3. As per section 10(38) of the Act, long term capital gains arising to the company from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the company.
4. Under section 32 of the Act, the company is entitled to claim depreciation subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty Lakhs in a year.
6. As per section 111A of the Act, short term capital gains arising to the company from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
7. As per section 112 of the Act, the tax on capital gains on transfer of listed securities or units where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of :-
    a. 20% of the capital gains as computed after indexation of the cost; or
    b. 10% of the capital gains as computed without indexation.
8. As per Section 80G of the Act, the company is entitled to claim deduction of a specified amount in respect of eligible donations subject to the fulfillment of the conditions specified in that section as per the provisions of Chapter XVII-B of the Income-Tax Act.
9. The amount of tax paid under section 115JB by the company will be available as credit to the extent specified in section 115JAA for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of Section 115JAA.

B. TO MEMBERS

I. Special Benefits

There are no special benefits accruing to the members.

II. General Benefits

(A) Resident Members

1. As per section 10(34) of the Act, income earned by the resident members by way of dividend from the domestic company referred to in section 115-O of the Act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising to the resident members from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of such members.
3. As per section 111A of the Act, short term capital gains arising to the resident members from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. As per section 112 of the Act, the tax on capital gains on transfer of listed securities or units where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of :-
   a. 20% of the capital gains as computed after indexation of the cost; or
   b. 10% of the capital gains as computed without indexation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty Lakhs in a year.
6. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.

(B) Non-Resident Indian Members

1. As per section 10(34) of the Act, income earned by way of dividend from the domestic company referred to in section 115-O of the Act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per section 111A of the Act, short term capital gains arising from the sale of equity shares or units of an equity oriented mutual fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. As per section 112 of the Act, the tax on capital gains on transfer of listed securities or units where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of :-
   a. 20% of the capital gains as computed after indexation of the cost; or
   b. 10% of the capital gains as computed without indexation.
5. As per the first proviso to section 48 of the Act, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares or debentures of the company, acquired in convertible foreign exchange, will be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost indexation benefit will not be available in such a case.
6. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from tax if the capital gains are invested in a "long term

specified asset" within a period of six months after the date of such transfer, subject to the limit of Rupees Fifty Lakhs in a year.

7. As per the provisions of section 54F of the Act, long term capital gains (in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years.
8. As per section 115E of the Act, income from investment or income from long term capital gains on transfer of assets other than specified asset shall be taxable at the rate of 20%. Income by way of long term capital gains in respect of a specified asset (as defined in section 115C (f) of the Act) shall be chargeable at 10%.
9. In accordance with section 115F of the Act, subject to the conditions and to the extent specified therein, long term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax, if the net consideration is invested within six months of the date of transfer in any specified asset.
10. In accordance with section 115G of the Act, It is not necessary for a non-resident Indian to file a return of income under section 139 (1) of the Act, if his total income consist only of investment income earned on shares of the company acquired out of convertible foreign exchange or Income by way of long term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Income-Tax Act.
11. As per section 115H of the Act, where a 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 Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
12. In accordance with section 115-I of the Act, Where a non-resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total Income for that assessment year (Including Income arising from Investment in the company) will be computed and tax will be charged according to the other provisions of the Income-Tax Act.
13. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has Fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

(C) Foreign Institutional Investors (FII"s)

1. As per section 10(34) of the Act, any income earned by way of dividend income from the domestic company referred to in section 115-O of the Act is exempt from tax.
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share of the company, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per section 115AD read with section 111A of the Act, short term capital gains arising from the sale of Equity Shares of the company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15%.
4. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

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

In case of long term capital gains, (in cases not covered under section 10(38) and section 115 AD of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

5. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per

the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

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

(D) Mutual Funds

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

(E) Venture Capital Companies / Funds

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

UNDER THE WEALTH TAX ACT, 1957

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

NOTES

i. In the above statement only basic tax rates have been enumerated and the same is subject to surcharge and education cess, wherever applicable.
ii. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
iii. All the above benefits are as per the current tax laws, legislation, its judicial interpretation and the policies of the regulatory authorities are subject to change from time to time, and these may have a bearing on the benefits listed above. Accordingly, any change or amendments in the law or relevant regulations would necessitate a review of the above.
iv. Several of these benefits are dependent on the company and its shareholders fulfilling the conditions prescribed under the provisions of the relevant sections under the relevant tax laws.
v. This statement is only extended to provide general information to the investors and is neither designed nor intended to be a substitute for Professional Tax Advice. In view of the individual nature of tax consequences, being based on all the facts, in totality, of the investors, each investor is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its investments in the shares of the company.

SECTION VI - ABOUT US

INDUSTRY OVERVIEW

*The contents in this section has been derived from a report titled "India IT Infrstructure Industry" that the Company has commissioned Credit Analysis & Research Limited ("**CARE**") to prepare a report (the "**Report**"). CARE has obtained the information set forth in the Report from its databases and other sources available in the public domain identified in the Report. CARE's methodologies for collecting information and data, and therefore the information discussed in this section, may differ from those of other sources, and does not reflect all or even necessarily a comprehensive set of the actual transactions occurring in the industry. This information has not been independently verified by us, the Book Running Lead Manager, or their respective legal, financial or other advisors, and no representation is made as to the accuracy of this information.This section also includes certain projections and estimates that are based on certain assumptions regarding contingencies and other matters that are not within the control of the Company, the BRLM, CARE or any other person. These assumptions are inherently subject to significant uncertainties and actual results may differ, perhaps materially, from those projected. CARE has given and has not withdrawn its written consent to the issue of this Draft Red Herring Prospectus with the inclusion herein of its name and all references thereto and to the inclusion of the Report, including extracts of the Report, in this Draft Red Herring Prospectus, in the form and context in which it appears in this Draft Red Herring Prospectus. While the Company has taken reasonable actions to ensure that the Report and the market share and industry data and forecasts have been extracted accurately and in their proper context, neither the Company nor the BRLM have independently verified any of the data and forecasts from CARE or from third party sources or ascertained the underlying assumptions relied upon. As a result, you are cautioned against placing undue reliance on such information.*

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Overview of Global and Indian Economy

The global economy grew at the rate 5.1% in CY2010 recovering from its dismal performance in CY2009 where the world economy posted a negative growth of 0.5%. (Source: World Economic Outlook Update: June 17th 2011). The higher growth rate in CY2010 could be attributed to the calibrated approach by major economies to provide stimulus packages to revive growth. However, recently in many emerging economies like India and China inflation pressures are emerging and there are some signs of overheating. Emerging economies have in turn responded by raising bank rates to curtail inflation and provide a sustainable growth rate. Certain factors like European crisis, US debt woes loom large over global economies and might tend to disrupt world trade in the medium term. Global output is projected to expand by 4.3% in CY2011. In both CY2011 and CY2012, growth in emerging and developing economies is expected to remain buoyant at 6.6% and 6.4% respectively. Developing Asia region continues to grow most rapidly, but other emerging regions are also expected to continue their strong rebound. *(Source: World Economic Outlook Update: June 17th 2011)*

Expected growth rates of advanced and emerging economies

GDP growth Y-o-Y %	CY2009	CY2010	CY2011 P	CY2012 P
Advanced Economies				
United States	-2.6	2.9	2.5	2.7
Japan	-6.3	4.0	-0.7	2.9
United Kingdom	-4.9	1.3	1.5	2.3
Emerging Economies				
India	6.8	10.4	8.2	7.8
China	9.2	10.3	9.6	9.5
Russia	-7.8	4.0	4.8	4.5

Source: *World Economic Outlook Database, June 2011*
P: Projections

As shown in the table above India is likely to outpace growth rates of many advanced and emerging economies. India is becoming increasingly urbanised and wealthy. CARE Economic Research estimates the Indian GDP to grow between 8-8.5% in FY2012. The Indian economy will emerge to be one of the largest economies in the world in the next decade with an estimated gross domestic product (GDP) at current prices of Rs.63.4 trillion (approximately US$1.32 trillion). (Source: IMF World Economic Database October 2010.)

According to Centre for Monitoring Indian Economy (CMIE), India's per capita GDP (at constant prices) has grown from around Rs.14,959 in 1991 at the time of liberalization to Rs.46,492 for the fiscal year 2009-10. This increase in per capita income has created increasing wealth coupled with a growing middle-class and rising disposable incomes. This has had a significant investment multiplier effect on the economy leading to increasing consumerism and wealth creation thus positively impacting savings.

Overview of Global and Indian IT Industry

The global IT industry is primarily classified into hardware and software. The hardware industry includes computer systems, peripherals, storage including servers, mobile devices and network equipment (routers, switches, modem, cabling etc.); while the software industry includes software development, consulting, training and outsourcing business. In 2009, the global technology and services related spending was critically impacted due to the recessionary scenario and declined by 2.9% y-o-y to US$1.4 trillion while hardware markets were impacted worse than the software or service markets and reported a decline of 8% y-o-y. Companies and individuals deferred their discretionary spending and plans to acquire new hardware thereby extending product lifecycle. In 2010, pent up demand for hardware upgrade and infrastructure investment pushed global IT growth by 8% y-o-y to US$1.5 trillion, the fastest since 2007. Including telecom services, the overall information and communications technology (ICT) market grew by 6% y-o-y to approximately US$3.4 trillion in 2010. Global hardware spending in particular led the way by growing 16% y-o-y to US$661 billion in 2010 compared to spending on software and services which grew 4% and 2% respectively.

In 2011, it is expected that overall global IT spending will grow by 7.1% y-o-y this year to US$1.65 trillion with another year of double-digit growth for hardware spending (11.7%), software and IT Services markets will increase by 9.5% and 6.6% respectively. Worldwide ICT spending is estimated to grow to US$3.6 trillion in 2011, a growth of 5.6% y-o-y from US$3.4 trillion in 2010. However, some key challenges still linger in the IT industry with sovereign debt crisis looming in Europe and lack of clear visibility regarding the state of global economy.

Worldwide IT Spending Forecast

US$ billion	2010	Growth%	2011	Growth %
Computing Hardware	375	12.1	419	11.7
Enterprise Software	244	8.4	268	9.5
IT services	793	3.1	846	6.6
Telecom	2,015	7.3	2,140	6.9
Total IT	**3,427**	**5.9**	**3,672**	**7.1**

Source: Gartner Press release (June 2011)

The Indian IT industry is one of the biggest exporters of the country and contributed approximately 6.1% to the GDP in FY2010. The overall IT-ITeS sector has become one of the most significant growth catalysts of the Indian economy and has considerably influenced the lives of its people through active direct and indirect employment, higher standard of living and workplace diversity. The industry has matured over the last three years and has made paradigm changes in their operations with the changing demand outlook, client negotiations and requirements for greater efficiencies and flexibility within the service delivery and the business models. The IT industry has launched new agenda to diversify beyond core offerings and markets through new business and pricing models. It has equipped itself to provide end-to-end service offerings, transform the delivery process, innovate through R&D and drive inclusive growth in India by developing targeted solutions for the domestic market.

According to NASSCOM, total revenues in India's IT industry touched US$73.1 billion in 2009–2010 compared with US$70.5 billion in FY2009; growing at 3.7% y-o-y of which US$50 bn was through exports and the remaining US$23 billion from domestic market. The US and the UK account for the largest share of exports

market accounting for 61% and 18% respectively in FY2010. The industry added 90,000 new jobs in FY2010, taking the total number of employees to 2.3 million and employs around 8.2 million through indirect jobs. The IT services exports segment grew to US$27.3 billion in FY2010 as compared to US$25.8 billion in FY2009, showing a growth of 5.8% y-o-y while revenue from the domestic market (IT Services and ITeS-BPO) is also expected to grow to US$14.2 billion in FY2010. Moreover, India has a 51% market share of the global off-shoring market. There is tremendous headroom for growth as current off-shoring market is still a small part of the outsourcing industry. The BPO segment continues to be the fastest growing segment of the industry and is expected reach US$14.1 billion in FY11, growing at 14% y-o-y.

By 2020, it is expected the Indian IT-BPO-ITeS industry to reach a market size of US$225 billion based on significant opportunities from core verticals like BFSI, retail, healthcare and government along with geographic segment like the US and emerging markets like Asia-Pacific region.

Growth drivers for Indian IT Infrastructure Industry

Major growth drivers of the Indian IT industry have been strong economic growth in the domestic market, rapid advancement in technology infrastructure, need for higher security, increasing competitiveness of Indian organizations and enhanced focus on IT solutions (e-Governance) by the Government of India.

Increased Technology related spending globally

Globally, organizations, governments and individuals are increasing their spending on IT related products and services to remain networked and connected to internet and intranet in a secured way. Outsourcing of many such software services and solutions is transferred to cost-effective centres such as India. Total global IT spending in 2011 will grow by 7% y-o-y this year to US$1.65 trillion and hardware spending will increase by 10% y-o-y. According to Nasscom, India's IT-BPO outsourcing is increasing and 2010 its global outsourcing share increased to 55% from 51% share in 2009. North America remains the largest outsourcing market with increasing demand from government, healthcare and BFSI segment.

Growth in core verticals sectors

In India, there is growing IT related growth due to demand from traditional core verticals like BFSI and BPO-ITeS sectors while renewed growth is expected from new segments such as retail, healthcare and several government initiatives. As the number of working employees grows in these industries, the demand for IT related services and products will increase. Also, increasing opportunities arise from emerging markets like Asia-Pacific region nullifying the effect of any slowdown in matured markets. Other prominent industry players investing in IT are from the telecommunication and manufacturing sectors.

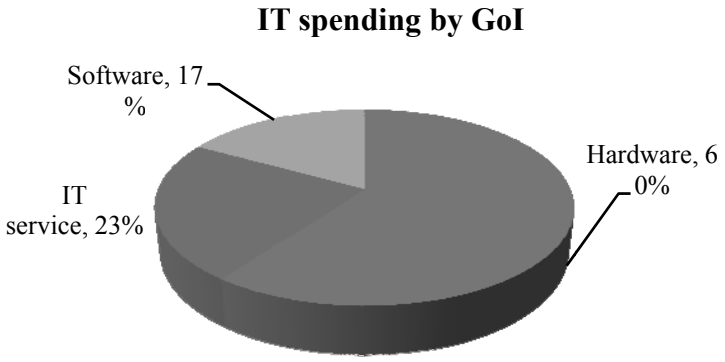
Source: CARE Research

Mushrooming of global IT vendors in India and Indian IT multinationals

International IT vendors such as Accenture, HP, IBM and Capgemini, Dell and Lenovo along with network equipment companies like Cisco, Ericsson, Nokia-Siemens, and Alcatel are eyeing India to expand their offshore delivery capability either organically or inorganically. These companies aim to grow onshore service providers who can deliver seamless hybrid onshore-offshore services at low costs. In addition, Indian IT companies are expanding their global footprint through the Global Delivery Model (GDM) to seamlessly service their clients' needs worldwide. Indian firms are gradually gaining a global foothold, with giants such as TCS, Wipro and Infosys expanding their overseas presence, particularly in Asia and Europe after gaining a strong foothold in the US.

Initiatives by Indian government

The Indian government has undertaken many steps for e-governance for inclusive growth. The government sector is a key catalyst for increased IT adoption in the country through sectors reforms that encourage IT acceptance, National eGovernance Programmes (NeGP) and the Unique Identification Development Authority of India (UIDAI) programme all of which is expected to create large scale IT infrastructure penetration and promote corporate participation. There are currently 51 Software Technology Parks of India (STPI) that provide exemption from customs, excise and service tax. Other services initiated by the Indian government include State Wide Area Network (SWAN) to country-wide secure network for delivering G2C and G2G services with 23 SWAN currently under operation and 6 in work in progress stage and State Data Centres (SDC) which acts as central repository and data storage.



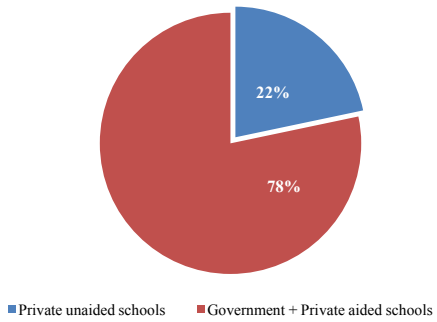
Source: CARE Research

Information Communication & Technology (ICT) in Education Sector

The role of information technology has gained importance in the Indian Education system with the National Policy on Education 1986 laying emphasis on the use of computer- related technology for improving the quality of education. Information and Communication Technology (ICT) in the education context not only refers to the utilisation of hardware devices & software applications for imparting education but also involves development & management of course content, application of web-based content repositories, creation of interactive forums through internet and satellite communication etc. As per the GoI's scheme on ICT education, each school is required to be equipped with 10 PCs or 10 nodes connected through a server in addition to accessories like printers, projectors with 2Mbps broadband connection. This segment is expected to further drive the use of IT products and services in the country. The Ministry of Human Resource & Development (MHRD) has proposed an outlay ofRs.5,306 crore during the XIth plan period (2007-12) for National Mission in Education through Information Communication and Technology (ICT). For the same, a provision of Rs.943 crore has earmarked in the Union Budget 2011-12.

During FY11, the market size of ICT aggregated Rs 2,102 crore (US$456.9 mn) with the overall penetration of ICT in schools at 6.1%. Going forward, CARE Research expects the market size of ICT to grow to Rs.4,140 crore (US$0.9bn) during FY 2015 recording a CAGR of 19.3% during the period FY 2011-15. Correspondingly, the ICT penetration in schools is also expected to rise to 9.6% during FY15.

Break-up of Government & Private ICT schools



IT enablement in going green, another growth area

Environmental degradation is one of the major concerns the world is facing in recent years and corporations with their challenging times of economical survival are paying special attention on the environmental problem that is endangering their existence. Typically green IT adoption is associated as an investment towards acquiring energy efficient hardware devices in data centres to save power and reduce carbon emissions. Companies also have green IT approach in terms of server consolidation; through which enterprises can achieve eco-efficiency that relates to controlling environmental impacts as well as reducing cost of operations. Going forward, we expect more companies will adopt energy saving hardware devices which can save substantial energy costs and earn them carbon credits.

Growth in Indian IT spending

Through much of 2009, IT spending in India like in other parts of the world witnessed a slowdown as a result of the global economic recession. The major prevalent scenario across companies in India in 2009 was better utilization of resources and driving efficiencies of existing infrastructure. While many companies adopted a restrained approach in 2009, a strong return to growth in IT spending was seen in 2010, partly due to pent-up demand following budget slowdown in 2009 and also due to the need to replace and add new hardware. In 2010, India's information and communication technology (ICT) spending was US$65.23 billion and in 2011 it is estimated to grow 10.3% y-o-y and reach US$71.9 billion, according to Gartner press release.

Hardware is one of the fastest growing segments with an expected CAGR growth of 20.4% through 2014. Much of this hardware growth will be driven by spending within the client computing space. Growth in the consumer market in India is largely due to increasing young working population, a rapidly rising middle class and emerging opportunities in the services sector. Also, increasing rural prosperity, aided by growth in the small office and small business segment, are likely key growth drivers in the PC segment.

IT services showed robust annual revenue growth at 22% in 2010 while the telecom segment, which accounted for approximately 73% of the Indian ICT market in 2010, is witnessing a slow down and is set to grow at 13.2% growth in 2011-12 period. All other sub segments of the ICT space, is expected to report double-digit growth this year. The IT services space in India will be driven by new projects in areas of business applications (CRM, ERP, BI), virtualization and data centre consolidation. Growth within Tier II and Tier III cities will provide the next phase of growth for IT vendors across categories. It is expected that government and defence related segments will create sizeable opportunities in large systems integration projects for application services and drive growth for Indian IT spending. Moreover, managed services around IT infrastructure will lead to newer opportunities in the application development market and third party applications.

Indian IT-End User Spending Forecast

(US$ mn)	2009	2010	2011	2012	2013	2014	CAGR (2009-2014)
Hardware	6,388	7,558	9,290	11,152	13,257	16,152	20.4%
Software	2,112	2,421	2,768	3,124	3,521	3,960	13.4%
IT Services	6,223	7,591	8,774	10,181	11,815	13,691	17.1%
Telecom	42,100	47,664	51,097	54,487	58,178	61,668	7.9%
Total ICT	**56,823**	**65,234**	**71,929**	**78,944**	**86,771**	**95,471**	**10.9%**

Source: Gartner Press Release

Overview and market size of different segments

Enterprise Network Equipment

The Enterprise Network Equipment industry in India has a market size of approximating Rs. 23,815 crore in FY2011 and grew by a meagre 0.87% y-o-y during the year. The industry provide solutions and products including Voice Solutions, Routers, Switches, WLAN, Storage, Modems, Network Management, Networking Integration, Network Security and Surveillance. The Router market in FY11 stood at Rs 3,405 crore with a growth of about 8% y-o-y and Switching segment grew to Rs.5,118 crore, riding on low value but high-volume purchases by SMEs and high-value, low-volume purchases by big corporations and service providers with a growth of 12.5% y-o-y. The modem market in FY11 stood at Rs.378 crore at a growth rate of 11% y-o-y whereas the WLAN market grew by 28.7% y-o-y to Rs.435 crore.

With increasing penetration of PC/smartphones and greater availability of Wi-Fi networks, the demand for safe, secure & reliable networking infrastructure is growing, leading to growing demand for networking products/solution form enterprise segment.

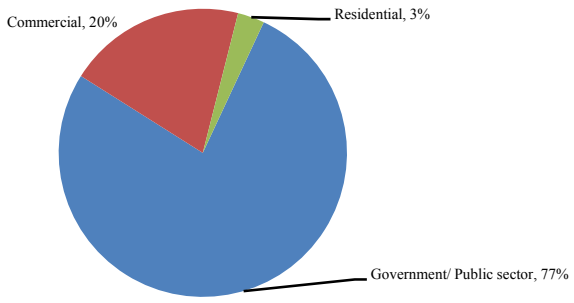
Network Security

With growing demand for network equipment and growth in large enterprises there is an increasing demand for network security which is no longer about providing basic firewalls and perimeter based defences but more about providing data/information security and secured communications. Also with the rise in the number of attacks on even sophisticated network and companies becoming ever more vulnerable, the demand for more robust, flexible and cost-effective solutions is becoming imperative for organizations to secure their endpoints in their corporate network. The Indian network security market is estimated at Rs.1,050 crore in FY11 and the IT-BFSI segments have been the major revenue contributors followed closely by government and telecom verticals. With the explosion of web-based applications and Software-as-a-Service (SaaS) model, the use of Internet with its hyper- connected devices has resulted into increase in vital business applications.

Electronic security and surveillance (ESS)

Increasing urbanization, private life culture and growth in nuclear family has pushed the need for electronic security and surveillance. Additionally the rise in incidence of terrorist attacks has prompted the Indian consumer and corporate to opt for enhanced security cover, resulting in the rapid growth of the Indian security market, estimated at about 30% annually. Many residence, hospitality and commercial (including retail and entertainment) complexes are providing integrated security that involves CCTV with centralized command centre and video door phone facility. The Indian security solution market is estimated to be worth Rs 2,125 crore in 2010 and expected to reach the size of Rs 3,210 by 2012 and CCTVs account for over a third of this market and is expected to grow at a CAGR of 34% during 2010-12 period. Approximately 30-35% of the market is dependent on imports mainly from Israel, US, UK, China and Taiwan. The ESS industry is highly unorganized and fragmented with organized segment comprising of only 3-4%. Some of the major challenges faced in this industry are huge initial set-up cost which can deter potential clients and high customs duty. Government and the public sector combines is the biggest spender on ESS solutions given prominent high security installations like defence, oil & gas, transportation hubs which is then followed by commercial establishments.

ESS - Segment-wise break up



Source: CARE Research

Wireless Infrastructure

With telecom operators upgrading and expanding existing networks, spending on India's wireless infrastructure equipment market in 2011 will reach US$11 billion, from US$10.8 billion in 2010 but primarily due to rollout of nationwide WiMax and 3G networks. Telecom equipment manufacturers are increasingly opting to establish local plants and reduce on importing costs as domestic production capabilities will provide manufacturers with a distinct advantage in the price-sensitive Indian market. Various players already have announced their plans to further invest in the expansion of manufacturing and R&D facilities. Ericsson and Nokia-Siemens Network have retained top market share despite competition from Chinese vendors such as Huawei and ZTE despite government's security concern which impacted their business to some extent. It is believed that India adds more than 15 million wireless subscribers a month and is the second-largest market after China for wireless services with more than 771 million subscribers presenting huge opportunity for wireless infrastructure.

Voice over IP Telephony (VoIP)

VoIP Telephony has emerged as the dominant architecture for future voice communications. As the line between voice and data applications continues to blur, new innovative features and services will continue to emerge that will drive measurable business value. VoIP Telephony in the Indian market within the enterprise and not consumer segment has been pegged at US$203 million in 2010. It is expected to growth at a CAGR of 5.5% from 2008 till 2015. Cisco has clearly been a pioneer in driving IP communication adoption in India and has worked with several corporations to point out benefits that companies can derive from a converged network of voice, video and data.

Network Storage

The phenomenal upsurge in the enterprise data is pushing the need for efficient storage management. Unstructured data has the highest growth, followed by replicated data. Structured data (databases for transactional workloads) is also growing, albeit at a slower rate. In FY2011, the total storage market has been pegged at Rs 1,655 crore which comprises the external disk storage and storage software. Approximately 80% of the market comprises of external disk storage and the remaining 20% consists of storage software.

Cloud Computing

Cloud computing is one of the newest innovations in the IT industry. The Indian cloud computing industry is valued at US$400 million in 2011, which is expected to grow to US$4.5 billion by 2015 of which private cloud adoption will dominate and account for US$3.5 billion in revenue, growing at a CAGR of 60%. Moreover, the total cloud computing spend as a percentage of the total IT spend in India is expected to rise from 1.4% in 2010 to 8.2% in 2015.On average, it is estimated that private cloud deployments could result in potential savings of up to 50% on the IT investments, when compared with a legacy IT model. Major sectors that will contribute to cloud computing in India include IT/ITeS, Telecom, BFSI, manufacturing and Government sectors aggregating nearly 78% of the total market. The cloud computing platform is expected to mainly benefit enterprise SMEs (small and medium enterprises), SoHo (small office, home office) and consumer segments. Cloud computing has tremendous potential in India despite its challenges and is a technology which can usher India's domestic IT services to a new era. However, always-on connections are a must for cloud computing to succeed, which is challenging in the Indian context.

Structured Cabling Solution (SCS)

The Indian structured cabling market is expected to grow steadily with increasing investments (projects) in IT infrastructure with growth from verticals like telecom, BFSI, education, IT/ITeS. SCS includes fiber cable and components and copper cables used in setting up a data centre. It is expected that India's Structured Cabling Solutions market to reach a size of Rs 1,928 crore by end-2011, and grow to an industry size of nearly Rs 3,315 crore by 2015 according to industry experts. Of this, copper cables and components contribute approximately 80% while fiber cables and components contribute the remaining 20%.

Corporations in general have started to realize the importance of data centres and there has been a spike in investment related to data centres in terms of up-gradation and consolidation and setting up of remote disaster recovery centres, all of which require better cabling systems. This trend is also contributing to the growth of the India SCS market

Video Conferencing (VC)

In today's fast-paced world, Video Conferencing plays an important role in reducing several complexities in the work environment and the latest trend in the VC Industry is embedding video conferencing systems into the unified communication framework of an enterprise. In FY2011 the VC market in India was estimated to be approximately Rs 337 crore. Conferencing solutions allow organizations to bring key people together that are geographically dispersed into a single conference, to facilitate discussions, ideas, and decision-making thereby saving on travelling time and expenses. One of the main challenge that VC industry has been facing for long of constricted bandwidth which is supposed to minimize to a considerable degree in the future with the technologies like 3G and WiMax. Going forward, it is expected that there will be an explosion of video data as masses including small businesses and home users will increasingly communicate and share information using through this technology.

Server Market

The server market in India is back on a strong growth trajectory after a brief hiatus during the global financial crisis in 2009. In FY2011, India's server market is estimated to be approximately Rs 3,680 crore (US$800 mn) and about 30% of the market is captured by non-x86 UNIX servers. A server is designed for various functions like serving e-mail, storage, protecting internal networks and hosting web sites. Globally, the outlook for server market in CY2011 is expected to grow at sustained levels, despite high level of the replacement cycle for x86 servers already reached in 2010. It is expected that out of the four components that make up the total IT market, computing hardware (PCs, servers, tablets) would grow the fastest at 11.7% in 2011.
Source: *CARE Research, Industry interactions and Annual Report of various companies in the industry.*

Major end user industries

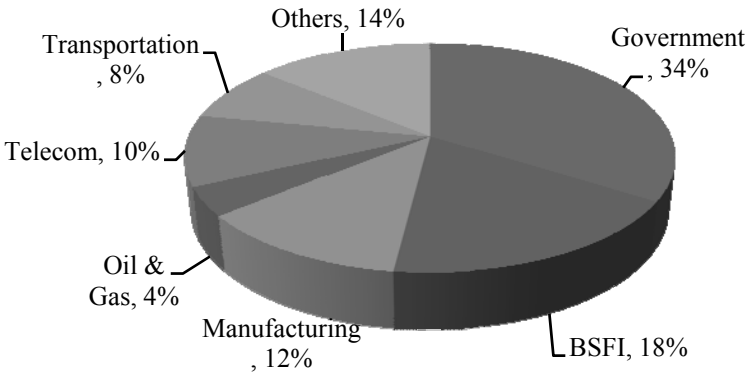
India continues to be a vastly underpenetrated IT market relative to other developed markets and even Asia-Pacific region. India's IT spending compared to GDP is also low compared to developed market. Infrastructure projects undertaken by India's government will strongly drive IT, in conjunction with the growth of the hypercompetitive banking-financial services-insurance (BFSI) business in India, which requires sophisticated IT systems. BFSI (Banking, Financial Services and Insurance), telecommunications, manufacturing and government are the four major verticals which contribute about 75% of the IT services spending in India. This demonstrates that domestic IT services market is at a nascent stage and just waiting to be tapped. The BFSIs segment allocates the second largest budget in the industry on IT expenditure after the Indian government and is strong in leveraging technology for business objectives. Other prominent industry players investing in IT industry are from the telecom and manufacturing sectors.

Government of India (Public sector)

The government is a major investor in IT expenditure with its various e-governance projects for a broader inclusive growth. The central and state government's together account for 34% of India's IT spending. The rapid growth in the domestic market is likely to be driven by major government initiatives such as increased spending on e-governance and increased thrust on technology adoption/up-gradation across various government departments, local bodies, schools colleges etc. to bridge the gap of digital divide.

BFSI

The banking and financial services (BFSI) vertical has been the mainstay of the Indian IT-ITeS industry. With increasing competition and expansion of branches in the BFSI industry there is greater need for connectivity and hardware requirement with high level of security. The rapid growth within the BFSIs over the past two decades has prompted them to take measures to upgrade their technology in order to meet the growing demands of their customers.



Source: CARE Research

Regulations on Data Security and Privacy

Industries like IT; ITeS, BFSI, Telecom, etc. rely heavily on IT infrastructure and use them for providing services to their end customers. The government & the industry have been proactive in taking appropriate steps. Many Indian companies are opting for International security standards such as ISO 17799, BS7799, COBIT, and ITSM.

The legal framework governing data security in India is the **Information Technology Act, 2000.** In May 2000, the Indian Parliament passed the Information Technology Bill now known as the Information Technology Act, 2000. The Act has been amended in 2006 & 2008 since it came into effect.

Here are the key takeaways from the said act relating to Data Security & Privacy:-

- Chapter II states that any subscriber can authenticate an electric record with his signature which can be verified.
- Chapter III states that all electronic records and digital signatures have legal acceptance and the Central Government has the sole rights to make rules with respect to digital signatures.
- Chapter IV deals with attribution, acknowledgement and dispatch of electronic records and digital signatures.
- Chapter VI deals with the regulation of certifying authorities. This chapter also lists the powers of the controller to investigate any contraventions to the provisions of the act.
- In order to keep a check on any misuse of digital signatures, Chapter VII and VIII state the conditions under which a digital signature maybe suspended or revoked.
- Chapter X describes the role of Cyber Regulations Appellate Tribunal.
- Chapter XI deals with offences such as wrongful loss or damage of information, alteration and deletion of information in a computer network, hacking and prescribes their punishment. This chapter also covers offences like tampering with computer source documents, misrepresentation, and breach of confidentiality and privacy.

In India, regulatory landscape significantly changed with the notification of the IT (Amendment) Act, 2008 (ITAA2008).

With respect to Telecom, India has now relaxed the ban on imports of telecom equipment, approving orders from China's ZTE and Huawei and Finland's Nokia Siemens Networks. ZTE agreed to tough new security regulations, including handing over proprietary information called source code used to run networks, regular inspections and large penalties for security breaches. The Prime Minister's Office & the Department of Telecommunications are closely working together towards this matter.

Comparison of Data Protection and Cyber Laws

Laws	India	China	Philippines	Ireland	US	EU
DATA PROTECTION						
Data Protection Laws	Comprehensive framework - 2004	X	X	✓	✓ *	✓
Vertical Specific Laws	X	X	X	✓	✓	✓
CYBER						
Digital Signatures	✓	✓	✓	✓	✓	✓
Hacking	✓	✓	✓	✓	✓	✓
Privacy	✓	✓ **	✓	✓	✓	✓

Source: NASSCOM

The Central Bureau of Investigation (CBI) has entered into a Memorandum of Understanding (MoU) with the National Association of Software & Services Companies (NAASCOM) to establish collaboration between Law Enforcement agencies through **Cyber and Hi-Tech Crime Investigation & Training (CHCIT) Centre** of CBI and the IT Industry through **DSCI and NASSCOM**, in managing issues & create awareness related to Data Security & Privacy.

Outlook and key challenges

With the expected growth momentum in the Indian economy, there will be a corresponding up scaling of businesses, especially in terms of personnel strength which will lead to networking requirement for yielding higher efficiencies and economies. The Indian government will be a key driver for increased adoption of IT-based products and solutions and is strongly focused on taking IT-enabled interaction to the masses. This opens up the opportunity to extend the ICT revolution beyond the major metropolises to the Tier II and Tier III cities, which will give a further boost to the networking and hardware industry.
In the private sector, the fast growth is evident across a string of verticals which includes BSFI, telecom, retail, education, healthcare and manufacturing which are increasingly deploying high-end networking infrastructure and consider investment in networking as extremely strategic. This along with increasing PC penetration has made India the fastest growing IT networking product market in Asia-Pacific region. Increasing investment in infrastructure projects and the surge in 3G & WiMax investments has further accelerated the growth of networking system & devices.

Overall Indian domestic IT services and Products markets is expected to touch Rs.1,71,697 crore in FY2012. Growing at a CAGR of 17.3% over 2010-2014 period, the aggregate market size of the domestic IT services and IT products sector will touch Rs.2,33,930 crore by FY2014. This presents huge opportunity for IT infrastructure & enterprise networking products.

Key Risks and Challenges

- Any major cut in IT spending from the public and private sector will directly affect the IT networking and infrastructure industry in terms of reduced orders and contracts.
- Lack of availability of high-speed internet access with always-on connection limits the growth of IT infrastructure industry.
- The industry is characterized by rapid technological obsolescence and major products of a company can become outdated even before they complete their product lifecycle increasing the risk.
- Rising costs and inflationary pressure is increasingly making India a high cost location capable of shifting some manufacturing to other place.
- Intra-segment competition and alternative IT models such as Cloud, on-demand services and SaaS could reduce hardware infrastructure requirement as it provide scalability on demand could impact long term IT infrastructure demand on site.

BUSINESS OVERVIEW

Overview

Our Company provides a comprehensive range of IT Solutions which includes designing and consultancy, structured cabling, switching, routing, optical fibre services, network auditing, wireless network, security, video conferencing, servers, uninterrupted power supply (UPS) and storage, voice over internet protocol telephony (VOIP), unified communications, managed leased line network (MLLN) technology, physical security and facility management services, etc.

The Promoters of our Company have over 15 years of experience in the field on IT industry. Prior to incorporation of our Company, our Promoters were carrying on the business of computer networking, software development, dealers and resellers in the name and style of Messrs Infonet (partnership). Our Promoters therafter incorporated the Company in the year 1999. In the initial days, the business focus of our Company was only on structured cabling segment. Now, we are one of the companies whichis a dedicated IT specialist, providing strategic, personalized, end-to-end IT solutions to customers across several sectors.

Over the last 12 years, our Company has served more than 800 customers across various business verticals including Jet Airways, Willis processing Services India Private Limited, etc. Our Company has also catered to clients operating in the aviation sector, telecommunication sector, banking and financial sector, software/IT sector, etc and one of the recognized stock exchanges.

Our Company is head quartered in Mumbai and has seven branches across the country, which enables us to address business opportunities in North, East, West and South of India. We have international presence in Singapore through our wholly owned subsidiary, Infonet Network Systems (Singapore) Pvt Ltd. In the coming years, our Company intends to set up a NOC at 201, 2nd floor, Smart Square situated at Binnamangala Village, Hoysala Nagar, Bangalore and also intends to globally expand by setting up fully fledged offices in Middle East (UAE) and Asia Pacific region. For further details, please see the section titled "***Objects of the Issue***" on Page No. 38.

As on March 31, 2011, we had 300 employees which include trained OEM certified system engineers.We adhere to international best practices standards and have been certified with ISO 9001: 2008 and also have a Quality Management System that spans across all functions of the organization.

We primarily face competition from Indian IT services companies as well as international technology services companies which offer turnkey solutions. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market.

In FY 2011, our total income was Rs. 3586.35 Lakhs and we earned net profit after tax of Rs. 394.74 Lakhs. For the period ending March 31, 2010, our total income stood at Rs. 3587.11 lakhs and we earned a net profit of Rs. 344.89 lakhs.

OUR COMPETITIVE STRENGTHS

Ability to provide end to end network related solutions

We believe that our Company is ably positioned to provide all network related services to our clients. Our ambit of services includes designing and consultancy, structured cabling, switching, routing, optical fibre services, network auditing, wireless network, security, video conferencing, servers, uninterrupted power supply (UPS) and storage, Voice Over Internet Protocol telephony (VOIP), unified communications, Managed Leased Line Network (MLLN) technology, physical security and facility management services, etc.

Strong client base with long working relationship

Our clients include some of the largest corporates of the country and had a long and mutually beneficial working relationship including Jet Airways, Willis processing Services India Private Limited etc. Over the years our Company has catered to clients operating in the aviation sector, telecommunication sector, banking and financial sector, software/IT sector, etc

We have been closely associated with them for over 10 years. We have built relationship on the basis of our products and services which is demonstrated by the fact that customers have given repeat orders. Our track record of delivering customised solutions and our product development experience helped us in building long working relationship with our customer.

Our Company's business is diversified and we have experience in servicing clients from different industries

We have the experience of servicing clients from diverse industries like Banking and Finance, Manufacturing enterprises, Hospitality services, IT Enabled Services, Software and Service Providers, etc. We have the capacity to deliver, manage and deploy solutions for various network types and business complexities, with industry-proven practices, methodologies and standard tools.

We have geographical presence and quality systems and processes

Our Company has branches across India andwe have been certified with ISO 9001: 2008 and also have a Quality Management System that spans across all functions of the organization.

Highly trained, motivated and dedicated human assets

As on March 31, 2011, we had 300 employees which includes trained OEM certified system engineers. The employees are given regular training in their respective domains. As part of the objects of the issue, our Company intends to further enhance our employee skills by training and certification. For further details refer to the section on Training and OEM certification on Page No. 38 of the section titled "***Objects of the Issue***".

Promoters have experience and expertise in the business they operate

Our Promoters are highly experienced in the various business of our Company and are a guiding factor in the growth of our Company. They are first generation entrepreneurs with over 15 years of experience in the IT industry. Prior to incorporation of our Company, our Promoters were carrying on the business of computer networking, software development, dealers and resellers in the name and style of Messrs Infonet (partnership).

Acclamation and awards

Our Company has received continuous acclamation from its clients for its services. We have been awarded the Nortel Award for SMB Partner of the year 2008, HP gold Partnership award CRN Award for Solution Provider-Networking. Further, we have been given solution partnership levels by various OEMs such as Cisco Premier Certified Partner, AMP Netconnet, Juniper Elite Reseller, Grainger Authorised Reseller, Digilink Empower Value Added System Integrator and Netmagic Solutions-Elite Partner etc.

FUTURE PROSPECTS / BUSINESS STRATEGY

To become a market leader in its business segments

Our Company plans to become a market leader by both organic and inorganic routes. It aims to acquire talent from the industry by which it can sell new products and services to its existing customers. Our Company also plans to take the inorganic route of growth by acquiring companies orentering into strategic partnership or joint ventures with certain third parties.

Increase its national and international presence by increasing the number of branches

We intend to grow our business by spreading our geographical reach to tap high potential markets such as Middle East and Asia Pacific Region by setting-up offices in these regions. Our Company also wants to set up offices in smaller cities and increase its national presence. We are prosoing to set-up our new regional office in Banaglore. However, as on date we are yet to identify the premises on which our prosed Regional Office would be located. We have also decided to renovate our existing office in Bangalore and also set-up a Network Operating Centre in the same premises. For Further details please refer to "***Objects of the Issue***" on Page No. 38 of the Draft Red Herring Prospectus.

Focussing on SME sector

Our Company plans to have a dedicated business development team to work with SME customers as we believe that the SME sector has a huge growth potential. We therefore intend to have aspecial focus on theclients from the SME sector.

Develop skill sets of its employees through training

Our Company believes in continuously developing the skill sets of its employees to services our clients efficiently. Our Company wants to focus further on training and development of its employees and have identified a few certification and training areas. We are also planning to further enhance our employee skills by providing them with training and certification programmes. Our Company has identified the following areas for training:

- Switching,
- Routing,
- VOIP Telephony,
- Physical Security Solutions,
- Telecom products, etc

For further details please refer to the section "*Objects of the Issue*" on Page No. 38 of the Draft Red Herring Prospectus.

Decentralize branches and treat them as independent profit making centres

In order to encourage accountability and increase profitability of the organisation we have decided to decentralize our branch offices and treat them as independent centres.

Focus on new business segments and alliances

Our Company plans to grow through entering new business segments like:

- Cloud computing, baggage scanning systems, tripod access control systems, elevator access control, light automation, etc;
- Participate in high-growth sectors like Telecom products (3G, 4G and Wimax Solutions), Government and Public Sector Undertaking's, Educational Institutions.
- Develop new alliances with international market players in the field of networking projects.

Exploit the existing customer relationship and promote the sales of all our products

Some of our Company's existing customers have large IT budgets. Our Company plans to use its relationship to sell its products to the customer. Our Company plans to have a dedicated team to manage relationship with customers who are major industry players.

Our Services:

1. **Design and Consultancy:** Our Company offers design and consultancy services to make a dependable, efficient, secure network and IT Infrastructure to permit functional appreciation, increase technical capabilities, bring about technology utilization and optimum resource allocation. Our Company has designed a phased strategy for developing Network Systems.

   a. *Recognise Customer Needs* - As the primary step, our account teams and OEM certified systems engineers along with the Client, study the organization, the concerned sector, the short term goals as well as the long – term business vision and objectives. Thereafter, with the application of proven methodologies and preferred industry practices, the most optimum network solution is arrived at.

   b. Design Networking and Topology Solution - After the network solution has been identified, begins the process of its practical implementation. Our site engineers (under supervision of our Project Managers), configure, install and certify these solutions.

c. Construct a Prototype Network – Through a replica of the suggested network, which is tested in real life situations, its resilience is measured.

d. Fully document the design – A blueprint of the network is given to the IT team of the Client, with a copy of the same being preserved in our customer relationship management archives for future references.

e. Implement the design-The design prepared is ultimately installed in the Client's infrastructure.

f. Verify Monitor and Modify - Even after the project is over, as a corporate policy, we continuously monitor the completed projects, take feedback from the clients and address their ongoing support requirements.

2. **Structured cabling Solutions:** Our Company provides structured cabling solutions which includes premise cabling, backbone cabling, data center cabling, 10G solution, fiber-to-desk, intelligent cabling, etc and it falls into six sub-systems:

- **Entrance Facilities** where the building interfaces with the outside world.
- **Equipment Rooms** host equipment which serves the users inside the building.
- **Telecommunications Rooms** house telecommunication equipment which connects the backbone and the horizontal cabling subsystems.
- **Backbone Cabling** connects between the entrance facilities, equipment rooms and telecommunications rooms.
- **Horizontal Cabling** connects telecommunications rooms to individual outlets on the floor.
- **Work-Area Components** connect end-user equipment to outlets of the horizontal cabling system.

3. **Switching Solutions:** Our Company's application design, mix of network protocols, placement of servers, placement of networking devices, management, as well as the implementation of end-to-end intelligent network services is provided so that any station in a communications system may be connected as desired with other stations. Our Company provides Layer 2 switching, Layer 3 switching, Single, Two and Three Tier Switching Architecture, etc

4. **Routing Solutions:** Our Company helps in enabling all the devices in an organisation to determine network traffic paths through the internet as well as within localized environments in the swiftest and most economic fashion. When our Company designs the routing algorithm, we ensure that, the routing output has the following pre – requisite merits:

- Optimality
- Simplicity and low overhead
- Robustness and stability
- Rapid convergence
- Flexibility

We are also in a position to deliver to the customer the particular routing algorithm type best suited for its functions be it static routing, dynamic routing, single path, multipath, flat structure, hierarchical, host – intelligent, router – intelligent, intra – domain, inter – domain, link – state, distance vector routing algorithm.

5. **Optical Fibre Services:** Use of optical fibres is increasing due to the increase in use of services employing high bandwidths like video-on-demand, HDTV, business Ethernet, storage services, etc. Our Company is planning to increase its presence in optical fibre related services by hiring more talent in this sector. Our main focus will be in designing, Network Operating Centre (NOC) support, troubleshooting, installation, commissioning and conducting link testing and acceptance testing. Our Company is already equipped with two Optical Time- domain reflectometer testers and a number of hands held testers.

6. **Network Auditing:** A network health audit is used to enhance overall network performance, as part of routine maintenance, to verify current conditions prior to an expansion project or before introducing new equipment or services or to ease integration when acquiring another company's network assets.

Our Company is providing solutions with regards to network analysis and monitoring tools.

a. Wireless Site Survey: Our Company with its experience and resources is providing and intends to providespecialized solutions to its clients in this direction as it is a difficult task for them to design the geographical position of access points and managing the signal strength requirement for applications.

b. Network Testing and Certification: Our Company ensures that every network points installed by us is tested and certified by specialised cable analyser. Currently, our Company has only one cable analyser for testing. The health of a network depends on the quality of the network infrastructure and maintenance of the same is essential for protecting the business critical applications. Most of the corporate world and the data center industry heavily relies on optical fiber cabling to support the huge demand for bandwidth, so testing and certifying its quality is critical to maximize network performance and uptime. We have with our team of experienced members been providing services in this direction to its clients and intend to offer more such specialized value added services to its customers.

7. **Wireless Network Solutions:** Wireless Networking ensures inter – organisation connectivity and mobility simultaneously within a broad coverage area. Our wireless LAN specialized teams helps in migrating to a unified wireless network solution; integrate a variety of secure wireless network solutions, technologies, and strategies; and build a secure, scalable outdoor and indoor wireless network.

8. **Security solutions:** Our security services protects business using globally – positioned security operation centers. We provide real - time, 24x7 monitoring of business network and also manage, configure, and respond to the security events making the organization compliant to ever – evolving security regulations.

9. **Video Conferencing Solutions:** We collaborate with organizations in designing a customized video conferencing environment that honours the global video conferencing needs. We design a system that is in tandem to the IT infrastructure available and the actual and potential requirements.

   The crucial types of video - conferencing services done by us are:-
   a. Point-to-point (P2P) which is providing video conferencing within just 2 location
   b. Point-to-Multipoint (P2M) which is providing video conferencing within various locations.

10. **Servers, Uninterrupted Power Supply (UPS) and Storage Solutions:** Our Company is also in the business of providing servers, UPS and storage solutions to its clients. Data storage has evolved into solutions like:-

    a. **Network Attached Storage** (**NAS**) – This is file-level computer data storage connected to a computer network providing data access to heterogeneous network clients.

    b. **Storage Area Network** (**SAN**) – This is an architecture to attach remote computer storage devices (such as disk arrays, tape libraries, and optical jukeboxes) to servers in such a way that the devices appear as locally attached to the operating system.

    c. **Tertiary storage** / T**ertiary memory** - Typically it involves a robotic mechanism which will *mount* (insert) and *dismount* removable mass storage media into a storage device according to the system's demands.

    d. **Off-line storage** - Also known as **disconnected storage**, this is computer data storage on a medium or a device that is not under the control of a processing unit. The medium is recorded, usually in a secondary or tertiary storage device, and then physically removed or disconnected.

11. **Voice over Internet Protocol Telephony (VOIP):** Voice over Internet Protocol Telephony Solution guarantees greater security, resilience, and scalability in addition to the inherent benefits of using a converged network for transport and interconnection, when a secured path for unified communications (conventional data as well as voice content) is required. Our internet protocol telephony solutions (Traditional Analogue Telephony, IP Telephony, Unified Communications) unify voice, video, data, and mobile applications on fixed and mobile networks (both LAN and WAN) and helps in easy communication in any workspace using any media, device, or operating system.

12. **Unified Communications:**Our Unified Communications (UC) refer to the modern need to simplify and integrate all forms of communications. It is typically a software program and infrastructure improvement that allows the transmission or receipt of a message even if different mediums are used. For example, one can receive a voice mail message and then read it in their e-mail inbox using a unified communications program.

    Our unified communications team work on unifying communication mediums like telephone, electronic mail, chat, voice mail, and facsimile into a common user experience. The results in optimization of business processes and enhancing human communications, reducing latency, managing flows and eliminating device and media dependencies.

13. **Managed Leased Line Network (MLLN) Technology:** MLLN is an integrated, fully managed, multi-service digital network platform through which service provider can offer a wide range of services at an optimal cost to corporate clients. Due to its wide range of applications in various sectors like banking, financial institutions, stock markets, newspaper industry, broadcasting houses and internet service providers, this managed leased line equipment will benefit all sections of people by way of faster internet access, accessibility of bank accounts from anywhere, instant news coverage etc.

14. **Physical Security Solutions:** Our Companyforayed into the Building Mangement System (BMS) segment a few years back and has a dedicated team to attend to all the needs of a customer from CCTV Camera to high end building management solutions like Card based Access Control systems, Biometric access control systems, Public address systems, Boom turnstile barrier access systems, Fire alarm systems, Intrusion alarm systems,Perimeter security systems, Metal detectors etc.

    a. **Closed-Circuit Television (CCTV)**
    We maintain CCTV monitoring systems for many leading retailers, commercial and industrial companies, transportation and distribution firms and Finance and Banking institutions. Our closed circuit TV services enable our clients to video monitor, prevent and respond to dangerous situations more effectively and affordably without exposing them to great risk.

    b. **Vehicle Access Control**
    To use this technology in vehicle access control Long range Radio Frequency Identification Device(RFID) reader and active tags are used. Vehicles with access to a particular place are fitted with RFID tags. An automated gate is setup and radar is placed on the gate. When a vehicle with access comes, the reader reads the tag and operates the motor of the gate to open it. After the vehicle has passed the door closes. The gate opens only for vehicles with the tag.

    c. **Fire Alarm Systems**
    Fire alarm systems can be used to notify people to evacuate in the event of a fire or other emergency, to summon emergency forces aid and to prepare the structure and associated systems to control the spread of fire and smoke.A fire alarm system is either classified as automatic, manually activated or both.

    d. **Public Address Systems**
    Our Company consults designs and installs public address or "PA" systems for its clients. A PA system is an electronic amplification system with a mixer, zone controller, amplifier and loudspeakers, used to reinforce a given sound, e.g., a person making a speech, prerecorded music, or message, and distributing the sound to the general public around a building.

e. **Intrusion Alarms**
Burglar (or intrusion), fire, and safety alarms are electronic alarms designed to alert the user to a specific danger. Sensors are connected to a control unit via low-voltage wiring or a narrowband RF signal which is used to interact with a response device. New construction systems are predominately hardwired for economy. Retrofit installations often use wireless systems for a faster, more economical installation. Some systems serve a single purpose of burglar or fire protection. Combination systems provide both fire and intrusion protection. Systems range from small, self-contained noisemakers, to complicated, multi-zoned systems with color-coded computer monitor outputs.

f. **Fire Suppression:**
Our Company offers automated gas based fire suppression systems (FM200) for data centres and critical server rooms. Our Company is involved in consulting its client on optimum fire suppressant system for their premises.

15. **Facility Management Services:** It makes our Company responsible, to ensure that, the client's hardware and software are in good conditions and giving optimum service. Constant review and quality inspection of the client's infrastructure also falls in the purview herein. Another representation of Facility Management is the Service Level Agreement (SLA) Model especially fashioned for those organizations which strategize to outsource their facility management operations in lieu of maintaining their indigenous personnel and resources for the same. Broad service offerings are help desk solutions, network (WAN and LAN) management, Telecom Management, etc.

Equipments:

Our Company currently owns assets like personal computers, servers, etc. We propose to acquire new assets through the proceeds of this public issue. For further details, please refer to "***Objects of the Issue***" on Page No. 38 of the Draft Red Herring Prospectus.

Customers:

Our Company since the date of its inception has served more than 800 customers offering various IT network solutions. The details of solutions offered to some of the major customer are Network Auditing, Structured Cabling, Routing, Switching, Wireless Solutions and Network Security, Servers and Facility Management Services.

OEM Partnership:

Business Segment	Original Equipment Manufacturer (OEM)	Business Relationship
Structured Cabling	Tyco electronics Corporation	Authorised Systems Integrator
	Digisol Technologies Private Limited	Authorised Systems Integrator
	APW President Systems Limited	Authorised Resellers
	Valrack Modular Systems Private Limited	Authorised Resellers
Switching and Routing	Cisco Systems Inc	Premier Certified Partner
	Juniper Networks (Hong Kong) Limited	Authorised Elite Resellers
VOIP telephony	Avaya Inc	Authorised Resellers
Storage Solutions	NetApp Inc	Authorised Resellers
Servers	Helwett Packard India Sales Private Limited	ESSN silver partner
UPS	American Power Conversion (APC)	Authorised Resellers
MLLN technology	Tellabs OE	Global partner
Network Optimization (Structured Cabling, Switching, Routing, Wireless Network Solutions)	Fluke Networks Inc	Authorised Resellers
Security Solutions	Blue Coat Systems Inc	Authorised Resellers
	Juniper Networks Inc	Authorised Resellers
	Websense Inc.	Authorised Resellers
	GajShield Infotech (I) Private Limited	Authorised Resellers

Business Segment	Original Equipment Manufacturer (OEM)	Business Relationship
Physical Security Solutions	Sony India Private Limited	Authorised Resellers
	Axis Communications	Authorised Partner
	LG Electronics India Limited	Authorised Partner
	HID India Private Limited	Network Access Solutions Partner
	Honeywell International India Limited	Authorised Partner
	Milestone Systems Middle East	Authorised Partner
	Polycom Inc	Authorised Resellers

Facilities

Our registered office is situated at Mumbai and our branch offices are located at Delhi, Kolkata, Pune, Bangalore, Chennai, Kerala and Hyderabad. Our Company also has a subsidiary named Infonet Network Systems (Singapore) Private Limited. All our offices are equipped with latest computer systems, servers, relevant software's, un-interrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Property

Properties owned by our Company:

Sr. No	Nature of Agreement	Description of Property	Area	Name of Vendor	Considera-tion paid	Relation with any Promoter /Director	Whether registered in the name of issuer
1	Agreement for Sale dated April 24, 2003	Unit No. A/32, 2nd floor, Nand Dham Industrial Estate of Marol Nand Dham Udyog Premises Co.op. Society Ltd. Marol, Maroshi Road, Andheri (East), Mumbai – 400 059	1117 Sq. ft (Built Up)	M/S. Shreenath Enterprises	Rs. 16.00 Lakhs	No	Yes
2	Agreement for Sale dated May 5, 2008.	Land admeasuring 209.43 sq. mtrs. (being half portion of land bearing Plot No: 113, admeasuring 500 sq. yds or thereabout equivalent to 418.06 sq. mtrs) together with the residential structure consisting of Ground floor and first floor structure totally admeasuring about 1500 sq. ft built up area along with the terrace area passages, common areas at Sher-e-punjab Co-op Housing Society Ltd. B/4529, Mahakali caves road, Andheri (East) Mumbai 400 093 Village Mogra.	209.43 Sq. mtrs.	Shri Rajender Singh Sethi and Smt. Inderjit Kaur Sethi	Rs. 165.00 Lakhs	No	Yes
3	Deed of Sale dated January 23, 2004.	Property bearing site number 872/H-1, (formerly portion of Site No. 872/H) situated at HAL II Stage, Bangalore, now in the ward no. 82 of Bangalore Mahanagar Palike.	1304.87 Sq. Ft	Mr. Syed Sanaulla	Rs. 12.00 Lakhs	No	Yes

Sr. No	Nature of Agreement	Description of Property	Area	Name of Vendor	Considera-tion paid	Relation with any Promoter /Director	Whether registered in the name of issuer
4	Agreement for Sale dated February 20, 2010	Unit No. A/31, 2nd floor, Nand Dham Industrial Estate of Marol Nand Dham Udyog Premises Co.op. Society Ltd. Marol, Maroshi Road, Andheri (East), Mumbai – 400 059	994 Sq. Ft.	Mr. Joson Thomas & Mr. Praveen Valiya Parampath	Rs. 119.28 Lakhs	Yes	No

Save and except as provided herein before, the owners of the premises do not have any relationship with any promoters or directors of our Company. We do not require any approvals pertaining to the aforesaid premises. Except as stated above, the premises in respect of which our Company is the owner is registered in its name. Save and except the equitable mortgage created in favour of our lenders, the aforesaid premises are free from encumbrances.

In addition to the aforesaid properties, our Company has obtained several premises on lease/license basis for our branch offices, godowns and guest houses in Mumbai, Delhi, Kolkata, Chennai, Hyderabad, Kerala (Cochin) and Pune. The period of these lease/license premises varies from 11 months to 5 years. Our Company has obtained premises at Office No. 201, Smart Square, 100 Ft Road, Indira Nagar, Bangalore from our Promoters on leasehold basis for a period of 10 years commencing fromJuly 1, 2011. We intend to set-up our proposed NOC on the said premises. For further details, please see the Section titled "*Objects of the Issue*" on Page No. 38.

INTELLECTUAL PROPERTY

We are the owners of our logo & trademark and the same is valid till November 30, 2016. Following are the details of Our intellectual property owned:

Nature of Registration/License	Registration / License No.	Issuing Authority	Date of Issue	Date of Expiry
Trade Mark Registration	Trade Mark no. 1527611 INFONET CONVERGING HORIZONS	Trade Marks Registry, Mumbai	March 20, 2009 w.e.f February 5, 2007	February 5, 2017

For further details please refer to the section titled "***Government Approvals***" on page no. 172 of the Draft Red Herring Prospectus.

COMPETITION

We primarily face competition from Indian IT services companies as well as international technology services companies which offer turnkey solutions. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market.

STRATEGIC, FINANCIAL PARTNERS AND COLLABORATORS

At present, we do not have any strategic and financial partnership with any other entity. We have not entered into technical collaboration with any entity.

CAPACITY AND CAPACITY UTILIZATION

Our Company being in the service industry installed capacity and capacity utilization is not applicable to us.

EXPORT OBLIGATIONS

As on the date of filing of this DRHP, there are no export obligations on our Company.

INSURANCE COVERAGE

We maintain adequate insurance policies for our moveable and immoveable properties. We have obtained group personal accident, marine cargo open policy. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

APPROACH TO MARKETING AND MARKETING SET-UP

Our annual sales target have been divided into existing key accounts, National System Integrators (NSIs) and new accounts and we have dedicated team to handle this business model across the country. We are also planning to grow in new business segments like Cloud computing, baggage scanning systems, tripod access control systems, elevator access control, light automation, etc apart from our core business of IT networking and related acitivites. Further, we are mapping and participating in bids from high-growth sectors like Telecom products (3G, 4G and Wimax Solutions), Government and Public Sector Undertakings, Educational Institutions. We would like to continue to grow with the help of direct as well indirect sales channels. We have an experienced sale, presales and a marketing team aligned for domain and technology specific streams. Sales and presales team work closely to offer best techno-commercial solutions to customers to win the deals.. Our key customer accounts are managed by dedicated Accounts Managers and a major part of our business is being generated out of these key accounts.

Periodical reviews with team members help in monitoring the performance of sales persons or partners and also help in achieving the desired target numbers. We do participate in partner sponsored events, seminars and exhibitions to derive a better mileage for a launch of products/services or for increasing the sales of existing products/services.

For further detailspast trends and furture prospects regarding exports, demand and supply forecasts, please refer to the section titled **"*Industry Overview*"** on Page No. 59 of DRHP.

Recruitment

Our recruitment largely depends upon manpower budget on the basis of annual business plan. Our recruitment process starts with conducting telephonic round to understand the skills, followed by a personal interview to understand the personal presentation and attitudes and finally an HR interview. Our objective is to build and maintain an organisation of competent people, with fair compensation and benefits. We recruit people through:

- Sub-tier Contractors
- Recruiting Agencies
- Job fairs
- Client referrals
- Contractor referrals
- Campus Recruitment drive
- Phone Solicitation
- Employee references

Training

We believe our employees should be updated on technical knowledge and skills. Therefore we provide regular training to our employees' right from induction program till the time he continues with our organisation. During the induction training, our employees are familiarised with the operational aspects. Further in the course of employment they go through continuous training that enables them to enhance their skills and capabilities.

Our training programs also include need-based as well as personnel development training. These training programs are conducted throughout the year.

KEY INDUSTRY REGULATIONS AND POLICIES

The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Shops and Establishment Act

Under various State laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and also has to comply with certain rules laid down in the act governing that particular State. These rules and regulations regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages and maintenance of records and registers by the employers, among others.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1961 ("**The POG Act**") provides for payment of gratuity to employees employed in factories, shops and establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation, death or disablement. The rule of '5 years continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Under the POG Act, an employer is obliged for a maximum gratuity payout of Rs. 10, 00,000 for an employee. The POG Act also requires the employer to obtain and maintain an insurance policy for the employer's obligation towards payment of gratuity.

The Payment of Bonus Act, 1965

The provisions of the Payment of Bonus Act, 1965 ("the PB Act") ensure that a minimum annual bonus is payable to every employee regardless of whether the employer has made a profit or a loss in the accounting year in which the bonus is payable. The PB Act is applicable to all the establishments employing 20 or more employees. It provides for payments of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs. 3500/- per month or less. An employee getting a salary or wage exceeding Rs. 10,000 per month is not entitled to get bonus under this act.

The Employee State Insurance Act, 1948

The Employee State Insurance Act, 1948 ("ESIA") aims to provide benefits to the employees or their beneficiaries in the event of sickness, maternity, disablement and employment injury and to make provisions for the same. Every factory or establishment to which the ESIA applies is required to be registered in the manner prescribed under the ESIA. Under the ESIA, every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to Rs.15,000/- per month is entitled to be insured. In respect of such employees, both the employer and the employee must make certain contributions to the Employee State Insurance Corporation. The ESIA further states that a principal employer, who has paid a contribution in respect of an employee employed by or through an immediate employer, shall be

entitled to recover the amount of the contribution so paid from the immediate employer, either by deduction from any amount payable to him by the principal employer under any contract, or as a debt payable by the immediate employer.

Registration Act, 1908 ("the Registration Act")

The Registration Act has been enacted with the objective of providing public notice of the execution of documents affecting, inter alia, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property.

The Transfer of Property Act, 1882

The Transfer of Property Act, 1882 ("the TP Act") establishes the general principles relating to the transfer of property in India. It forms the basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. The TP Act, inter alia, provides for rights and liabilities of the individuals involved in the transaction of Sale, Mortgage, Gift, Exchange, Lease, etc.

Indian Stamp Act, 1899 ("the Stamp Act")

Under the Stamp Act, 1899 stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all. While the Indian Stamp Act, 1899, is a central legislation, State Governments have the power to enact their own stamp duty laws which are applicable within their respective jurisdictions.

Bombay Stamp Act, 1958 ("the Bombay Stamp Act")

Stamp duty on instruments in the state of Maharashtra is governed by the Bombay Stamp Act. This act levies stamp duty on documents/instruments by which any right or liability is or purports to be created, transferred, limited, extended, extinguished or recorded. All instruments chargeable with duty and executed by any person are required to be stamped before or at the time of execution or immediately thereafter on the next working day following the day of execution. It authorises the State Government on receiving information from any source, to call for examination of any instrument to satisfy itself that the market value of the property referred therein has been truly set forth and the duty paid on it is adequate. Instruments not duly stamped are incapable of being admitted in court as evidence of the transaction in question. The State Government has the authority to impound insufficiently stamped documents.

Tax Related Legislations

Value Added Tax, 2005

Value Added Tax (**"VAT"**) is charged on sale of goods in the States under the law enacted by each State in respect thereof. VAT is however, not chargeable on the value of services which do not involve a transfer of goods. VAT is a multi-point levy on each of the entities in the supply chain with the facility of setoff of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax.

Income Tax Act, 1961

The Income Tax Act, 1961 (**"IT Act"**) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by 31st October of each assessment year.

Service Tax

Service tax is charged on 'taxable services' as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from the recipient of such services and pay such tax to the Government. According to Rule 6 of the Service Tax Rules, every assesse is required to pay Service tax in TR 6 challan by the 5th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates.

Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any Company requiring to import or export any goods is required to get itself registered and obtain an Importer Exporter Code (IEC) number.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories.

MISCELLANEOUS

The Information Technology Act, 2000

The Information Technology Act, 2000 (the "**Information Technology Act"**) was enacted with the purpose of providing legal recognition to electronic transactions. In addition to providing for the recognition of electronic records, creating a mechanism for the authentication of electronic documentation through digital signatures, the Information Technology Act also provides for civil and criminal liability including fines and imprisonment for various computer related offenses. These include offenses relating to unauthorized access to computer systems, modifying the contents of such computer systems without authorization, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud.

The Information Technology Act and its appended rules regulate information technology i.e. it governs information storage, processing and communication of electronic information & data. The Information Technology Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cyber crimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases. The Information Technology Act also provides punishment for offences committed outside India if the act involves a computer system or computer network outside India.

Intellectual Property Rights

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the above domestic legislations India is a party to several international treatise related to intellectual property

including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement).

Regulations Regarding Foreign Investment

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for foreign direct investment ("FDI") under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated on May 27, 1999 under the provisions of the Companies Act, 1956 as Infonet Network Systems (India) Private Limited. Pursuant to a special resolution passed by the shareholders of our Company at the Extra-Ordinary General Meeting held on March 11, 2011our Company was converted into a public limited company and consequently the name of our Company was changed to Infonet Network Systems (India) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on April 7, 2011. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on April 19, 2011, name of our Company was further changed from Infonet Network Systems India Limited to Infonet IT Solutions (I) Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on April 27, 2011.

Our Company is promoted by Mr. Joson Thomas and Mr. Praveen V.P. The Promoters of our Company have over 15 years of experience in the field on IT industry. Our Company is engaged in providing a range of IT Solutions which includes designing and consultancy, structured cabling, switching, routing, optical fibre services, network auditing, wireless network, security, video conferencing, servers, uninterrupted power supply (UPS) and storage, voice over internet protocol telephony (VOIP), unified communications, managed leased line network (MLLN) technology, physical security and facility management services, etc.

Our Company is head quartered in Mumbai and has seven branches across the country, which enables us to address business opportunities in North, East, West and South of India. We have international presence in Singapore through our wholly owned subsidiary, Infonet Network Systems (Singapore) Pvt Ltd.

For further details of our Company's activities, services and the growth of our Company, please refer to the chapters titled "*Business Overview*" and "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on pages [•] and [•] respectively, of the Draft Red Herring Prospectus respectively.

Changes in the Registered Office

Date	Details of registered office	Reason for change
At Incorporation	12, Ayesha Sadan, Marol Maroshi Road, Andheri (East), Mumbai- 400 059	-
October 25, 2001	A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (East), Mumbai- 400 059	Administrative convenience
November 19, 2009	A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Marol,Andheri (East), Mumbai- 400 059	Refer Note

Note: The Company decided to move to a larger office space and therefore shifted to the premises owned by the Company at A/32, Nanddham Industrial Estate, Marol- Maroshi Road, Marol, Andheri (East), Mumbai- 400 059.

Major events in the History of Our Company:

Year	Milestone
1999	Incorporation of our Company.
2000	By an agreement dated April 1, 2000 read with letter dated April 7, 2000, our Company acquired the business of the M/s Infonet (Partnership) together with all its assets and liabilities in the year 2000 at or for a consideration of Rs. 3.86 Lakhs. In consideration of the same, our Company issued 3860 equity shares of Rs.100/- each to our Promoters (being the partners in the Partnership) in equal proportion. For further details, please see the Section titled "Capital Structure" on page no. 23
2008	Setting-up of Wholly Owned Subsidiary namely Infonet Network Systems (Singapore) Private Limited
2009	Received ISO 9001:2008 certificate
2011	Converted into Public Limited Company

For details on technology, market, technology competence and capacity built up, please refer to section titled "*Business Overview*" and "*Industry Overview*" on Page No. 69 and 59 respectively.

Changes in the Memorandum of Association of our Company

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company, after approval of the members:

Sr. No.	Particulars of changes in the Memorandum of Association of the Company	Date of Shareholder's meeting	AGM/ EGM
1.	Sub-division of 10,000 Equity Shares of Rs. 100 each to 10,00,000 Equity Shares of Re.1/- each. Insertion of minimum paid up capital clause in Clause V(b) of the Memorandum of Association Increase in authorised share capital from Rs. 10,00,000/- divided into 10,00,000/- Equity Shares of Re.1 each to Rs.1,00,00,000/- divided into 1,00,00,000 equity shares of Re.1/- each.	October 16, 2006	EGM
2.	Increase in authorised share capital from Rs.1,00,00,000/- divided into 1,00,00,000 Equity shares of Re.1/- each to Rs.10,00,00,000/- divided into 10,00,00,000 Equity Shares of Re.1/- each.	February 5, 2010	EGM
3.	Consolidation of 10,00,00,000 Equity Shares of Re.1/- each to 1,00,00,000 Equity Shares of Rs.10/- each.	July 10, 2010	EGM
4.	Conversion of Company from Private Limited to Public Limited and consequent change in name from Infonet Network Systems (India) Private Limited to Infonet Network Systems (India) Limited and Change of minimum paid up capital to Rs. 5,00,000/-	March 11, 2011	EGM
5.	Change in the name of the Company from Infonet Network Systems (India) Limited to Infonet IT Solutions (I) Limited	April 19, 2011	EGM
6.	Elaboration of the main object clause of the Memorandum of Association "*To carry on business of design and integration of Local Area Networking (LAN) and Wide Area Networking (WAN), WAN acceleration, Wireless Network, network security, structured cabling, Voice solutions, Storage, Computing, Video Conferencing, Building Management Solutions, installation of hardware, software development and testing, supply of manpower resources, dealing in computer peripherals, electrical and electronic items, providing training and education in Information Technology field, Optical Fibre Technology solutions and services, network audit, network operating centre, data centre perimeter testing, facility management services, annual maintenance contracts, cloud computing, virtualisation, telecom, capital investments, stocking of IT products, manufacturing of IT equipments, assembling of IT equipments, manufacturing of semiconductor devices, testing and calibration*"	May 23, 2011	EGM

Sr. No.	Particulars of changes in the Memorandum of Association of the Company	Date of Shareholder's meeting	AGM/ EGM
7.	Increase in authorised share capital from Rs.10,00,00,000/- divided into 1,00,00,000 Equity shares of Rs. 10 each to Rs. 20,00,00,000/- divided into 2,00,00,000 Equity shares of Rs. 10 each.	May 23, 2011	EGM

Aqcuisition of Business/ Undertakings

Prior to incorporation of the Company, our Promoters were carrying on the business of computer networking, software development, dealers and resellers in the name and style of Messrs Infonet (partnership) ("**the Partnership**"). Our Promoters therafter incorporated the Company in the year 1999. With a view to consolidate the businesses and to bring about a synergy in operations, our Company purchased the business of the Partnership in the year 2000. Our Company issued equity shares to our Promoters (being the partners in the Partnerhsip) in equal proportion as consideration for acquisition of the business of the Partnership. For further details, please see the Section titled "*Capital Structure*" on Page No. 23.

Details of Merger/Amalgamation

There has been no merger/amalgamation pertaining to our Company.

Injunctions or Restraining Orders:

Our Company is not operating under any injunction or restraining order.

Time and cost overruns in setting up projects:

As on the date of the Draft Red Herring Prospectus, there have been no time and cost overruns in any of the projects undertaken by our Company.

Funds raising through equity or debt:

For details in relation to our funds raising activities through equity and debt, please refer to the chapters titled '*Capital Structure'* and *'Financial Indebtedness'* beginning on Pages No. [•] and [•] respectively, of the Draft Red Herring Prospectus.

Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

Our Company is not in default or process of rescheduling in respect of any borrowings with Financial Institution / Banks.

Strikes or Labour Unrest in the Company

There have been no strikes or labour unrest since incorporation ofour Company.

Changes in the activities of the Companyduring the last five years

There has been no change in the activities of our Company during the last five years

Number of Shareholders/ Members

As on the date of this DRHP, the total number of holders of our Equity Shares is 34.

Our Main Objects:

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

To carry on business of design and integration of Local Area Networking (LAN) and Wide Area Networking (WAN), WAN acceleration, Wireless Network, network security, structured cabling, Voice solutions, Storage, Computing, Video Conferencing, Building Management Solutions, installation of hardware, software development and testing, supply of manpower resources, dealing in computer peripherals, electrical and electronic items, providing training and education in Information Technology field, Optical Fibre Technology solutions and services, network audit, network operating centre, data centre perimeter testing, facility management services, annual maintenance contracts, cloud computing, virtualisation, telecom, capital investments, stocking of IT products, manufacturing of IT equipments, assembling of IT equipments, manufacturing of semiconductor devices, testing and calibration."

Joint Venture and Other Agreements

As on the date of filing the Draft Red Herring Prospectus, there is no existing Joint Venture or other Agreements entered into by our Company.

Shareholders Agreement

As on the date of filing the Draft Red Herring Prospectus, there are no existing Shareholders Agreements amongst the shareholders of our Company.

Other Agreements

There are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of the Draft Red Herring Prospectus, which are subsisting as on date.

Strategic Partners

Our Company does not have any strategic partners as on date of the Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any financial partners as on date of the Draft Red Herring Prospectus.

Our Holding Company

We do not have a holding company.

Our Subsidiary

Our Company has one wholly owned subsidiary Infonet Network Systems (Singapore) Private Limited.

Infonet Network Systems (Singapore) Private Limited

Infonet Network Systems (Singapore) Private Limited was incorporated on August 27, 2008 under the Singapore Companies Act (Cap 50) (Singapore) with its registered office at 31, Cantonment Road, Singapore-089747. The company is inter-alia carrying on the business of dealing in software development, IT consultancy Services and allied activities and to carry on the business of importing, exporting, installing and whole selling network equipment, accessories, computer hard wares and peripheral equipment's.

Capital Structure and Shareholding Pattern:

Authorised Share Capital of our Subsidiary is USD 7.

The shareholding pattern of **Infonet Network Systems (Singapore) Private Limited** is as follows:

Equity Shares

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Infonet Network Systems (India) Limited [now Infonet IT Solutions (I) Limited]	10	100%

Audited Financial Performance:

(In USD)

Particulars	Year ended		
	31-Mar-09	31-Mar-10	31-Mar-11
Equity Share Capital	7	7	7
Reserves (excluding Revaluation Reserves)	56280	77247	85281
Net Worth	56287	77254	85288
Sales	388000	301683	50315
PAT	56280	20967	8034

(Rs. in Lakhs)

Particulars	Year ended		
	31-Mar-09	31-Mar-10	31-Mar-11
Equity Share Capital[1]	0.00356	0.00356	0.00356
Reserves (excluding Revaluation Reserves)	28.64	34.30	37.99
Net Worth	28.64	34.30	37.99
Sales	197.38	135.24	22.42
PAT	28.64	5.66	3.69

[1]*Differences due to varied USD-INR exchange rates*

Interest of the Subsidiary in our Company

Our Subsidiary does not hold any equity shares in our Company. Except as stated in "***Related Party Transactions***" on Page No. 107, our Subsidiary does not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, our Subsidiary does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

OUR MANAGEMENT

Under the Articles of Association our Company cannot have less than 3 Directors and more than 12 Directors. Currently, our Company has 5 Directors.

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

Board of Directors

Sr. No.	Name, Fathers' Name, Designation, Term , Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships/ Partnership/ Trusteeship/ Propriership
1)	**Mr. Joson Thomas** *S/o Arickathil Thomas* ***Designation :***Managing Director ***Term***: April 1, 2011 to March 31, 2014 ***Age :***40 years ***Nationality***:Indian ***Address:***501, Orchid Palace, Ganesh Pada, Military Road, Marol, Andheri (East), Mumbai- 400 059 ***Occupation***: Business ***DIN***: 00033053	Appointed as Director on May 27, 1999. Appointed as Managing Director w.e.f June 7, 2006. Re-appointed as Managing Director on May 23, 2011 w.e.fApril 1, 2011 for a term of 3 years	*Other Directorship* 1. Infonet Network Systems (Singapore) Pvt. Ltd. 2. JT and PV Enterprises Pvt. Ltd. 3. Netlabs India Pvt. Ltd. 4. Honeybe Distributors Pvt. Ltd.
2)	**Mr.** Praveen Valiya Parampath *S/o T.K.Damodaran Nair* ***Designation***: Whole Time Director ***Term***: April 1, 2011 to March 31, 2014 ***Age***: 41years ***Nationality*** :Indian ***Address:*** K-601, Lok Darshan C H S Ltd, Marol Military Road, Andheri (East), Mumbai- 400 059 ***Occupation***: Business ***DIN***: 00242155	Appointed as Director on May 27, 1999. Appointed as Joint Managing Director w.e.f June 7, 2006. Appointed as Whole Time Director on May 23, 2011 w.e.f April 1, 2011 for a term of 3 years	*Other Directorship* 1. Infonet Network Systems (Singapore) Pvt. Ltd. 2. JT and PV Enterprises Pvt. Ltd. 3. Netlabs India Pvt. Ltd. 4. Honeybe Distributors Pvt. Ltd.
3)	**Mr. Krishnan Kunnathmadam Subramanian Iyer** *S/o Iyer Subramanian Kunnathmadam Narayana Iyer* ***Designation***: Non-Executive & Independent Director ***Term***: Liable to retire by rotation. ***Age*** : 74years ***Nationality***: Indian ***Address:***Chinthamani Appt, Flat No.201 Mithagar Road, Near V.P.M High School, Mulund East, Mumbai-400081. ***Occupation***: Retired ***DIN***: 03499127	Appointed as an Additional Director on April 21, 2011. Appointed as Director on September 6, 2011	*Other Directorship* Nil

Sr. No.	Name, Fathers' Name, Designation, Term , Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships/ Partnership/ Trusteeship/ Propriership
4)	**Mr. Prakash Shimpi** *S/o Balkrishna Shimpi* **Designation**: Non Executive & Independent Director **Term**: Liable to retire by rotation.. **Age:**63 years ***Nationality***: Indian ***Address***: A-203, Blue Regency, Blue Empire Complex, Mahavir Nagar, Kandivali (West), Mumbai-400 067. ***Occupation***: Consultant ***DIN***:03499133	Appointed as an Additional Director on April 18, 2011. Appointed as Director on September 6, 2011	*Other Directorship* Nil
5)	**Mr. Chunduru Sambasiva RaoS/o Venkateswarlu Chunduru** **Designation**: Non Executive & Independent Director **Term**: Liable to retire by rotation.. **Age:**57years ***Nationality***: Indian ***Address***: 500, 13th Main, 21st Cross, Bask II Stage, Bangalore, Karnataka, India 560070 ***Occupation***: Business ***DIN***: 01757876	Appointed as an Additional Director on April 21, 2011. Appointed as Director on September 6, 2011	*Other Directorship* 1. Bay Datacom Solutions Private Limited 2. Icomm Limited 3. Quadgen Wireless Solutions Private Limited *4.* SAM Comtel Private Limited

Note: *All of our directors are Indian nationals. None of our Directors are related to each other.*

None of the above mentioned Directors are on the RBI List of wilful defaulters as on the date of the Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital market by SEBI.

None of our directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s).

None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on the Bombay Stock Exchange Ltd./ National Stock Exchange of India Ltd.

None of our Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management.

Brief Profile of the Directors

Mr. Joson Thomas, aged 40 years, is the Co-Promoter and Managing Director of our Company with 15 years of industrial and entrepreneurial experience in IT network solutions industry. He holds a Bachelors in Engineering (Electronics), Marathwada University. He is responsible for the management of the entire operations of the Company, including sales and marketing. He is responsible and accountable for evolving business and developing growth strategies for our Company.

Mr. Praveen Valiya Parampath, aged 41 years, is the Co-Promoter and Whole Time Director of our Company. He holds a Diploma in Electric Engineering, Government Polytechnic Cannanore and Post Diploma in Computer Hardware maintenance, Institute of Human Resources Trivandrum. He has over 15 years of experience in the IT industry and has been instrumental in establishing relationships with our customers and OEMS. He heads the account management, Vendor/ OEM relationship management and post sales delivery services in the Company.

Mr. Krishnan Iyer, aged 74 years, is Non-Executive and Independent Director of our Company since April 21, 2011.He is a graduate and has over 34 years of experience in Finance, Accounts, Budgeting, Costing, Banking, Taxation, Excise, liaisoning with statutory and government bodies, etc. He was previously associated with certain well-renowned companies.

Mr. Prakash Shimpi, aged 63 years, is Non-Executive and Independent Director of our Company since April 18, 2011.He holds a Bachelor's degree in Engineering (Mechanical Branch) from University of Pune and a Diploma in Materials Management from Indian Association of Materials Management. He has over 30 years of experience in IT industry. He has been associated with certain well-known companies in the automobile sector.

Mr. Chunduru Sambasiva Rao, aged 57 years is aNon-Executive and Independent Director of our Company since April 21, 2011.He holds a Master's degree in Technology from IIT Chennai. He has over 25 years of experience in the field of telecom and datacom technology. He has been associated with various renowned companies operating in the telecom and detacom sector.

Borrowing Powers

Pursuant to a resolution passed by the shareholders in accordance with the provisions of section 293(1)(d) of the Companies Act, 1956, at the Extra Ordinary General Meeting held on May 23, 2011our Board has been authorized to borrow all such sums of money by way of cash, credits, advances, deposits or other loans whether secured or unsecured by mortgage, charge, hypothecation or pledge of the Company's assets and properties, whether moveable or immoveable notwithstanding that the moneys to be borrowed by the Company, apart from temporary loans obtained from our Company's bankers in the ordinary course of business shall not exceed, a sum of Rs.10,000 Lakhs in addition to the paid-up capital and free reserves of our Company.

Compensation to Managing Director and Wholetime Director

We have not entered into any service agreement with our Managing Director and Wholetime director, however, the terms of their appointment are ratified by the shareholders of the Company.

By a resolution dated May 23, 2011 passed at the extra-ordinary general meeting Mr. Joson Thomas was re-appointed as Managing Director w.e.f April 1, 2011 for a period of 3 years expiring on March 31, 2014. He is entitled to a remuneration of not exceeding Rs. 2.50 Lakhs per month.

By a resolution dated May 23, 2011 passed at the extra-ordinary general meeting Mr. Praveen Valiya Parampath was appointed as Whole Time Director w.e.f April 1, 2011 for a period of 3 years expiring on March 31, 2014. He is entitled to a remuneration of not exceeding Rs. 2.50 Lakhs per month.

Payment or benefit to Directors/ officers of our Company

The sitting fees/other remuneration paid to our Directors for Fiscal 2011 are as follows:

1. Remuneration to executive Directors:

The aggregate value of salary and perquisites paid for Fiscal 2011 to the executive Directors are set forth in the table below:

Name of Director	Salary (Rs. In Lakhs)
Joson Thomas	30.315
Praveen Valiya Parampath	30.315

2. Remuneration to non-executive Directors:

Our Independent Directors are entitled to sitting fees of Rs. 0.1 Lakhs for attending the Board Meetings and Committee Meetings of the Company.

The above said remuneration and perquisites are subject to the ceiling laid down in sections 198 and 309 and Schedule XIII of the Companies Act and all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by the board of directors upon the recommendation of the Remuneration Committee and with the approval of the Central Government.

Except as stated in this Draft Red Herring Prospectus, no amount or benefit has been paid by our Company within the two preceding years or is intended to be paid or given by our Company to any of our Company's officers including our Directors and key management personnel.

Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our directors and our key management personnel, are entitled to any benefits upon termination of employment.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. However, shareholding of our Directors is hereunder provided as on date:

Sr. No.	Directors	No. of equity shares	Percentage
1.	Joson Thomas	4832425	46.63%
2.	Praveen Valiya Parampath	4832425	46.63%

Interest of Directors

All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meeting of the board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association. All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said equity shares. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners as declared in their respective declarations.

Except as specified below and as stated under the heading 'Related Party Transaction' under the section titled "*Financial Information*" on Page No. 107 in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company:

- Agreement for Sale dated February 20, 2010 entered into between the Promoters and the Companyfor office premises situated at A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (E), Mumbai – 400059 at a consideration of Rs. 119.28Lakhs.

- Lease Deed dated March 18, 2011 entered into between the Promoters and the Companyfor office premises situated at Commercial Unit bearing no. 201, 2nd floor, Smart Square situated at Binnamangala Village, Kasaba Hobli, Indiranagar Post, Ward no. 82, Hoysala Nagar, Bangalore.

Interest of Directors as to Property

Our Company has entered into an Agreement for Sale dated February 20, 2010 with our Promoters for purchase of office premises situated at A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (E), Mumbai – 400059 for a consideration of Rs. 119.28 Lakhs. Further, our Company has also entered into a Lease Deed dated March 18, 2011 with our Promoters for lease of office premises situated at Commercial Unit bearing no. 201, 2nd floor, Smart Square situated at Binnamangala Village, Kasaba Hobli, Indiranagar Post, Ward no. 82, Hoysala Nagar, Bangalore.For further details relating to immovable property of our Company, please see the paragraph titled "*Property*" on Page No. 76.

Other than the above, our Directors have no interest other than in the normal course of business in any property acquired by our Company within 2 (two) years from the date of this Draft Red Herring Prospectus.

Two of our Directors are the Promoters of our Company.

Changes in our Board of Directors during the last three years

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

Sr. No.	Name	Date of change	Reason
1.	Mr. Prakash Shimpi	April 18, 2011	Appointment
2.	Mr. Krishnan Kunnathmadam Subramaniam Iyer	April 21, 2011	Appointment
3.	Mr. Chunduru Sambasiva Rao	April 21, 2011	Appointment
4.	Mrs. Jini Praveen	April 21, 2011	Resignation
5.	Mrs. Asha Joson	April 21, 2011	Resignation

Composition of the Board of Directors

Sr. No.	Name of the Director	Designation	Category
1	Joson Thomas	Managing Director	Executive& Non- Independent
2	Praveen Valiya Parampath	Whole Time Director	Executive&Non- Independent
3	Krishnan Kunnathmadam Subramaniam Iyer	Independent Director	Non-Executive & Independent
4	Prakash Shimpi	Independent Director	Non-Executive & Independent
5	Chunduru Sambasiva. Rao	Independent Director	Non-Executive & Independent

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board of Directors constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges and in accordance with best practices in corporate governance, our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

Currently our Board has five Directors. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two Executive Directors and three Non-Executive Independent Directors on our Board.

I. Committees of the Board in accordance with the Listing Agreement

1. Audit Committee

The Audit Committee was constituted by our Board of Directors at their meeting held on April 21, 2011. The Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings of the Audit Committee. The scope and functions of the Audit Committee are in accordance with section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement. The members of the Audit Committee are:

(i) Mr. Krishnan Iyer- Chairman;
(ii) Mr. Joson Thomas-Member;
(iii) Mr. Prakash Shimpi-Member; and
(iv) Mr. Chunduru Sambasiva Rao- Member;

The terms of reference of the Audit Committee include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in theBoard's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Qualifications in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/not ice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

8. 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

9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into mat ters 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.

11. 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.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

13. To review the functioning of the Whistle Blower mechanism;

14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15. Review of management discussion and analysis of financial condition and results of operations;

16. Review of statement of significant related party transactions (as defined by the audit committee), submitted by management;

17. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;

18. Review of internal audit reports relating to internal control weaknesses;

19. Appointment, removal and terms of remuneration of the Chief internal auditor, if any.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

2. Shareholders/Investor Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by our Board of Directors at their meeting held on April 21, 2011. The members of the Shareholders'/Investors' Grievance Committee are:

(i) Mr. Chunduru SambasivaRao - Chairman;
(ii) Mr. Krishnan Iyer - Member; and
(iii) Mr. Praveen Valiya Parampath –Member

The scope and function of this committee is to overview the investor grievance mechanism of the Company and other incidental matters.

3. Remuneration Committee

The Remuneration Committee was constituted by our Board of Directors at its meeting held on April 21, 2011. The members of Remuneration Committee are:

(i) Mr. Krishnan Iyer- Chairman;
(ii) Mr. Prakash Shimpi-Member; and
(iii) Mr. Chunduru SambasivaRao- Member

The scope and function of this committee is to recommend to the Board of Directors the remuneration payable to the executive and non-executive directors and also to approve the terms and conditions for appointment of executive directors and/or whole time directors and remuneration payable to other directors and incidental matters related thereto.

4. IPO Committee

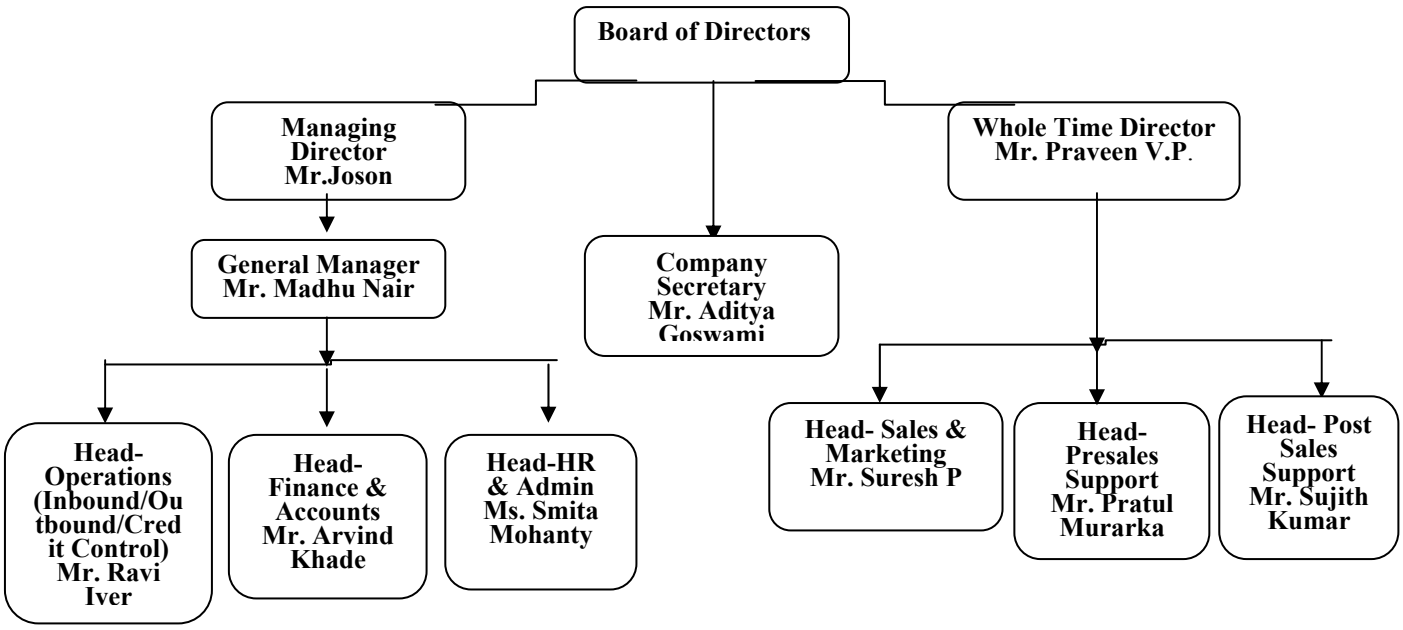
The IPO Committee was constituted by our Board of Directors at its meeting held on April 21, 2011.The members of the IPO Committee are:

(i) Mr. Joson Thomas- Chairman;
(ii) Mr. Praveen Valiya Parampath - Member; and
(iii) Mr. Krishnan Iyer- Member

Terms of Reference

The scope and function of this committee is to approve, implement, negotiate, carry out and decide upon all activities in connection with the Issue. Further, the IPO committee shall handle matters related to appointment of various intermediaries including merchant bankers, registrars, printers,advertisement and publicity agents, legal counsels and bankers to the Issue, submission of applications and documents to statutory and other authorities from time to time, determination of the price band and the issue price and other aspects related thereto.

Organisation Chart



Mr. Madhu Mohanan M.B Nair, aged 43 years, holds Bachelors' degree in Commerce (Costing), Mahatma Gandhi University, Kerala and a Diploma in Management, Indira Gandhi National University, Delhi. He is working with us since July 1, 2005. He is the General Manager and CFO of our Company and his responsibilities include supervising overall operations of our Company, monitoring and leading the functional managers, and handling finance related matters, etc. His annual remuneration in the last fiscal was Rs. 11.10 Lakhs.

Mr. Ravi N. Iyer, aged 38 years, holds a Bachelors' degree in Commerce, University of Mumbai. He is working with us since February 2, 2009. He is the National Head- Operations of our Company and is responsible for verifying and approving all the projects undertaken by us. He was previously employed with certain companies in the field of sales and marketing. His annual remuneration in the last fiscal was Rs. 4.18 Lakhs;

Mr. Suresh P, aged 41 years, holds a Bachelors' degree in Commerce, Mahatma Gandhi University, Kerala. He is working with us since July 15, 2009. He is the Head- Sales & Marketing of our Company and is responsible for selling and marketing of our production services. He was employed as an Area Sales Manager in his previous organisations.His annual remuneration in the last fiscal was Rs. 4.11 Lakhs**.**

Mr. Arvind Khade, aged 27 years, holds Bachelors' degree in Commerce, University of Mumbai and Diploma in Financial Management, Wellingkar Institute of Management Development Research, Mumbai. He is working with us since August 1, 2008. He is the Head-Finance and Accounts and is responsible for handling taxation, routine accounting of our Company, etc. He was previously employed with certain Chartered Accountant firms. His annual remuneration in the last fiscal was Rs. 2.25 Lakhs.

Ms. Smita Mohanty, aged 33years, holds Bachelors' degree in Science, Utkal University, Orissa and Executive Post Graduate Program in Business Management in Human Resourcefrom S.I.E.S. College of Management Studies, Mumbai.She is working with us since March 24, 2011. She is the Head-Human Resource and

Administration of our Company and is responsible for formulating and implementing various employee related policies. Her annual remuneration in the last fiscal was Rs. 0.15 Lakhs.

Mr. Pratul Murarka, aged 31 years, holds Bachelors' degree in Commerce, University of Calcutta. He is working with us since July 21, 2009. He is the Head- Presales Support and is responsible for the entire presale related activities of our Company. His annual remuneration in the last fiscal was Rs. 5.11 Lakhs.

Mr. Sujith Kumar, aged 36 years, is an under-graduate. He is working with us since May 27, 1999. He is the Head-Post-Sales Support department of our Companyand is responsible for the entire post-sales related activities of our Company. He has over 12 years of experience in the IT industry. His annual remuneration in the last fiscal was Rs. 8.39Lakhs.

Mr. Aditya Goswami, aged 23 years, holds Bachelors' degree in Commerce, Devi Ahilya University, Indore. He is working with us since April 1, 2011 as a Company Secretary. He is responsible for all secretarial related matters of our Company. He was not paid any remuneration in the last fiscal since he joined our Company from April 1, 2011.

Notes:

1. All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director 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. Our Company does not have a performance linked bonus or a profit sharing plan with the key management personnel.

4. No non-salary-related payments or benefits have been made to our key management personnel

Shareholding of Key Managerial Personnel

Other than the following, none of our Key Management Personnel holds Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of Rs. 10/- each)	Percentage of Pre-Issue Share Capital
1.	Madhu Mohanan M. B. Nair	10000	0.10
2.	Ravi Iyer	5000	0.05
3.	Arvind Khade	1000	0.01
4.	Suresh P	1500	0.01
5.	Sujith Kumar T.K	10000	0.10

Changes in the Key Managerial Personnel during last three years:

Following have been the changes in the key managerial personnel during the last three years:

Sr. No.	Name	Date of Joining	Date of Leaving	Reasons
1.	Anish Kumar Kurup	January 9, 2003	July 31, 2010	Resignation
2.	Mohan Devadiga	November 22, 2004	November 11, 2010	Resignation
3.	Mani Kumaran	August 7, 2008	May 23, 2009	Resignation
4.	Savithri Iyer	September 1, 2008	January 1, 2010	Resignation
5.	Suresh P	July 15, 2009	-	Appointment
6.	Pratul Murarka	July 21, 2009	-	Appointment
7.	Smita Mohanty	March 24, 2011	-	Appointment
8.	Aditya Goswami	April 1, 2011	-	Appointment
9.	Rekha Gujar	May 9, 2011	September 2, 2011	Resignation

Employees

As of March 31, 2011 our work force consisted of 300 employees.

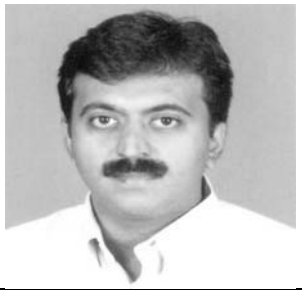
Payment or benefit to our Officers

Except for payment of monetary and non-monetary benefits in accordance with the terms of employment/ engagement and the dividend, if any, that may have been declared on the Equity Shares held by our officers, we have not paid any amount or given any benefit to any officer of our Company, nor is such amount or benefit intended to be paid or given to any officer as on the date of filing this Draft Red Herring Prospectus with SEBI.

None of the key management personnel have been paid any consideration of any nature from our Company, other than their basic remuneration.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The following are the Promotersof our Company:

Mr. Joson Thomas 	**Mr. Joson Thomas**, aged 40 years, is the Co-Promoter and Managing Director of our Company with 15 years of industrial and entrepreneurial experience in IT network solutions industry. He holds a Bachelors in Engineering (Electronics), Marathwada University. He is responsible for the management of the entire operations of the Company, including sales and marketing. He is responsible and accountable for evolving business and developing growth strategies for our Company. For further details, please refer to the chapter "***Our Management***" on Page No.88 **PAN No**: AASPT2561M **Passport No**: E6487693. **Driving Licence**: MH02 20100022901.
Mr. Praveen Valiya Parampath 	**Mr. Praveen Valiya Parampath**, aged 41 years, is the Co-Promoter and Whole Time Director of our Company. He holds a Diploma in Electric Engineering, Government Polytechnic Cannanore and Post Diploma in Computer Hardware maintenance, Institute of Human Resources Trivandrum. He has over 15 years of experience in the IT industry and has been instrumental in establishing relationships with our customers and OEMs. He heads the account management, Vendor/ OEM relationship management and post sales delivery services in the Company.For further details, please refer to the chapter "***Our Management***" on page no.88. **PAN No**: AAQPP3540E **Passport No**: E8316605 **Driving Licence**: MH-02-2008-B-19013

We confirm that the permanent account number, bank account details and passport number of our promoters have been submitted to BSE and NSE, at the time of filing the Draft Red Herring Prospectus with them.

Further our Promoters have not been identified as willful defaulters by RBI or any other Government authority and there are no violations of Securities Law committed by our Promoters in past or pending against them. Our Promotersare not prohibited from accessing the capital markets and no order or direction has been passed by SEBI or any other regulatory/statutory authority.

Currently, Mr. Joson Thomasand Mr. Praveen Valiya Parampath holds 46.63% each of our pre-issue equity share capital. For details of the build-up of our Promoters' shareholding in our Company, see "***Capital Structure***" on Page No. 23.

CHANGE IN MANAGEMENT

There was no change in management of our Company during five years immediately preceding the date of filing Draft Red Herring Prospectus

PROMOTER GROUP

Our Promoter Group as defined under Regulations 2 (zb) (iv) of the SEBI (ICDR) Regulations, 2009, includes the following individuals and body corporates:

i. Natural Persons

a. **Mr. Joson Thomas**

The following natural persons form part of our Promoter Group as relative of Mr. Joson Thomas:

Name	Relationship
AT Thomas	Father
Thankamma Thomas	Mother
Asha Joson	Wife
Thomson Thomas	Brother
Winson Thomas	Brother
Usha Jomy	Sister
Thomas Joson	Son
Neha Joson	Daughter
Navya Joson	Daughter
Gladys Aprame	Wife's Mother
P.V. Aprame	Wife's Father
Anu Saji	Wife's Sister
Aju Varghese	Wife's Brother

b. **Mr. Praveen Valiya Parampath**

The following natural persons form part of our Promoter Group as relative of Mr. Praveen Valiya Parampath:

Name	Relationship
T.K.Damodaran Nair	Father
Gowri Amma	Mother
Jini Praveen	Wife
Pradeep	Brother
Preetha V.P	Sister
Ritika Praveen	Daughter
Devika Praveen	Daughter
Kartika	Wife's Mother
T.K Raghavan	Wife's Father
Mini	Wife's Sister
Roji	Wife's Sister

ii. Body Corporates

The body corporates promoted by our Promoters is as set forth below:-

1. JT and PV Enterprises Private Limited
2. Netlabs Education India Private Limited
3. Honeybe Distributors India Private Limited

Common Pursuits

Our Promoters/ any member of our Promoter Group do not have interest in any venture that is involved in any activities similar to those conducted by our Company.Some of our Promoter Group Companies ***i.e.***JT and PV Enterprises Private Limited and Honeybe Distributors Private Limited have some of the objects similar to that of our Company's business. As on the date of filing the Draft Red Herring Prospectus, the aforesaid entities are not carrying any business competing with that of our Company. Currently, we do not have any non-compete agreement/arrangement with any of our Promoter Group Entities and absence of such non-compete agreement/arrangement may result in the situation of potential conflict of interest in future.For further details of Group entities, please refer paragraph titled "***Group Companies***" on Page No. 98.

Interest of Promoter

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any payable to them for attending meeting of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them as per the terms of our Articles and relevant provisions of Companies Act. Our Promoter-Directors may also be deemed to be interested to the extent of Equity Shares held by them and also to the extent of any dividend payable to him and other distributions in respect of the said Equity Shares.

Our Company has entered into an Agreement for Sale dated February 20, 2010 with our Promoters for purchase of office premises situated at A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Marol, Andheri (E), Mumbai – 400059 for a consideration of Rs. 119.28Lakhs. Further, our Company has also entered into a Lease Deed dated March 18, 2011 with our Promoters for lease of office premises situated at Commercial Unit bearing no. 201, 2nd floor, Smart Square situated at Binnamangala Village, Kasaba Hobli, Indiranagar Post, Ward no. 82, Hoysala Nagar, Bangalore. For further details relating to immovable property of our Company, please see the paragraph titled "*Property*" on page no. 76.

Other than the above, our Promoter-Directors have no interest other than in the normal course of business in any property acquired by our Company within 2 (two) years from the date of this Draft Red Herring Prospectus.

Further, our Promotersare also directors on the boards of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Promoter Group entities. For the payments that are made by our Company to certain Promoter Group entities, see "Related Party Disclosures" beginning on page no. 107 of this Draft Red Herring Prospectus.

Related Party Transactions

For details on related party transactions refer to Related Party Transaction on Page No. 107 of this Draft Red Herring Prospectus.

Payment of Amount or Benefits to our Promoter and Promoter Group during the Last Two Years

Except as mentioned in this Draft Red Herring Prospectus and "Related Party Transaction"on page no. 107, no amount or benefits were paid or were intended to be paid to our Promoter and Promoter Groupduring the last two years from the date of filing of this Draft Red Herring Prospectus.

GROUP COMPANIES

Save and except as stated in this section of the Draft Red Herring Prospectus, there are no companies, firms, ventures, etc. promoted by the promoter except as follows:

A. Companies

1. JT and PV Enterprises Private Limited
2. Netlabs Education India Private Limited
3. Honeybe Distributors India Private Limited

The following are the details of the group companies/ firms and other ventures under the same management:

1. JT and PV Enterprises Private Limited

JT and PV EnterprisesPrivate Limited was incorporated on January 20, 2010 as a private limited with its registered office at A/31, Nandham Indystrial Estate, Marol Maroshi road, Andheri (E), Mumbai since incorporation. It is promoted by Mr. Joson Thomas and Mr. PraveenValiya Parampath.

It is, inter-alia, carrying on the business of acting as consultants, advisors to individuals, body corporate, institutions, organisations, associations, in the field of technology, engineering, science, process planning, selection and training, marketing, financial, legal, taxation, excise, customs, investment and management matters and to do web development, e-commerce, online business, software solutions, software applications, online software, business solution software, web based

application, internet applications, e-commerce applications, developing and setting up of web sites, portals and operating them commercially and carry out the various activities in relations to web sites, deal in such commodities and services which can be operated through internet for the mass usage, setting up of information technology research centre, laboratories providing networking solution, software development and providing consultancy and dealing in the field of computer technologies including computer hardware, software, computer parts, consumables peripherals, office automation machines, telecommunication and networking equipment web service provider, middleware solutions, distribution of domain and hosting space, development of computer software, and other related business of information technology and new media services and to provide telecommunication info services in India and abroad relating to transmission of voice, data image, microwave and satellite technologies, including but not limited to value added services, radio-paging services, video conferencing, internet and other allied support services and to carry on all kinds of info services including back office operations, business process outsourcing in connection with telecommunication services.

Interest of our Promoters:

Sr. No.	Name of Share Holder	No. of Shares held	% of Share Holding
1.	Mr. Joson Thomas	50000	50%
2.	Mr. Praveen Valiya Parampath	50000	50%
	TOTAL	**1,00,000**	**100%**

Audited Financial information

(Rs. In Lakhs)

Particulars	March 31, 2010	March 31, 2011
Authorised Capital	10.00	10.00
Paid-up Equity Capital	10.00	10.00
Reserves & Surplus	0.00	0.00
Sales/Income	0.00	0.00
Profit/(Loss) after tax	0.00	0.00
Earnings per share (Rs.)	-	-
Net Asset Value per equity share (Rs.)	9.84	9.88

2. Netlabs Education India Private Limited

Netlabs Education India Private Limitedwas incorporated on November23, 2009 as a private limited company having its registered office at No. 872/H-1, MichaelPalayaCMH Road, Indira Nagar. Bangalore-560075

The company is, inter-alia, carrying on the business of providing education, training to students in various fields, which may or may not be recognized by the Government, to provide education/training through various methods such as distributing educational materials and training kits to students and to run educational institutions including but not limited to schools, academies, coaching classes, nurseries, colleges for imparting education to students in the field of science, commerce, arts, engineering, management computers, both in India and outside India. To take up the franchisee right of some recognized educational institutions and to run the same by providing education, training & learning in various disciplines of life. To run coaching centres, tuition, training classes in order to provide education, learning opportunities to students in the field of science, commerce, arts, engineering, management computers, pre-nurseries, post-nurseries both in India and outside India.

Interest of our Promoters:

Sr. No.	Name of Share Holder	No. of Shares held	% of Share Holding
1.	Mr. Joson Thomas	16000	32%
2.	Mr. Praveen Valiya Parampath	16000	32%
3.	Mr. Vijoy A. Vasu	18000	36%
	TOTAL	**50000**	**100%**

Audited Financial information

(Rs. In Lakhs)

Particulars	March 31, 2010	March 31, 2011
Authorised Capital	5.00	5.00
Paid-up Equity Capital	5.00	5.00
Reserves & Surplus	Nil	Nil
Sales/Income	Nil	9.88
Profit/(Loss) after tax	(1.28)	(11.95)
Earnings per share (Rs.)	Nil	Nil
Net Asset Value per equity share (Rs.)	12.95	27.18

3. Honeybe Distributors India private Limited

Honeybe Distributors India private Limited was incorporated on July 2, 2010 as a private limited company having its registered office at No. 872/H-1, Michael Palaya, CMH Road, Indira Nagar, Bangalore-560075.

The Company is, inter-alia, carrying on the business of exporters, importers, agents, sellers, buyers, representatives, dealers in all kinds and types of computer hardware, Electronic, Electrical products, surgical products and also to carry on such activities which are allied and related to information technology sector both in India and abroad.

Interest of our Promoters:

Sr. No.	Name of Share Holder	No. of Shares held	% of Share Holding
1.	JT and PV Enterprises Private Limited	35000	70%
2.	Mr.Joson Thomas	7500	15%
3.	Mr. Praveen Valiya Parampath	7500	15%
	Total	**50000**	**100%**

Audited Financial information

(Rs. In Lakhs)

Particulars	March 31, 2011
Authorised Capital	5.00
Paid-up Equity Capital	1.00[(1)]
Reserves & Surplus	Nil
Sales/Income	Nil
Profit/(Loss) after tax	Nil
Earnings per share (Rs.)	Nil
Net Asset Value per equity share (Rs.)	1.62

[(1)]***The Company has issued 50,000 Equity Shares of Rs.10 each, of which only Rs. 2/- per equity shares have been paid-up.***

Other disclosures:

The equity shares of our Group Companies are not listed on any of the Stock Exchanges and they have not made any public/rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchanges or SEBI.

None of our group companies are sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and are not under the Board for Industrial and Financial Reconstruction. Further, they are not under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against our Group Companies.

Companies with negative net worth

Except as stated herein above, none of our Group Companies have negative Net Worth on date of end of the respective financial years audited and mentioned herein.

Defunct Group Companies

Our Promoters incorporated a company known as "Skyhigh Real Estate Private Limited" on March 8, 2006. Since, Skyhigh Real Estate Private Limited was not conducting any business and an application was made to the Registrar of Companies, Mumbai under the Easy Exit Scheme, 2011 for striking off the name of the company.The said Company was struck off and dissolved on September 9, 2011.

Our Promoters had incorporated a company known as 'Infonet Electricals Private Limited" on January 15, 2001.Since, Infonet Electricals Private Limited was not conducting any business, an application was made to the Registrar of Companies, Mumbai under the Simplified Exit Scheme, 2005 for striking off the name of the company and the same has been struck off by the Registrar of Companies.

Nature and Extent of Interest of Group Companies

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, please see the section titled "***Related Party Transactions***" on Page No. 107.

Common Pursuits amongst the Group Companies with our Company

The Group Companies do not have interest in any venture that is involved in any activities similar to those conducted by our Company. Some of the Group Companies i.e. JT and PV Enterprises Private Limited and Honeybe Distributors Private Limited has some of the objects similar to that of our Company's business. As on the date of filing the Draft Red Herring Prospectus, the aforesaid entities are not carrying any business competing with that of our Company. Currently, we do not have any non-compete agreement/arrangement with any of the Group Entities and absence of such non-compete agreement/ arrangement may result in the situation of potential conflict of interest in future.

Sale/Purchase between Group and Promoter Companies

For details, please see the section titled "***Related Party Transactions***" on Page No. 107.

Companies with which our Promoters have disassociated in the last three years

Except as specified below, our Promoters have not disassociated themselves from any company in the last three years:

Name of the entity	Reason for disassociation
Skyhigh Real Estate Private Limited	Dissolution/Striking off

Change in Accounting Policies in the last three years

There has been no change in accounting policies in the last three years except as stated in the chapter titled "*Financial Information*" beginning on Page No. 107 of this Draft Red Herring Prospectus.

Payment of Amount or Benefits to our Group Companies during the Last Two Years

Except as mentioned in "*Related Party Transaction*" on Page No. 107 of the Draft Red Herring Prospectus, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Draft Red Herring Prospectus.

CURRENCY OF PRESENTATION

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to the word "Lakh" or "Lakhs", means "One hundred thousand" and the word "million" means "Ten Lakhs" and the word "Crore" means "ten million" and the word "billion" means "One thousand million and the word "trillion" means "One thousand billion". In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout this Draft Red Herring Prospectus, all the figures have been expressed in Lakhs of Rupees, except when stated otherwise. All references to "Rupees" and "Rs." in this Draft Red Herring Prospectus are to the legal currency of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America. All references to "SGD" or "SG$" are to Singapore Dollars, the official currency of Singapore.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects. For further details, please refer to the relevant Annexure in the section titled "*Auditors' Report and Financial Information of Our Company*" beginning on Page No. 107.

SECTION VII - FINANCIAL INFORMATION

AUDITORS' REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

To,
The Board of Directors,
Infonet IT Solutions Limited
A–31, Nand Dham Industrial Estate,
Marol Maroshi Road, Andheri (East),
Mumbai - 400059

Dear Sirs,

Infonet IT Solutions Limited (Formerly Known as Infonet Network Solutions Private Limited), hereinafter referred as ("the Company") proposed to make a public offering of its equity shares for cash. We have been requested by the Company to report on attached financial information, stamped and initialed by us for identification and prepared in accordance with the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 (the "Act"), the Securities and Exchange Board of India – (Issue of Capital & Disclosures Requirement) Regulation, 2009 (SEBI Regulation) and related clarifications issued thereof. The Financial information have been prepared by the Company and approved by the Board of Directors of the Company for the purpose of disclosure in the offer document of the Company.

A. Financial Information as per Audited Financial Statement

1) We have examined the attached:

   a. Standalone Restated Statement of Assets and Liabilities of the Company as at March 31, 2011, March 31, 2010, March 31,2009, March 31, 2008, March 31, 2007 (Annexure I -A); Standalone Restated Statement of Profits and Losses for the year ended March 31, 2011, March 31, 2010, March 31,2009, March 31, 2008, March 31, 2007 (Annexure II-A) and Standalone Restated Cash Flow Statement for the year ended March 31, 2011, March 31, 2010, March 31, 2009, March 31, 2008, March 31, 2007 (Annexure III - A), together referred to as 'Standalone Statements'.
   b. Consolidated Restated Statement of Assets and Liabilities of the Company as at March 31, 2011, March 31, 2010, March 31, 2009 (Annexure I -B); Consolidated Restated Statement of Profits and Losses for the year ended March 31, 2011, March 31, 2010, March 31, 2009 (Annexure II-B) and Consolidated Restated Cash Flow Statement for the year ended March 31, 2011, March 31, 2010, March 31, 2009; (Annexure III - B), together referred to as 'Consolidated Statements'.

2) We have considered the relevant financial statements in respect of Company (Standalone and Consolidated as applicable) for the Financial Year Ended on 31st March 2007,31st March 2008 & 31st March 2009 audited by Ganesh Shetty & Co. Chartered Accountants and for the Financial Year Ended on 31st March 2010 and 31st March 2011 audited by Mandar K. Patil & Co. Chartered Accountants and financial statements for the Financial Year Ended 31st March 2011 re-audited by us vide our report dated 15th July 2011. The accounts of the subsidiaries have been consolidated from the date from which the Company acquired ownership interest. The financial information for the above years was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards required that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement

3) Based on our examination of the above statements and the related Audit Reports and on the basis of the information and explanations given to us, we report that:

   a. The aforesaid statements have been extracted from the audited financial statements as stated in 2 above as approved by the Board of Directors and adopted by the shareholders in those respective years and have been restated with retrospective effect to reflect the significant accounting policies and significant notes adopted by the Company as at March 31, 2011, as stated vide Annexure IV-A and IV-B to this report;
   b. There are no incorrect accounting practices or failures to make provisions or other adjustments to restated accounts which resulted in audit qualifications for which adjustment or rectification required.

c. Material amounts relating to adjustments for previous years have been identified and adjusted in arriving at the profits of the year to which they relate;
d. There are no qualifications in the auditors' reports, which require any adjustment;
e. The aforesaid statements have been restated to effect necessary changes for exceptional items, which have been disclosed separately in the statements in the years to which they relate.

B. Other Financial Information:

We have also examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

Sr. No.	Particulars	Annexure	
		Standalone	Consolidated
i)	Statement of Debtors	VI – A	VI – B
ii)	Details of Loans & Advances	VII – A	VII – B
iii)	Statement of Secured Loans	VIII – A	VIII – B
iv)	Statement of Unsecured Loans	IX – A	IX – B
v)	Statement of Operating Income	X – A	X – B
vi)	Statement of Other Income	XI – A	XI – B
vii)	Details of Contingent Liability	XII – A	XII – B
viii)	Financial Ratios	XIII – A	XIII – B
ix)	Capitalization Statement	XIV – A	XIV – B
x)	Statement of Tax Shelters	XV – A	XV – B
xi)	Statement of Investments	XVI – A	XVI – B
xii)	Transaction with Related Parties	XVII – A	XVII – B
xiii)	Statement of Dividend	XVIII – A	XVIII - B

This Restated Financial Information is based on the Audited Financials which are approved by Board of Directors and Adopted by Members in these respected years.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the specific Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Laxmikant Kabra & Co.,
Firm Registration No: 117183W
Chartered Accountants

Laxmikant Kabra
(Proprietor)
Membership No.: 101839

Place: Thane
Date: July 28, 2011

ANNEXURE – I - A

STANDALONE

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Fixed Assets					
Gross Block	685.81	684.57	499.91	265.90	217.48
Less: Depreciation	220.10	176.54	124.73	88.84	59.13
Net Block	465.71	508.03	375.19	177.06	158.35
Capital WIP	41.41	0.00	0.00	0.00	0.00
Total (A)	**507.12**	**508.03**	**375.19**	**177.06**	**158.35**
Investments (B)	**0.04**	**0.04**	**2.79**	**1.29**	**1.29**
Current Assets, Loans & Advances					
Inventory	466.96	461.25	92.87	85.73	69.97
Sundry Debtors	1733.04	1396.84	1585.02	963.05	751.04
Cash and Bank Balances	309.73	214.49	174.37	355.12	146.88
Loans and Advances	814.44	652.20	266.14	151.67	67.04
Deferred Tax Assets	0.00	0.00	0.00	23.50	19.81
Total (C)	**3324.18**	**2724.78**	**2118.39**	**1579.07**	**1054.74**
Total Assets (A+B+C) = D	**3831.34**	**3232.84**	**2496.37**	**1757.42**	**1214.38**
Liabilities and Provisions					
Current Liabilities	850.86	941.90	1375.33	1008.66	788.18
Provisions	575.36	497.96	252.16	149.60	61.95
Secured Loans	992.65	774.74	276.35	288.58	197.71
Unsecured Loans	23.04	11.60	5.00	0.00	12.00
Deferred Tax Liabilities	8.73	9.79	1.79	0.00	0.00
Total (E)	**2450.64**	**2235.99**	**1910.62**	**1446.84**	**1059.85**
Net Worth (D-E)	**1380.70**	**996.85**	**585.76**	**310.58**	**154.53**
Net Worth represented by					
Equity Share Capital	986.26	657.24	100.00	10.00	10.00
Reserve and Surplus					
General Reserve	0.00	17.38	17.38	17.38	17.38
Profit & Loss account	394.44	322.23	468.38	283.20	127.15
Sub-Total	**1380.70**	**996.85**	**585.76**	**310.58**	**154.53**
Less: Miscellaneous Expenditure *(to the extent not written off or adjusted)*	0.00	0.00	0.00	0.00	0.00
Net Worth	**1380.70**	**996.85**	**585.76**	**310.58**	**154.53**

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

ANNEXURE – II - A

STANDALONE

RESTATED SUMMARY STATEMENT OF PROFIT AND LOSSES

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
INCOME					
Sales	1897.09	2460.92	3283.81	2964.50	1923.56
Network Installtion Charges	1639.72	805.89	466.87	504.28	399.51
Other Income	21.15	46.65	39.39	26.47	21.95
Variation in Stock	3.09	138.39	0.00	0.00	0.00
Total	**3561.05**	**3451.86**	**3790.07**	**3495.25**	**2345.02**
EXPENDITURE					
Cost of Goods Sold	1423.53	1564.71	2432.76	2323.53	1578.17
Sub Contract Charges	296.91	320.30	159.84	125.68	149.94
Payment & Provision to Employees	597.81	477.60	392.40	320.97	177.76
Administrative & Selling Expenses	481.75	382.03	317.72	354.29	224.37
Finance Expenses	96.47	59.43	49.66	37.39	20.08
Depreciation	55.19	55.66	34.67	31.44	22.49
Misc. Expenses written off	0.00	6.30	0.00	0.00	0.00
Total	**2951.66**	**2866.03**	**3387.05**	**3193.30**	**2172.81**
Adjusted Profit before tax	**609.39**	**585.82**	**403.03**	**301.96**	**172.21**
Provision for Tax					
Current	227.00	239.00	92.87	139.94	86.37
Deferred Tax Asset\Liabilty	(1.06)	8.00	25.29	(3.69)	(24.78)
Fringe Benefit	0.00	0.00	9.69	9.65	7.51
Profit after Tax	**383.45**	**338.82**	**275.18**	**156.05**	**103.11**
Appropriations					
Dividend	0.00	40.00	0.00	0.00	0.00
Dividend tax	0.00	6.80	0.00	0.00	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**383.45**	**292.02**	**275.18**	**156.05**	**103.11**

ANNEXURE – III - A

STANDALONE

RESTATED STATEMENT OF CASH FLOWS

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Cash flows from Operating Activities					
Net profit before taxation, and extraordinary item	**609.39**	**585.82**	**403.03**	**301.96**	**172.21**
Adjustments for:					
Depreciation	55.19	55.66	34.67	31.44	22.49
Profit /Loss on sale of Fixed Assets	0.52	(0.90)	0.00	0.32	0.18
Interest received	(19.21)	(18.25)	(20.83)	(17.84)	(6.55)
Misc Expense written off	0.00	6.30	0.00	0.00	0.00
Dividend	(0.01)	(0.31)	(0.10)	(0.01)	(0.04)
Interest expenses	96.47	59.43	49.66	37.39	20.08
Operating Profit before Working Capital Changes	**742.35**	**687.75**	**466.43**	**353.26**	**208.37**
Decrease / (Increase) in sundry debtors	(336.21)	188.18	(621.97)	(212.00)	34.52
Decrease / (Increase) in inventories	(5.71)	(368.38)	(7.14)	(15.76)	11.58
Decrease / (Increase) in loans and advances	(291.00)	(312.11)	(16.39)	(16.81)	(47.81)
Increase / (Decrease) in current liabilities & provisions	(91.04)	(439.73)	366.67	220.48	(49.85)
Cash Generated from Operations	**18.39**	**(244.29)**	**187.60**	**329.17**	**156.80**
Income taxes paid	(20.84)	(73.95)	(98.07)	(129.78)	(75.98)
Cash flow before extraordinary item	**(2.45)**	**(318.23)**	**89.52**	**199.39**	**80.82**
Extra Ordinary Items	0.00	0.00	0.00	0.00	0.00
Net Cash from Operating Activities	**(2.45)**	**(318.23)**	**89.52**	**199.39**	**80.82**
Cash flows from Investing Activities					
Purchase of Fixed Assets	(66.57)	(195.91)	(232.80)	(61.08)	(82.51)
Sale of Fixed Assets	11.76	8.31	0.00	10.60	2.55
(Increase) in Investments	0.00	2.75	(1.50)	0.00	(1.26)
Dividend	0.01	0.31	0.10	0.01	0.04
Net cash from Investing Activities	**(54.81)**	**(184.54)**	**(234.20)**	**(50.47)**	**(81.18)**
Cash flows from Financing Activities					
Proceeds from Issue of Share Capital	0.40	119.08	0.00	0.00	0.00
Increase/(Decrease) in unsecured loans (Short term)	11.44	6.60	5.00	(12.00)	0.82
Increase/(Decrease) in secured loans	217.90	498.40	(12.24)	90.87	75.94
Interest received	19.21	18.25	20.83	17.84	6.55

Interest paid	(96.47)	(59.43)	(49.66)	(37.39)	(20.08)
Dividend paid	0.00	(40.00)	0.00	0.00	0.00
Net cash used in Financing Activities	**152.48**	**542.89**	**(36.07)**	**59.32**	**63.23**
Net increase in Cash and Cash Equivalents	**95.24**	**40.12**	**(180.75)**	**208.24**	**62.88**
Add : Cash and cash equivalents at beginning of the Year	214.49	174.37	355.12	146.88	84.00
Cash and Cash Equivalents at end of the Year	**309.73**	**214.49**	**174.37**	**355.12**	**146.88**

BACKGROUND

The Company was originally incorporated as Infonet Network Systems (I) Pvt Ltd. on 21st May, 1999 and was registered with the registrar of companies, Maharashtra. It was then converted into a public limited company under the name of Infonet IT Solutions (I) Limited on 27th April, 2011.

Annexure – IV- A

A. SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting:

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted accounting principles [GAAP]. The financial statements have been prepared in conformity with GAAP in compliance with all material aspects with the provisions of the Companies Act, 1956 and the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires that the management of the Company makes estimates and disclosure relating to contingent liabilities on the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc.

Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

3. Fixed Assets:

Fixed Assets are stated at cost of acquisition (net of CENVAT Credit availed) less depreciation and impairment loss if any, except for free hold land which is carried at cost. Cost of acquisition includes expenses (including non cenvatable duties and taxes) attributable in bringing the fixed assets to its working condition.

4. Foreign Currency Transactions:

Foreign currency transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Exchange differences, if any, arising out transactions settled during the year are recognized in the profit & loss account.
Monetary items denominated in foreign currency as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in profit & loss account. Non monetary foreign currency items are carried at cost.

5. Inventories:

Inventories of material & spares are valued at lower of cost (net of modvat credit and value added tax) or market value on FIFO basis. Work in progress is valued at cost. Cost includes cost of material & Spares and direct expenses incurred.

Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated cost of completion & selling expenses. Cost is arrived at on FIFO basis.

6. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of Product:-Revenue (Income) from sales of product is recognized when risk and rewards of ownership are passed on to the customers, which generally coincides with physical dispatch of goods. Sales are stated on net basis i.e. exclusive of VAT.

Interest:-Interest income is recognized on time accrual basis.

Other items of revenue are recognized in accordance with the accounting standard (AS-9) issued by Institute of Chartered Accountants of India and accordingly, where there are uncertainties in ascertainment of realization of income, is not accounted for

7. Investments

Investments that are readily realisable and intended to be held for not more than one year from the date of investment are classified as current investments. All other investments are classified as long-term investments Current investments are carried at the lower of cost and realisable value, determined on an individual investment basis. Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately in respect of each category of investment.

8. Depreciation:

Depreciation on fixed assets is provided on Written Down Value (WDV) method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956. Depreciation on Fixed Assets added / disposed off during the year has been provided on pro–rata basis with reference to the date of addition / disposal.

9. Retirement and other employee Benefits:

Provident Fund & Family Pension Fund

The Company contributes towards Provident Fund, Family Pension fund which are defined under the relevant contribution schemes, under the relevant recognized law. Contribution expenses are recognized as an expense in the Profit and loss account in the year in which the contribution is due.

Gratuity & Leave Encashment

With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy. The company thus gets the said valuation done from LIC on actuarial basis.
Company has a policy for calculating and recording Leave Encashment in accordance with terms and conditions entered into with employees and are provided for as a liability on the basis of employee compensation rates existing at the Balance sheet date.

10. Taxes on Income

Income-tax comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the incomes accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted on substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that they will be realised in future; however, where there is unabsorbed depreciation and carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

11. Impairment of assets

In accordance with Accounting Standard 28-Impairment of Assets (AS 28), the carrying amounts of the Company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is assessed at the recoverable amount subject to a maximum of depreciable historical cost.

12. Provisions and Contingent Liabilities:

Provision is recognized in the Balance sheet when, the Company has a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A disclosure by way of a 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

13. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

B) SIGNIFICANT NOTES TO RESTATED FINANCIAL STATEMENTS:

1. The value of the closing stock of raw materials, work in process has been arrived at on the basis of the records maintained and certified by the Management.

2. In the opinion of the board, the current assets (except stock of raw material, work in process) loans and advances are approximately of the value stated, if realized, in the ordinary course of business.

3. The company has satisfactory title to all assets belonging to it except for immovable commercial property at A-31, Nand – Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai- 400059 which is not registered in the name of the Company.

4. The Company has not made any provision in its books on account of gratuity for FY 2006-2007, 2007-2008, 2008-09 & 2009-10. The Company has made cumulative provision in its books on account of gratuity in FY 2010-2011. For FY 2010-11 the Company has appointed Life Insurance Corporation to make actuarial valuation of the liability on account of gratuity payable by the Company .The actuary has made cumulative

requirement of providing Rs. 16.22 Lakhs towards gratuity payment. Accordingly, cumulative provision required upto the period March 31, 2011 of Rs. 16.22 Lakhs has been charged off in the accounts for the financial year ended March 31, 2011. In the absence of the year wise data the provisions, if any, required to be made in the accounts as on March 31, 2007; March 31, 2008 ; March 31, 2009 and March 31,2010 has not been separately identified and provided in the respective year(s).

5. STATEMET OF ADJUSTMENTS IN PROFIT & LOSS ACCOUNTS

STANDALONE

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Profits after tax as per audited Financial Statements	328.01	381.69	261.00	187.41	103.54
Adjustment on account of :					
Current Tax Impact	56.59	-39.00	-10.00	-7.59	0.00
Deferred Tax Liability Impact	-1.79	1.81	24.17	-23.76	-0.43
Misc Expesnses Written off	0.63	-5.67	0.00	0.00	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**383.45**	**338.82**	**275.18**	**156.05**	**103.11**

Notes to above adjustments:

The profit & loss account of certain years include amount paid/provided for or refunded in respect of short\excess income tax arising out of assessment and on account of short/excess provision of tax of earlier years. The impact on account such short/excess income tax has been adjusted in respective years.

6. Managerial Remuneration

STANDALONE

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Salary & Allowances	97.27	105.34	113.34	112.95	48.00
Total	**97.27**	**105.34**	**113.34**	**112.95**	**48.00**

7. Auditors Remuneration

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Payment to Auditors					
- Audit Fees	4.50	4.18	2.76	2.62	1.30
Tax Audit & Other Services	1.63	1.74	1.65	0.05	1.22
TOTAL	**6.13**	**5.92**	**4.41**	**2.67**	**2.52**

8. Statement of Quantitative Details in respect of the Cost of Goods Sold

Particulars	31/03/2011		31/03/2010		31/03/2009		31/03/2008		31/03/2007	
	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount	Qty	Amount
Opening Stock	88820	322.86	42297	92.87	29703	85.73	20840	69.97	37119	81.55
Add:-										
Purchases	898991	1334.16	1057145	1635.04	627792	2192.28	500449	2128.71	459544	1527.32
Less:-										
Use for Resales & Installations contracts in hand	938985		1010623		615198		491586		475823	
Closing Stock	**48826**	**325.48**	**88820**	**322.86**	**42297**	**92.87**	**29703**	**85.73**	**20840**	**69.97**

9. Statement of Adjustments to Profit & Loss Accounts

Miscellaneous Expenditure – During the year 2009-10, the company incurred certain Miscellaneous Expenses and as per the policy followed by the company the same was to be amortized over a period of 10 consecutive years. However to comply with the provisions of Accounting Standard 26 – Intangible Asset the same have been written off in F Y 2009-10 and has been given effect to in this restated statement.

10. Segment Reporting:

Company is dealing in the business of resale and installation of networking which is the only segment. Company is doing sale only from India. So there is no reportable business and geographical segment.

11. Material Regrouping

a) In the audited accounts for the year 2006-07, 2007-08 & 2008-09, the company reported Inter unit Purchases, Sub – Contract Charges, Administration & Selling Expenses, Transport & Octroi & Cenvat Credit on Purchases under the head "Cost of Goods Sold" in the Profit & Loss Statement. In the restated financials the same are regrouped for meaningful comparison and better understanding.
b) In the audited accounts for the year 2006-07, 2007-08 & 2008-09, the company included the Inter unit Sales under the head Gross Sales. In the restated financials the same are deducted from 'Sales'.
c) In the audited accounts for the year 2008-09 & 2010-11 the company considered Cenvat Credit on Purchases & Exchange Fluctuation Profit as Other Income. In the restated financials the same are deducted/added from 'Other Income' for meaningful comparison and better understanding.

COST OF GOODS TRADED

Year \Period ended on	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Cost of Goods Sold as per audited Accounts	1423.53	1564.71	2790.84	2552.88	1743.86
Less: Interunit Purchases	0.00	0.00	137.85	114.58	13.97
Less: Sub contract Charges	0.00	0.00	159.84	125.68	149.94
Less : Administration & Selling Expenses	0.00	0.00	0.00	0.00	19.36
Add: Transport & Octroi (Included in Adminstartive Exps)	0.00	0.00	9.88	10.91	17.57
Less : Cenvat Credit on Purchases (Shown under the head Sndry Balances W/off Service Tax)	0.00	0.00	70.27	0.00	0.00
Cost of Goods sold as per Restated Accounts	**1423.53**	**1564.71**	**2432.76**	**2323.53**	**1578.17**

SALES

Year \Period ended on	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Sales as per audited Accounts	1897.09	2460.92	3339.70	3033.48	1933.40
Less: Inter unit Sales	0.00	0.00	55.89	68.98	9.84
Sales as per Restated Accounts	**1897.09**	**2460.92**	**3283.81**	**2964.50**	**1923.56**

Network Installation Charges

Year \Period ended on	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Network Installation Charges as per audited Accounts	1639.72	805.89	548.83	549.88	403.64
Less: Inter unit Sales	0.00	0.00	81.96	45.59	4.13
Network Installation Charges as per Restated Accounts	**1639.72**	**805.89**	**466.87**	**504.28**	**399.51**

Other Income

Year \Period ended on	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Other Income as per audited Accounts	22.42	46.65	109.66	26.47	21.95
Less : Cenvat Credit on Purchases (Reduced from Purchases)	0.00	0.00	70.27	0.00	0.00
Add/Less: Exchange Fluctuation profit \Loss	(1.27)				
Other Income as per Restated Accounts	**21.15**	**46.65**	**39.39**	**26.47**	**21.95**

12. Deferred Tax (Assets)/ Liability

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Deferred Tax Asset/ Liabilities					
On account of difference in book and tax depreciation	14.08	11.72	8.88	7.17	6.32
On account of Capital Enhancement Expenses	0.43	-1.71	0.00	0.00	0.00
On account of Gratuity	-5.51	0.00	0.00	0.00	0.00
On account disallowance u\s 40(a)(ia) & 43B of Income Tax Act	-0.26	-0.22	-7.09	-30.67	-26.13
Net Deferred Tax (Assets) / Liabilities	**8.73**	**9.79**	**1.79**	**-23.50**	**-19.81**

13. Statement of CIF Value of Imports

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
CIF Value of Imports	94.26	NIL	NIL	NIL	NIL

14. Statement of Foreign Exchange Earnings

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Travelling Expenditure	1.29	NIL	2.53	NIL	0.24

15. Micro, Small & Medium Enterprises

Based on the information available with the company, no vendor has been identified as 'supplier' within the meaning of "Micro, Small and Medium Enterprises Development Act 2006."

16. Disclosure as per AS 15
Employee Benefits
Defined Benefits Scheme: Gratuity
Key Assumptions made for the actuarial valuation of the gratuity liability are as under:

Sr No.	Particulars	FY 2010-11
1	Discount Rate p.a.	8%
2	Rate of Increase in Compensation Level	4%
3	Rate of Return on Planned Assets	NA
4	Mortality Rates	As per 1994-96 LIC Mortality Rates
Sr No.	**Particulars**	**FY 2010-11**
1	**Change in Present Value of Obligation**	
	Opening Balance of Present Value of obligation	1231168
	Interest cost	
	Current Service Cost	51780
	Annual Contribution	339411
	Actuarial Gain \ Loss	
	Closing Balance of Present Value of obligation	1622359

Annexure – V -A

STATEMENT OF CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policy during the reported period except below.

The Company has not made any provision in its books on account of gratuity for FY 2006-2007, 2007-2008, 2008-09 & 2009-10. The Company has made cumulative provision in its books on account of gratuity in FY 2010-2011. For FY 2010-11 the Company has appointed Life Insurance Corporation to make actuarial valuation of the liability on account of gratuity payable by the Company .The actuary has made cumulative requirement of providing Rs. 16.22 Lakhs towards gratuity payment. Accordingly cumulative provision required upto the period March 31, 2011 of Rs. 16.22 Lakhs has been charged off in the accounts for the financial year ended March 31, 2011. In the absence of the year wise data the provisions, if any, required to be made in the accounts as on March 31, 2007; March 31, 2008 ; March 31, 2009 and March 31,2010 has not been separately identified and provided in the respective year(s).

Annexure – VI – A

STANDALONE

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
-Outstanding for More than six months					
Unsecured, Considered Good	295.50	472.65	341.06	103.31	157.94
-Others					
Unsecured, Considered Good	1437.54	924.19	1243.95	859.73	593.11
Total	**1733.04**	**1396.84**	**1585.02**	**963.05**	**751.04**

Note: As per information given to us and based on our verification of records, Sundry Debtors does not include any amount due / receivable from any of the promoter / related parties.

Annexure – VII - A

STANDALONE

STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Lease Deposit	300.00	298.15	0.00	0.00	0.00
Advances recoverable in cash or in kind or for value to be received	374.06	113.22	99.67	84.61	67.04
Prepaid Taxes	140.39	240.83	166.46	67.06	0.00
Total	**814.44**	**652.20**	**266.14**	**151.67**	**67.04**

Note: As per information given to us and based on our verification of records, Loans & Advances does not include any amount due / receivable from any of the promoter / related parties except amount of Rs.22.00 Lakhs advanced to Skyhigh Real Estate Pvt. Ltd. (A promoter Group Co).

Annexure – VIII - A

STANDALONE

STATEMENT OF SECURED LOANS, AS RESTATED

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
a) Working Capital Loans					
From bank					
Union Bank of India					
Fund Based Limits					
Cash Credit	989.85	750.80	140.58	267.37	162.18
Model Co-Op.Bank Ltd.					
Fund Based Limits					
Cash Credit	0.00	0.00	106.94	0.00	0.00
Total (a)	**989.85**	**750.80**	**247.52**	**267.37**	**162.18**
b) Vehicle and Equipment loans					
ICICI Bank Ltd.	2.80	9.36	15.58	21.21	35.54
Reliance Capital		9.15			
Union Bank of India	0.00	5.44	13.25	0.00	0.00
Total (b)	**2.80**	**23.95**	**28.83**	**21.21**	**35.54**
Total (a+b)	**992.65**	**774.75**	**276.35**	**288.58**	**197.71**

Sr. No.	Name of the Bank	Type of the Loan Facility	Amount (Rs.)	Interest %	Repayment	Security
1	Union Bank of India	**Fund Base Limit** Cash Credit Limit	700.00	12.50%	On Demand	**Primary Security** Hypothecation of stock, Book Debts of the company **Collateral Security** Registered Mortgage of office unit at: 1.) Unit no. A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400059 2.) Unit no. A/31,Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400059. 3.) 872/H-1,Hal 2nd stage, Banglore. 4.) 13/A Sher-e-Punjab CHS Ltd., Mahakali Caves Road Andheri (E), Mumbai – 400093 owner Mr. Joson Thomas Personal Guarantee of Mr.Joson Thomas Mr. Praveen Valiya Parampath Mrs. Asha Joson Mrs. Jini Praveen
2	Union Bank of India	Secured Over Draft against FDR	177.00	1% ODR		Duly Discharged FDRs with UBI as stated: 1) 450303030222511 - 25.11 Lakhs 2) 450303030222494 - 13.97 Lakhs 3) 450303030219950 - 25.00 Lakhs 4) 450303200000135 - 2.65 Lakhs 5) 450303200000131 - 10.00 Lakhs 6) 450303200000130 - 10.00 Lakhs 7) 450303200000129 - 10.00 Lakhs 8) 450303200000128 -

Sr. No.	Name of the Bank	Type of the Loan Facility	Amount (Rs.)	Interest %	Repayment	Security
						10.00 Lakhs 9) 450303200000127 - 10.00 Lakhs 10) 450303200000126 - 10.00 Lakhs 11) 450303200000125 - 10.00 Lakhs 12) 450303200000124 - 10.00 Lakhs
3	Standard Chartered Bank	Term Loan	244.00	11.50%	144 months	**Collateral** **Security** Unit No.201, Corpn No. 3/1, Sy No. 136, Binnamangala Village, Kasabha Hobli, Indira Nagar, Bangalore. **GUARANTEE** Personal guarantee of Mr.Joson Thomas Mr. Praveen Valiya Parampath
4	ICICI Bank	Vehicle Loan	15.45	9.67%	60 Monthly Installment	Hypothecation of Motor Car
1	Union Bank of India	**Non- Fund Base Limit** Import L/C with 25% margin	100.00	12.50%		Hypothication of All-Stock Procured Under Bank Guaranteeor LC 1.) A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400-059 2.) 872/H-1,Hal 2nd stage, Banglore 3.) 13/A Sher-e-Punjab CHS Ltd., Mahakali Caves Road Andheri (E), Mumbai – 400093 owner Mr. Joson Thomas 4.) A/31,NandDham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai400059.

Note: Standard Chartered Bank loan had been sanctioned in the year 2010-2011 while there was no drawing form the bank till 31st March, 2011.

Annexure – IX – A

STANDALONE

STATEMENT OF UNSECURED LOANS AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Loan from Promoters/ Directors					
Joson Thomas	2.65	0.00	5.00	0.00	12.00
Asha Joson	5.61	5.61	0.00	0.00	0.00
Jini Praveen	5.90	5.99	0.00	0.00	0.00
Praveen Valiya Parampath	8.88	0.00	0.00	0.00	0.00
Total	**23.04**	**11.60**	**5.00**	**0.00**	**12.00**

Note: As informed to us Loan from Promoters are interest free in nature and there are no specific stipulated terms & conditions as regards to the repayment of the same.

Annexure – X – A

STANDALONE

STATEMENT OF SALES AND OPERTING INCOME, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Sales (including Inter unit)	1897.09	2460.92	3339.70	3033.48	1933.40
Less: Inter unit Sales	0.00	0.00	55.89	68.98	9.84
SALES	**1897.09**	**2460.92**	**3283.81**	**2964.50**	**1923.56**
Network Installation Charges (including Inter unit)	1639.72	805.89	548.83	549.88	403.64
Less: Inter unit Networking Charges	0.00	0.00	81.96	45.59	4.13
Network Installation Charges	**1639.72**	**805.89**	**466.87**	**504.28**	**399.51**

Annexure-XI-A
STANDALONE

STATEMENT OF OTHER INCOME, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
RECURRING					
Interest on Fixed Deposits	19.21	18.25	20.83	17.84	6.55
Commision	0.00	4.25	12.38	6.65	15.29
Other Income	3.21	1.54	5.12	1.98	0.11
Exchange Fluctuation Profit /(Loss)	(1.27)	0.00	1.06	0.00	0.00
NON RECURRING					
Keyman Insurance Claim		22.61			
Total	**21.15**	**46.65**	**39.39**	**26.47**	**21.95**

Annexure- XII-A
STANDALONE

STATEMENT OF CONTINGENT LIABILITY, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Letter of credit	33.39	0.00	0.00	0.00	0.00
Bank Guarantee / Bank Guarantee Bonds	38.76	32.02	23.85	0.00	0.00
Bills Discounted	0.00	0.00	0.00	0.00	0.00
Disputed Liability on account of Income Tax	0.00	0.00	0.00	0.00	0.00
Total	**72.15**	**32.02**	**23.85**	**0.00**	**0.00**

Annexure - XII
STANDALONE

SUMMARY OF ACCOUNTING RATIOS

(Amount in Lacs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
a) Earnings Per Share					
Adjusted Profit after tax but before extraordinary items	383.45	338.82	275.18	156.05	103.11
Weighted Average number of equity shares outstanding	9858896	8778724	8667800	8667800	8667800
Basic Earning Per Share (Rs.)	3.89	3.86	3.17	1.80	1.19
Diluted Earning Per Share (Rs.)	3.89	3.86	3.17	1.80	1.19
b) Net Asset Value Per Share					
Total Asset (a)	3831.34	3232.84	2496.37	1757.42	1214.38
Total Liabilities (b)	2450.64	2235.99	1910.62	1446.84	1059.85
Asset Value [(a)-(b)]	1380.70	996.85	585.76	310.58	154.53
Weighted Average number of Equity shares outstanding	9858896	8778724	8667800	8667800	8667800
Net Asset Value per share (Rs.)	14.00	11.36	6.76	3.58	1.78
c) Return on Net Worth (%)					
Adjusted Profit after tax but before extraordinary items	383.45	338.82	275.18	156.05	103.11
Net Worth	1380.70	996.85	585.76	310.58	154.53
Return on Net Worth (%)	27.77	33.99	46.98	50.25	66.73
Weighted Average number of Equity shares outstanding during the year considered for Basic and diluted EPS, Net Asset Value per Share and Return on Net Worth	9858896	8778724	8667800	8667800	8667800

Formulae:

$$\text{Earnings Per Share} = \frac{\text{Adjusted profit after tax but before extraordinary items}}{\text{Weighted Average Number of Equity Shares outstandingduring the year}}$$

$$\text{Net Asset Value Per Share} = \frac{\text{Net worth excluding Revaluation Reserve}}{\text{Weighted Average Number of Equity Shares outstandingduring the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Adjusted profit after tax but before extraordinary items}}{\text{Net worth excluding Revaluation Reserve}}$$

Note: Net Worth = Equity Share Capital + Reserves & Surplus (Excluding revaluation reserve) – Miscellaneous Expenditure

Notes:

1. Earnings Per Share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of para 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.
2. During the year ended 31st March, 2009 the company has issued 90,00,000 bonus shares of Re.1/- each on 20th March 2009 to the shareholders in the ratio of nine shares for every one share held by them.
3. During the year ended 31st March, 2010 the company has issued 1,19,08,000 shares of Re.1/- each on 25th February 2010 to two of the promoters for consideration other than cash for purchase of office premises at A-31, Nand Dham Industrial Estate , Marol Maroshi Road , Andheri (East) Mumbai -400059
4. During the year ended 31st March, 2010 the company has issued 4,38,16,000 bonus shares of Re.1/- each on 15th March 2010 to the shareholders in the ratio of two shares for every one share held by them.
5. During the year ended 31st March, 2011 the company has consolidated its Equity Share Capital from Re.1/- paid - up to Rs. 10/- paid - up on 10th July, 2010.
6. During the year ended 31st March, 2011 the company has issued 32,86,200 bonus shares of Rs.10/- each on 15th September 2010 to the shareholders in the ratio of one shares for every two share held by them.
7. Since the bonus issue is an issue without consideration, it has been treated as if it had occurred from the beginning of the earliest period reported i.e. 31st March, 2007, both for the purpose of computing EPS and Net Asset Value per Share.
8. The above ratios have been calculated based on restated financial statements.

Annexure – XIV - A
STANDALONE

CAPITALISATION STATEMENT, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	Pre Issueas on31/03/2011	Post Issue
Loans - Secured and Unsecured		
Short Term Debt	23.04	[*]
Long Term Debt	992.65	[*]
Total Debt	1015.69	[*]
Share Holders Funds		
Share Capital	986.26	[*]
Reserves and Surplus	394.44	[*]
Sub-Total	1380.70	[*]
Less : Preliminary Expenses not written off	0.00	[*]
Total Share Holder's Fund	1380.70	[*]
Long Term Debt / Equity	0.72	[*]

Note :

a) The above has been computed on the basis of restated statements of accounts

b) Security Premium under the head Reserves and Surplus for the post issue capitalisation will be determined after fixation of the issue price.

Annexure-XV-A
STANDALONE

STATEMENT OF TAX SHELTERS

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Profit before tax but after Extraordinary items as per books (A)	**609.39**	**585.82**	**403.03**	**301.96**	**172.21**
Tax rate	33.99	33.99	33.99	33.99	33.66
Tax at notional rate on profits (X)	**207.13**	**199.12**	**136.99**	**102.63**	**57.96**
Adjustments:					
Total Permanent differences (B)	7.72	11.28	7.14	6.65	0.91
Total Timing Differences (C)	8.28	(29.48)	(166.37)	80.78	64.10
Net Adjustments (B+C)	**15.99**	**(18.21)**	**(159.22)**	**87.42**	**65.01**
Tax Saving thereon (Y)	**5.44**	**(6.19)**	**(54.12)**	**29.72**	**21.88**
Profit as per Income Tax Returns (D)=A+ (B+C)	**625.38**	**567.62**	**243.80**	**389.38**	**237.21**
Taxable Income (D+E)	**625.38**	**567.62**	**243.80**	**389.38**	**237.21**
Tax Payable	**187.61**	**170.29**	**73.14**	**116.81**	**71.16**
Less: MAT Credit	0.00	0.00	0.00	0.00	0.00
Total Tax as per Return	**187.61**	**170.29**	**73.14**	**116.81**	**71.16**
Taxable Income as per MAT	609.39	585.82	403.03	301.96	172.16
Tax Payable as per MAT	**109.69**	**87.87**	**40.30**	**30.20**	**12.91**
Total tax payable or MAT whichever is Higher	**187.61**	**170.29**	**73.14**	**116.81**	**71.16**
Add: Surcharge	18.76	17.03	7.31	11.68	7.12
Add: Education Cess	6.19	5.62	2.41	3.85	1.57
Interest u/s 234 (As per return of Income)	13.82	43.26	10.11	10.42	6.52
Total Tax Payable	**226.39**	**236.20**	**92.98**	**142.77**	**86.37**

Notes:- *The aforesaid Statement of Tax Shelters has been prepared as per the audited accounts and return of income filed by INFONET IT SOLUTIONS (I) LIMITED for the respective years and is not based on the profits as per the 'Summary of Restated Profit and Loss Account'.*

Annexure – XVI - A
STANDALONE

STATEMENT OF INVESTMENTS, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Unquoted investment					
Infonet network Systems Singapore Pvt Ltd.	0.00	0.00	0.00	0.00	0.00
Nand -Dham CHS Ltd.	0.01	0.01	2.79	1.29	1.26
Quoted investment					
Union Bank of India (200 shares of Rs. 10/- each fully paid)	0.03	0.03	0.00	0.00	0.03
Total	**0.04**	**0.04**	**2.79**	**1.29**	**1.29**

Annexure – XVII - A
STANDALONE

TRANSACTIONS WITH THE RELATED PARTIES

Party	Relationship
Joson Thomas	Director - Key Management Personnel
Praveen Valiya Parampath	Director - Key Management Personnel
Jini Praveen	Wife of Praveen Valiya Parampath
Asha Joson	Wife of Joson Thomas
Infonet Network Systems Singapore Pvt Ltd	Subsidiary
Sky High Real Estates Pvt Ltd.	Enterprise under significant influence of Key Management Personnel or their Relatives
Netlabs Education (I) Pvt. Ltd.	
Honeybe Distributors (I) Pvt. Ltd.	
JT and PV Enterprises Pvt. Ltd.	

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars		31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Joson Thomas	Salary & Allowances	30.32	0.00	0.00	0.00	0.00
	Lease Deposit	150.00	0.00	0.00	0.00	0.00
	Payable	2.65	0.00	5.00	0.00	12.00
Praveen VP	Salary & Allowances	30.32	0.00	0.00	0.00	0.00
	Lease Deposit	150.00	0.00	0.00	0.00	0.00
	Payable	8.88	0.00	0.00	0.00	0.00
Jini Praveen	Salary & Allowances	18.32	0.00	0.00	0.00	0.00
	Payable	5.90	5.99	0.00	0.00	0.00
Asha Joson	Salary & Allowances	18.32	0.00	0.00	0.00	0.00
	Payable	5.61	5.61	0.00	0.00	0.00
Sky High Real Estates Pvt Ltd.	Advance Given	0.00	0.00	0.00	0.00	22.00
	Receivable	22.00	22.00	22.00	22.00	22.00
Netlabs Education (I) Pvt. Ltd.	Advance Given	3.01	2.46	0.00	0.00	0.00
	Advance Taken	5.47	0.00	0.00	0.00	0.00
	Receivable	0.00	2.46	0.00	0.00	0.00
Infonet Network Systems Singapore Pvt. Ltd	Advance Given	0.00	0.00	9.93	0.00	0.00
	Advance Taken	17.29	16.44	0.00	0.00	0.00
	Receivable	0.00	0.00	9.93	0.00	0.00
	Payable	17.29	16.44	0.00	0.00	0.00

Annexure – XVIII - A

STANDALONE

STATEMENT OF DIVIDEND PROPOSED/PAID AND TAX THEREON

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008	31st March, 2007
Equity Share Capital		100.00			
Number of Equity Shares		100.00			
Equity Shares Face Value		Rs.1			
Rate of Dividend (%)					
Interim	0%	40.00%	0%	0%	0%
Final	0%	0.00%	0%	0%	0%
Amount of Dividend on Equity Shares					
Interim	Nil	40.00	Nil	Nil	Nil
Final	Nil	0.00	Nil	Nil	Nil
Total tax on Dividend	Nil	6.80	Nil	Nil	Nil

ANNEXURE - I – B
CONSOLIDATED

RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITES

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Fixed Assets			
Gross Block	685.81	684.57	499.91
Less: Depreciation	220.10	176.54	124.73
Net Block	465.71	508.03	375.19
Capital WIP	41.41	0.00	0.00
Total (A)	**507.12**	**508.03**	**375.19**
Investments (B)	0.04	0.04	2.79
Current Assets, Loans & Advances			
Inventory	466.96	461.25	123.13
Sundry Debtors	1733.04	1396.84	1585.02
Cash and Bank Balances	333.04	233.96	186.31
Loans and Advances	815.40	652.22	267.08
Deferred Tax Assets	0.00	0.00	0.00
Total (C)	**3348.44**	**2744.27**	**2161.54**
Total Assets (A+B+C) = D	**3855.60**	**3252.33**	**2539.51**
Liabilities and Provisions			
Current Liabilities	836.87	926.32	1387.28
Provisions	567.82	498.52	254.91
Secured Loans	992.65	774.74	276.35
Unsecured Loans	23.04	11.60	5.00
Deferred Tax Liabilities	8.73	9.79	1.79
Total (E)	**2429.11**	**2220.98**	**1925.32**
Net Worth (D-E)	**1426.49**	**1031.36**	**614.19**
Net Worth represented by			
Equity Share Capital	986.26	657.24	100.00
Reserve and Surplus			
General Reserve	0.00	17.38	17.38
Profit & Loss account	440.23	356.74	496.81
Sub-Total	**1426.49**	**1031.36**	**614.19**
Less: Miscellaneous Expenditure *(to the extent not written off or adjusted)*	0.00	0.00	0.00
Net Worth	**1426.49**	**1031.36**	**614.19**

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

ANNEXURE - II - B
CONSOLIDATED

RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
INCOME			
Sales	1919.50	2596.17	3481.19
Network Installtion Charges	1639.72	805.89	466.87
Other Income	24.04	46.66	39.39
Variation in Stock	3.09	138.39	0.00
Total	**3586.35**	**3587.11**	**3987.45**
EXPENDITURE			
Cost of Goods Sold	1441.09	1690.77	2366.38
Sub Contract Charges	296.91	320.30	368.21
Payment & Provision to Employees	597.81	477.60	392.50
Administrative & Selling Expenses	485.29	383.71	341.14
Finance Expenses	96.53	59.88	50.34
Depreciation	55.19	55.66	34.67
Misc Expenses written off	0.00	6.30	0.00
Total	**2972.82**	**2994.22**	**3553.24**
Adjusted Profit before tax	**613.53**	**592.89**	**434.21**
Provision for Tax			
Current	219.86	240.00	95.62
Deferred Tax Asset / Liabilty	(1.06)	8.00	25.29
Fringe Benefit	0.00	0.00	9.69
Profit after Tax	**394.74**	**344.89**	**303.61**
Appropriations			
Dividend	0.00	40.00	0.00
Dividend tax	0.00	6.80	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**394.74**	**298.09**	**303.61**

ANNEXURE - III – B

CONSOLIDATED

RESTATED STATEMENT OF CASH FLOWS

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Cash flows from Operating Activities			
Net profit before taxation, and extraordinary item	**613.53**	**592.89**	**434.21**
Adjustments for:			
Depreciation	55.19	55.66	34.67
Profit /Loss on sale of Fixed Assets	0.52	(0.90)	0.00
Interest received	(19.21)	(18.25)	(20.50)
Preliminary Expense written off	0.00	6.30	0.00
Dividend	(0.01)	(0.31)	(0.10)
Interest expenses	96.53	59.88	50.34
Operating Profit before Working Capital Changes	**746.55**	**695.27**	**498.62**
Decrease / (Increase) in sundry debtors	(336.21)	188.18	(621.97)
Decrease / (Increase) in inventories	(5.71)	(338.12)	(37.40)
Decrease / (Increase) in loans and advances	(291.93)	(311.20)	(17.34)
Increase / (Decrease) in current liabilities & provisions	(89.45)	(467.26)	378.62
Cash Generated from Operations	**23.25**	**(233.12)**	**200.54**
Income taxes paid	(21.80)	(77.13)	(98.07)
Cash flow before extraordinary item	1.45	(310.26)	102.47
Extra Ordinary Items	0.00	0.00	0.00
Net Cash from Operating Activities	**1.45**	**(310.26)**	**102.47**
Cash flows from Investing Activities			
Purchase of Fixed Assets	(66.57)	(195.91)	(232.80)
Sale of Fixed Assets	11.76	8.31	0.00
(Increase) in Investments	0.00	2.75	(1.50)
Dividend	0.01	0.31	0.10
Net cash from Investing Activities	**(54.80)**	**(184.54)**	**(234.20)**
Cash flows from Financing Activities			
Proceeds from Issue of Share Capital	0.40	119.08	0.00
Increase/(Decrease) in unsecured loans (Short term)	11.44	6.60	5.00
Increase/(Decrease) in secured loans	217.90	498.40	(12.24)
Interest received	19.21	18.25	20.50
Interest paid	(96.53)	(59.88)	(50.34)
Dividend paid	0.00	(40.00)	0.00
Net cash used in Financing Activities	**152.42**	**542.44**	**(37.08)**
Net increase in Cash and Cash Equivalents	**99.08**	**47.65**	**(168.80)**
Add : Cash and cash equivalents at beginning of year	233.96	186.31	355.12
Cash and Cash Equivalents at end of year	**333.04**	**233.96**	**186.31**

ANNEXURE – IV - B

(A) SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of preparation of financial statements:
The consolidated financial statements are prepared under the historical cost conventionin accordance with the generally accepted accounting principles in India, the provisionsof the companies Act, 1956 and the applicable accounting standards. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

b) Principles of consolidation
The consolidated financial statements relate to Infonet IT Solutions Limited (the Company) and its subsidiary company Infonet Network Systems Singapore Pvt Ltd. The consolidated financial statements have been prepared on the following basis:

Name of the Subsidiary	Country of Incorporation	Effective Shareholding
Infonet Network Systems Singapore Pvt Ltd	Singapore	100%

The financial statements of the parent company and its subsidiary have been combinedon a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transaction and unrealized profits in full. Unrealised losses, if any, resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. The amounts shown in respect of reserves comprisethe amount of relevant reserves as per the balance sheet of the parent company and itsshare in the relevant reserves of the subsidiary.

As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's separate financial statements. The difference of the cost to the company of itsinvestmentin subsidiary over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve,as the case may be.

The Subsidiary Company considered in the consolidated financial statements:

Name of the Subsidiary	% of Voting Powers held as at 31st March, 2011	% of Voting Powers held as at 31st March, 2010 & preceeding financial year	Consolidation from
Infonet Network Systems Singapore Pvt Ltd	100%	100%	27th August, 2008

1. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires that the management of the Company makes estimates and disclosure relating to contingent liabilities on the date of the financial statements. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from those estimates. Examples of such estimates include the useful lives of tangible and intangible fixed assets, provision for doubtful debts / advances, future obligations in respect of retirement benefit plans, etc.

Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

2. Fixed Assets:

Fixed Assets are stated at cost of acquisition (net of CENVAT Credit availed) less depreciation and impairment loss if any, except for free hold land which is carried at cost. Cost of acquisition includes expenses (including non cenvatable duties and taxes) attributable in bringing the fixed assets to its working condition.

3. Foreign Currency Transactions:

Foreign currency transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Exchange differences, if any, arising out transactions settled during the year are recognized in the profit & loss account.
Monetary items denominated in foreign currency as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognized in profit & loss account. Non monetary foreign currency items are carried at cost.

4. Inventories:

Inventories of material & spares are valued at lower of cost (net of modvat credit and value added tax) or market value on FIFO basis. Work in progress is valued at cost. Cost includes cost of material & Spares and direct expenses incurred.

Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated cost of completion & selling expenses. Cost is arrived at on FIFO basis.

5. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of Product:-
Revenue (Income) from sales of product is recognized when risk and rewards of ownership are passed on to the customers, which generally coincides with physical dispatch of goods. Sales are stated on net basis i.e. exclusive of Vat.

Interest:-
Interest income is recognized on time accrual basis.

Other items of revenue are recognized in accordance with the accounting standard (AS-9) issued by Institute of Chartered Accountants of India and accordingly, where there are uncertainties in ascertainment of realization of income, is not accounted for

6. Investments

Investments that are readily realisable and intended to be held for not more than one year from the date of investment are classified as current investments. All other investments are classified as long-term investments Current investments are carried at the lower of cost and realisable value, determined on an individual investment basis. Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately in respect of each category of investment.

7. Depreciation:

Depreciation on fixed assets is provided on Written Down Value (WDV) method at the rates and in the manner specified under Schedule XIV to the Companies Act, 1956. Depreciation on Fixed Assets added / disposed off during the year has been provided on pro–rata basis with reference to the date of addition / disposal.

8. Retirement and other employee Benefits:

Provident Fund & Family Pension Fund
The Company contributes towards Provident Fund, Family Pension fund which are defined under the relevant contribution schemes, under the relevant recognized law. Contribution expenses are recognized as an expense in the Profit and loss account in the year in which the contribution is due.

Gratuity & Leave Encashment:-
With respect to gratuity liability, Company contributes to Life Insurance Corporation of India (LIC) under LIC's Group Gratuity policy. The company thus gets the said valuation done from LIC on actuarial basis.

Company has a policy for calculating and recording Leave Encashment in accordance with terms and conditions entered into with employees and are provided for as a liability on the basis of employee compensation rates existing at the Balance sheet date.

9. Taxes on Income.

Income-tax comprises of current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Tax on income in India for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Tax on income in Singapore for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the relevant law applicable in the Singapore.

Deferred tax is recognised on timing differences between the incomes accounted in financial statements and the taxable income for the year, and quantified using the tax rates and laws enacted on substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that they will be realised in future; however, where there is unabsorbed depreciation and carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

10. Impairment of assets

In accordance with Accounting Standard 28-Impairment of Assets (AS 28), the carrying amounts of the Company's assets including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated, as the higher of the net selling price and the value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is assessed at the recoverable amount subject to a maximum of depreciable historical cost.

11. Provisions and Contingent Liabilities:

Provision is recognized in the Balance sheet when, the Company has a present obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A disclosure by way of a 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. Borrowing Cost

Borrowing Costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

B) SIGNIFICANT NOTES TO RESTATED FINANCIAL STATEMENTS:

1. Infonet Network Systems Singapore Pvt Ltd., Subsidiary has been incorporated in F Y 2008-09, so restated financial statements have been prepared from F Y 2008-09 onwards.

2. The value of the closing stock of raw materials, work in process has been arrived at on the basis of the records maintained and certified by the Management.

3. In the opinion of the board, the current assets (except stock of raw material, work in process) loans and advances are approximately of the value stated , if realized, in the ordinary course of business.

4. The company has satisfactory title to all assets belonging to it except for immovable commercial property at A-31, Nand – Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai- 400059 which is not registered in the name of the Company.

5. STATEMENT OF ADJUSTMENTS IN PROFIT & LOSS ACCOUNTS

CONSOLIDATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Profits after tax as per audited financial statements	339.30	387.55	289.64
Adjustment on account of:			
Current Tax Impact Singapore	0.00	0.21	(0.21)
Current Tax Impact India	56.59	(39.00)	(10.00)
Deferred Tax Impact	(1.79)	1.81	24.17
Preliminary Expenses W/off	0.63	(5.67)	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**394.74**	**344.89**	**303.61**

Notes to above adjustments:

a) **Miscellaneous Expenditure**–During the year 2009-10, the company incurred certain Miscellaneous Expenses and as per the policy followed by the company the same was to be amortized over a period of 10 consecutive years. However to comply with the provisions of Accounting Standard 26 – Intangible Asset the same have been written off in F Y 2010-11 and has been given effect to in this restated statement.

b) The profit & loss account of certain years include amount paid/provided for or refunded in respect of short/excess income tax arising out of assessment and on account of short/excess provision of tax of earlier years. The impact on account such short/excess income tax has been adjusted in respective years.

6. Segment Reporting:

Company is dealing in the business of resale and installation of networking which is the only segment. All other activities of the company revolve around its main business. Hence, there is only one primary reportable business segment as defined by Accounting Standard – 17 as notified by the Companies (Accounting Standards) Rules, 2006.

7. Deferred Tax (Assets)/Liabilities

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Deferred Tax Asset/ Liabilities			
On account of difference in book and tax depreciation	14.08	11.72	8.88
On account of Capital Enhancement Expenses	0.43	(1.71)	0.00
On account of Gratuity	(5.51)	0.00	0.00
On account disallowance u/s 40(a)(ia) & 43B of Income Tax Act	(0.26)	(0.22)	(7.09)
Net Deferred Tax (Assets) / Liabilities	**8.73**	**9.79**	**1.79**

8. Managerial Remmuneration

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Salary & Allowances	97.27	105.34	113.34
Total	**97.27**	**105.34**	**113.34**

9. Auditors Remuneration

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Payment to Auditors			
- Audit Fees	5.03	4.63	3.26
Tax Audit & Other Services	1.63	1.74	1.65
TOTAL	**6.66**	**6.37**	**4.91**

10. Statement of Quantitative Details in respect of the Goods Traded

CONSOLIDATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31/03/2011		31/03/2010		31/03/2009	
	Qty	Amount	Qty	Amount	Qty	Amount
Opening Stock	88820	322.86	42453	123.13	29703	85.73
Add:-						
Purchases	899910	1351.31	1062234	1729.29	627980	2363.38
Less:-						
Sales	939904		1015868		615230	
Closing Stock	48826	325.48	88820	322.86	42453	123.13

11. Material Regrouping

a) In the audited accounts for the year 2006-07, 2007-08 & 2008-09, the company reported Inter unit Purchases, Sub – Contract Charges, Administration & Selling Expenses, Transport & Octroi & Cenvat Credit on Purchases under the head "Cost of Goods Sold" in the Profit & Loss Statement. In the restated financials the same are regrouped for meaningful comparison and better understanding.
b) In the audited accounts for the year 2006-07, 2007-08 & 2008-09, the company included the Inter unit Sales under the head Gross Sales. In the restated financials the same are deducted from 'Sales'.
c) In the audited accounts for the year 2008-09 & 2010-11 the company considered Cenvat Credit on Purchases & Exchange Fluctuation Profit as Other Income. In the restated financials the same are deducted/added from 'Other Income' for meaningful comparison and better understanding.

COST OF GOODS SOLD			
Year /Period ended on	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
Cost of Goods sold as per audited Accounts	1441.09	1690.77	2718.59
Less: Interunit Purchases	0.00	0.00	137.84
Less: Sub contract Charges	0.00	0.00	144.08
Less : Administration & Selling Expenses	0.00	0.00	0.00
Less : Cenvat Credit on Purchases	0.00	0.00	70.29
(Shown under the head Sndry Balances W/off Serviec Tax)			
Cost of Goods sold as per Restated Accounts	1441.09	1690.77	2366.38
SALES			
Year /Period ended on	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
Sales as per audited Accounts	1919.50	2596.17	3537.07
Less: Inter unit Sales	0.00	0.00	55.89
Sales as per Restated Accounts	**1919.50**	**2596.17**	**3481.19**
Network Installation Charges			
Year /Period ended on	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
Network Installation Charges as per audited Accounts	1639.72	805.89	548.83
Less: Inter unit Sales	0.00	0.00	81.96
Network Installation Charges as per Restated Accounts	1639.72	805.89	466.87
Other Income			
Year /Period ended on	**31st March, 2011**	**31st March, 2010**	**31st March, 2009**
Other Income as per audited Accounts	24.04	46.66	109.57
Less : Cenvat Credit on Purchases	0.00	0.00	0.00
(Reduced from Purchases)	0.00	0.00	70.29
	0.00	0.00	0.00
Other Income as per Restated Accounts	**24.04**	**46.66**	**39.28**

12. Micro, Small & Medium Enterprises

Based on the information available with the company, no vendors has been identified as 'supplier' within the meaning of "Micro, Small and Medium Enterprises Development Act 2006."

Annexure – V - B

STATEMENT OF CHANGES IN ACCOUNTING POLICY

There has been no changes in accounting policy during the reported period except below.

The Company has not made any provision in its books on account of gratuity for FY 2006-2007, 2007-2008, 2008-09 & 2009-10. The Company has made cumulative provision in its books on account of gratuity for FY 2010-2011 in accordance with terms and conditions entered into with Employees. For FY 2010-11 the Company has appointed Life Insurance Corporation to make actuarial valuation of the liability on account of gratuity payable by the Company .The actuary has made cumulative requirement of providing Rs. 16.22 Lakhs towards gratuity payment. Accordingly, the balance of cumulative provision required upto the period March 31, 2011 of Rs. 16.22 Lakhs has been charged off in the accounts for the financial year ended March 31, 2011. In the absence of the year wise data the provisions, if any, required to be made in the accounts as on March 31, 2007; March 31, 2008 ; March 31, 2009 and March 31, 2010 has not been separately identified and provided in the respective year(s).

ANNEXURE - VI - B
CONSOLIDATED

STATEMENT OF SUNDRY DEBTORS, AS RESTATED

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
-Outstanding for More than six months			
Unsecured, Considered Good	295.50	472.65	341.06
-Others			
Unsecured, Considered Good	1437.54	924.19	1243.95
Total	**1733.04**	**1396.84**	**1585.02**

Note: As per information given to us and based on our verification of records, Sundry Debtors does not include any amount due / receivable from any of the promoter / related parties.

ANNEXURE - VII - B
CONSOLIDATED

STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Loans And Advances & Deposits			
Lease Deposit	300.00	298.15	0.00
Advances recoverable in cash or in kind or for value to be received	374.99	113.22	99.67
Prepaid Taxes	140.41	240.86	167.40
Total	**815.40**	**652.22**	**267.08**

Note : As per information given to us and based on our verification of records , Loans & Advances does not include any amount due / receivable from any of the promoter / related parties except amount of Rs.22.00 lakhs advanced to Skyhigh Real Estate Pvt. Ltd. (A promoter Group Co).

ANNEXURE - VIII - B

CONSOLIDATED

STATEMENT OF SECURED LOANS, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
a) Working Capital Loans			
From bank			
Union Bank of India			
Fund Based Limits			
Cash Credit	989.85	750.80	140.58
Model Co-Op.Bank Ltd.			
Fund Based Limits			
Cash Credit	0.00	0.00	106.94
Total (a)	**989.85**	**750.80**	**247.52**
b) Vehicle and Equipment loans			
ICICI Bank Ltd.	2.80	9.36	15.58
Reliance Capital		9.15	
Union Bank of India	0.00	5.44	13.25
Total (b)	**2.80**	**23.95**	**28.83**
Total (a+b)	**992.65**	**774.75**	**276.35**

Sr. No.	Name of the Bank	Type of the loan facility	Amount (Rs.)	Interest %	Repayment	Security
1	Union Bank of India	**Fund Base Limit** Cash Credit Limit	700.00	12.50%	On Demand	**Primary Security** Hypothecation of stock, Book Debts of theCompany **Collateral Security** Registered Mortgage of office unit at: 1.) Unit no. A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400059 2.) Unit no. A/31,Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400059.

Sr. No.	Name of the Bank	Type of the loan facility	Amount (Rs.)	Interest %	Repayment	Security
						3.) 872/H-1,Hal 2nd stage, Banglore. 4.) 13/A Sher-e-Punjab CHS Ltd., Mahakali Caves Road Andheri (E), Mumbai – 400093 owner Mr. Joson Thomas Personal Guarantee of Mr.Joson Thomas Mr. Praveen Valiya Parampath Mrs. Asha Joson Mrs. Jini Praveen
2	Union Bank of India	Secured Over Draft against FDR	177.00	1% ODR		Duly Discharged FDRs with UBI as stated: 1) 450303030222511 - 25.11 Lakhs 2) 450303030222494 - 13.97 Lakhs 3) 450303030219950 - 25.00 Lakhs 4) 450303200000135 - 2.65 Lakhs 5) 450303200000131 - 10.00 Lakhs 6) 450303200000130 - 10.00 Lakhs 7) 450303200000129 - 10.00 Lakhs 8) 450303200000128 - 10.00 Lakhs 9) 450303200000127 - 10.00 Lakhs 10) 450303200000126 - 10.00 Lakhs 11) 450303200000125 - 10.00 Lakhs 12) 450303200000124 - 10.00 Lakhs
3	Standard Chartered Bank	Term Loan	244.00	11.50%	144 months	**Collateral Security** Unit No.201, Corpn No. 3/1, Sy No. 136, Binnamangala Village, Kasabha Hobli, Indira Nagar, Bangalore. **GUARANTEE** Personal guarantee of Mr.Joson Thomas Mr. Praveen Valiya Parampath
4	ICICI Bank	Vehicle Loan	15.45	9.67%	60 Monthly	Hypothecation of Motor

Sr. No.	Name of the Bank	Type of the loan facility	Amount (Rs.)	Interest %	Repayment	Security
					Installments	Car
1	Union Bank of India	**Non- Fund Base Limit** Import L/C with 25% margin	100.00	12.50%		Hypothication of All-Stock Procured Under Bank Guarantee or LC 1.) A/32, Nand Dham Industrial Estate, MarolMaroshi Road, Andheri (E), Mumbai400059 2.) 872/H-1,Hal 2nd stage, Banglore. 3.) 13/A Sher-e-Punjab CHS Ltd., Mahakali Caves Road Andheri (E), Mumbai – 400093 owner Mr. Joson Thomas 4.) A/31,NandDham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai400059.

ANNEXURE – IX – B

STATEMENT OF UNSECURED LOANS, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Loan from Director			
Joson Thomas	2.65	0.00	5.00
Asha Joson	5.61	5.61	0.00
Jini Praveen	5.90	5.99	0.00
Praveen Valiya Parampath	8.88	0.00	0.00
Total	**23.04**	**11.60**	**5.00**

ANNEXURE – X – B

CONSOLIDATED

STATEMENT OF SALES AND OPERTING INCOME, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Sales (including Interunit)	1919.50	2596.17	3537.07
Less: Interunit Sales	0.00	0.00	55.89
SALES	**1919.50**	**2596.17**	**3481.19**

Sr. No.	Name of the Bank	Type of the loan facility	Amount (Rs.)	Interest %	Repayment	Security
Network Installtion Charges (including Interunit)			1639.72		805.89	548.83
Less: Interunit Networking Charges			0.00		0.00	81.96
Network Installtion Charges			**1639.72**		**805.89**	**466.87**

ANNEXURE – XI - B

CONSOLIDATED

STATEMENT OF OTHER INCOME, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
RECURRING			
Interest on Fixed Deposits	19.21	18.25	20.83
Other Income	4.80	1.55	5.12
Exchange Fluctuation Profit/(Loss)	(1.15)		1.06
Commission	0.00	4.25	12.38
NON RECURRING			
Keyman Insurance Claim		22.61	
Total	**22.86**	**46.66**	**39.39**

ANNEXURE – XII - B

CONSOLIDATED

STATEMENT OF CONTINGENT LIABILITY, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Letter of credit	33.39	0.00	0.00
Bank Guarantee / Bank Guarantee Bonds	38.76	32.02	23.85
Bills Discounted	0.00	0.00	0.00
Disputed Liability on account of Income Tax	0.00	0.00	0.00

ANNEXURE - XII
CONSOLIDATED

SUMMARY OF ACCOUNTING RATIOS

(Amount in Lacs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
a) Earnings Per Share			
Adjusted Profit after tax but before extraordinary items	394.74	344.89	303.61
Weighted Average number of Equity shares outstanding	9,858,896	8,778,724	8,667,800
Basic Earning Per Share (Rs.)	4.00	3.93	3.50
Diluted Earning Per Share (Rs.)	4.00	3.93	3.50
b) Net Asset Value Per Share			
Total Asset (a)	3855.60	3252.33	2539.51
Total Liabilities (b)	2429.11	2220.98	1925.32
Asset Value [(a)-(b)]	1426.49	1031.36	614.19
Weighted Average number of Equity shares outstanding	9858896	8778724	8667800
Net Asset Value per share (Rs.)	**14.47**	**11.75**	**7.09**
c) Return on Net Worth (%)			
Adjusted Profit after tax but before			
extraordinary items	394.74	344.89	303.61
Net Worth	1426.49	1031.36	614.19
Return on Net Worth (%)	**27.67**	**33.44**	**49.43**
Weighted Average number of Equity shares outstanding during the year considered for Basic and diluted EPS, Net Asset Value per Share and Return on Net Worth	**9858896**	**8778724**	**8667800**

Formulae:

$$\text{Earnings Per Share} = \frac{\text{Adjusted profit after tax but before extraordinary items}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Net Asset Value Per Share} = \frac{\text{Net worth excluding Revaluation Reserve}}{\text{Weighted Average Number of Equity Shares outstanding during the year}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Adjusted profit after tax but before extraordinary items}}{\text{Net worth excluding Revaluation Reserve}}$$

Note: Net Worth = Equity Share Capital + Reserves & Surplus (Excluding revaluation reserve) – Miscellaneous Expenditure

Notes:

1) Earnings per Share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of para 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.
2) During the year ended 31st March, 2009 the company has issued 90,00,000 bonus shares of Re.1/- each on 20th March 2009 to the shareholders in the ratio of nine shares for every one share held by them.
3) During the year ended 31st March, 2010 the company has issued 1,19,08,000 shares of Re.1/- each on 25th February 2010 to two of the promoters for consideration other than cash for purchase of office premises at A-31, Nand Dham Industrial Estate , Marol Maroshi Road , Andheri (East) Mumbai -400059
4) During the year ended 31st March, 2010 the company has issued 4,38,16,000 bonus shares of Re.1/- each on 15th March 2010 to the shareholders in the ratio of two shares for every one share held by them.
5) During the year ended 31st March, 2011 the company has consolidated its Equity Share Capital from Re.1/- paid - up to Rs. 10/- paid - up on 10th July, 2010.
6) During the year ended 31st March, 2011 the company has issued 32,86,200 bonus shares of Rs.10/- each on 15th September 2010 to the shareholders in the ratio of one shares for every two share held by them.
7) Since the bonus issue is an issue without consideration, it has been treated as if it had occurred from the beginning of the earliest period reported i.e. 31st March, 2007, both for the purpose of computing EPS and Net Asset Value per Share.
8) The above ratios have been calculated based on restated financial statements.

ANNEXURE – XIV – B

CONSOLIDATED

CAPITALISATION STATEMENT, AS RESTATED

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	Pre Issue As on 31/03/2011	Post Issue
Loans - Secured and Unsecured		
Short Term Debt	23.04	[*]
Long Term Debt	992.65	[*]
Total Debt	1015.69	[*]
Share Holders Funds		
Share Capital	986.26	[*]
Reserves and Surplus	440.23	[*]
Sub-Total	1426.49	[*]
Less : Preliminary Expenses not written off	0.00	[*]
Total Share Holder's Fund	1426.49	[*]
Long Term Debt / Equity	0.70	[*]

Note :

a) The above has been computed on the basis of restated statements of accounts

b) Security Premium under the head Reserves and Surplus for the post issue capitalisation will be determined after fixation of the issue price.

ANNEXURE – XV – B
CONSOLIDATED

Statement of Tax Shelters - For INDIA

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Profit before tax but after Extraordinary items as per books (A)	609.39	585.82	403.03
Tax rate	33.99%	33.99%	33.99%
Tax at notional rate on profits (X)	**207.13**	**199.12**	**136.99**
Adjustments:			
Total Permanent differences (B)	7.72	11.28	7.14
Total Timing Differences (C)	8.28	(29.48)	(166.37)
Net Adjustments (B+C)	**15.99**	**(18.21)**	**(159.22)**
Tax Saving thereon (Y)	5.44	(6.19)	(54.12)
Profit as per Income Tax Returns (D)=A+(B+C)	**625.38**	**567.62**	**243.80**
Brought Forward Losses adjusted (E)	0.00	0.00	0.00
Taxable Income (D+E)	**625.38**	**567.62**	**243.80**
Tax Payable	**187.61**	**170.29**	**73.14**
Less: MAT Credit	0.00	0.00	0.00
Total Tax as per Return	**187.61**	**170.29**	**73.14**
Taxable Income as per MAT	609.39	585.82	403.03
Tax Payable as per MAT	**109.69**	**87.87**	**40.30**
Total tax payable or MAT whichever is Higher	187.61	170.29	73.14
Add: Surcharge	18.76	17.03	7.31
Add: Education Cess	6.19	5.62	2.41
Interest u/s 234 (As per return of Income)	13.82	43.26	10.11
Total Tax Payable	**226.39**	**236.20**	**92.98**

Statement of Tax Shelters - For Singapore

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Profit before tax but after Extraordinary items as per books (A)	4.77	1.39	31.19
Tax	**0.45**	**1.20**	**2.75**

Statement of Tax Shelters – CONSOLIDATED

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Profit before tax but after Extraordinary items as per books - CONSOLIDATED	613.53	592.89	434.21
Tax - CONSOLIDATED	**226.63**	**239.33**	**95.74**

Note:
1) The aforesaid Statement of Tax Shelters has been prepared as per the audited accounts and return of income filed by Infonet IT Solutions (I) Limited for the respective years and is not based on the profits as per the 'Summary of Restated Profit and Loss Account'.

ANNEXURE – XVI - B
CONSOLIDATED

STATEMENT OF INVESTMENTS, AS RESTATED

(Amount in Lakhs)
(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Unquoted investment			
Infonet network Systems Singapore Pvt Ltd.	0.00	0.00	0.00
Nand -Dham CHS Ltd.	0.01	0.01	2.79
Quoted investment			
Union Bank of India (200 shares of Rs. 10/- each fully paid)	0.03	0.03	0.00
Total	**0.04**	**0.04**	**2.79**

ANNEXURE – XVII – B
CONSOLIDATED

TRANSACTIONS WITH THE RELATED PARTIES

(Amount in Lakhs)
(All amount in Indian Rupees)

Party	Relationship
Joson Thomas	Director - Key Management Personnel
Praveen Valiya Parampath	Director - Key Management Personnel
Jini Praveen	Wife of Praveen Valiya Parampath
Asha Joson	Wife of Joson Thomas
Infonet Network Systems Singapore Pvt Ltd	Subsidiary
Sky High Real Estates Pvt Ltd.	Enterprise under significant influence of Key Management Personnel or their Relatives
Netlabs Education (I) Pvt. Ltd.	
Honeybe Distributors (I) Pvt. Ltd.	
JT and PV Enterprises Pvt. Ltd.	

Particulars		31st March, 2011	31st March, 2010	31st March, 2009
Joson Thomas	Salary & Allowances	30.32	-	-
	Lease Deposit	150.00	-	-
	Payable	2.65	-	5.00
Praveen Valiya Parampath	Salary & Allowances	30.32	-	-
	Lease Deposit	150.00	-	-
	Payable	8.88	-	-
Jini Praveen	Salary & Allowances	18.32	-	-
	Payable	5.90	5.99	0.00
Asha Joson	Salary & Allowances	18.32	-	-
	Payable	5.61	5.61	0.00
Sky High Real Estates	Advance Given	-	-	-
Pvt Ltd.	Receivable	22.00	22.00	22.00
Netlabs Education	Advance Given	3.01	2.46	-
(I) Pvt. Ltd.	Advance Taken	5.47	-	-
	Receivable	-	2.46	-

ANNEXURE – XVIII - B

CONSOLIDATED

STATEMENT OF DIVIDEND PROPOSED/PAID AND TAX THEREON

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009
Equity Share Capital		100.00	
Number of Equity Shares		100.00	
Equity Shares Face Value		Rs.1	
Rate of Dividend (%)			
Interim	0%	40.00%	0%
Final	0%	0.00%	0%
Amount of Dividend on Equity Shares			
Interim	Nil	40.00	Nil
Final	Nil	0.00	Nil
Total tax on Dividend	Nil	6.80	Nil

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS

The following discussion of our financial condition and results of operations should be read in conjunction with our audited financial statements as of and for the years ended March 31, 2007, 2008, 2009 2010 and 2011 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the ICDR Regulations, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "Financial Information" beginning on Page No. 107 of this Draft Red Herring Prospectus. Unless otherwise stated, the financial information used in this section is derived from our audited consolidated financial statements, as restated.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those under U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Companies Act, Indian GAAP and ICDR Regulations.

We have incorporated a 100 % subsidiary named Infonet Network Systems (Singapore) Private Limited in the FY 2008-09. The financials of Infonet Network Systems (Singapore) Private Limited have been consolidated with the financial of our company for the year ended March 31, 2009, 2010 and 2011.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" beginning on Page No.xii and Page No. xi, respectively. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Infonet IT Solutions (I) Limited and a reference to "we", "us" and "our" refers to Infonet IT Solutions (I) Limited and its subsidiaries and joint venture companies, on a consolidated basis.

OVERVIEW

Our Company provides a comprehensive range of IT Solutions which includes designing and consultancy, structured cabling, switching, routing, optical fibre services, network auditing, wireless network, security, video conferencing, servers, uninterrupted power supply (UPS) and storage, voice over internet protocol telephony (Voip), unified communications, managed leased line network (MLLN) technology, physical security and facility management services, etc.

In the initial days, the business focus of our Company was only on structured cabling segment. Now we are one of the companies which is a dedicated IT specialist, providing strategic, personalized, end-to-end IT solutions to customers across several sectors.

As on March 31, 2011, we had 300 employees which includestrained OEM certified system engineers.We adhere to international best practices standards and have been certified with ISO 9001: 2008 and also have a mature Quality Management System that spans across all functions of the organization.

We primarily face competition from Indian IT services companies as well as international technology services companies which offer turnkey solutions. We anticipate this competition to grow as the demand for these services increases and we also expect additional companies to enter the Indian market.

In FY 2011, our total income was Rs. 3583.26 Lakhs and we earned net profit after tax of Rs. 394.74Lakhs. For the period ending March 31, 2010, our total income stood at Rs. 3587.11 lakhs and we earned a net profit of Rs. 344.89 lakhs.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations could potentially be affected by the following factors

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the
- fiscal regime; and
- volatility in the Indian and global securities markets.

Our business, results of operations and financial condition are affected by a variety of factors, includingthe following:

Economic Conditions in India

The results of operations have been and will continue to be influenced by performance of the overall Indian economy. India has experienced rapid economic growth in recent years. According to the World Economic Outlook Database, June 2011, India's GDP growth year on year was 10.4% in CY2010 and the projected growth rate for CY2011 is 8.2% and 7.8% for CY2012.

We believe that there is a positive correlation between IT spending in India and the country's GDP growth. The positive economic environment has greatly impacted spending on IT services and products, correspondingly increasing our revenues.

Demand for IT Services and IT Spending in India

According to NASSCOM, it is expected that by the year 2020,the Indian IT-BPO-ITeS industry to reach a market size of US$225 billion based on significant opportunities from core verticals like BFSI, retail, healthcare and government along with geographic segment like the US and emerging markets like Asia-Pacific region.

Our Company has several clients from these sectors and we expect to grow our revenues furtherthrough acquiring new clients in these sectors.

Competition

The IT solutions market is a price sensitive market which has a large number of participants. Our profit margins may be affected if competition intensifies. Further, as a result of increase in scale of operations, adoption of aggressive pricing strategies by our competitors in order to gain market share or new competitors entering the markets, may adversely affect our operations and financial results.

Increase in Receivables

Our financials are also dependent on our working capital cycle. Increase in receivables could negatively affect our operations. We may have to borrow further to keep continue our operations efficiently. This would increase our interest cost and hence decrease our profitability.

KEY COMPONENTS OF OUR PROFIT AND LOSS STATEMENT

Income

Our income primarily comprises income from sales and network installation charges.

Income from sales

Income from sales primarily consists of the sale of IT and non-IT equipment.

Income from network installation charges

Income from networkinstallation charges primarily includes installation and configuration of IT and non-IT equipments, FMS and other IT services such as structured cabling solutions, design and consultancy servicesetc.

Other income

Other income mainly comprises income from interest on bank deposits kept as margin toward non-fund based banking facilities and commission income.

Expenditures

Our expenditures consist of cost of goods sold, sub contract charges, administrative and other expenses, payment & provision to employees, administrative and selling expenses, Financial Expenses and depreciation.

Operating and other direct expenses

Operating and other direct expenses account for the bulk of our expenditures. Operating and other direct expenses include purchases, cost of warranty certificates, consumable stores, transportation charges , Payment and Provision to Employees and other direct expenses.

Administration and Selling expenses

Administration and other expenses consist primarily of various charges like advertisement, auditing, business promotion, commission and brokerage, director's remuneration, donation, electricity charges, foreign exchange fluctuation, filing and tender fees, insurance, internet charges, membership and subscription, office expenses, printing and stationery, professional and legal expenses, recruitment and training, rent, repairs and maintenance, travelling and vehicle expenses.

Finance charges

Finance charges consist of Bank interest, Bank charges and interest on car loan.

Depreciation

We recognize depreciation on a written down value method as per the rates set forth as per schedule XIV to the Companies Act.1956.

RESULTS OF OPERATIONS

Consolidated Profit and Loss Statement Comparison

RESTATED SUMMARY STATEMENT OF PROFITS AND LOSSES

(Amount in Lakhs)

Particulars	31st March, 2011	% of Total Income	31st March, 2010	% of Total Income	31st March, 2009	% of Total Income	31st March, 2008	% of Total Income
INCOME								
Sales	1919.50	53.52	2596.17	72.37	3481.19	87.31	2964.50	84.81
Network Installtion Charges	1639.72	45.72	805.89	22.47	466.87	11.71	504.28	14.43
Other Income	24.04	0.67	46.66	1.30	39.39	0.99	26.47	0.76

Particulars	31st March, 2011	% of Total Income	31st March, 2010	% of Total Income	31st March, 2009	% of Total Income	31st March, 2008	% of Total Income
Variation in Stock	3.09	0.09	138.39	3.86	0.00	0.00	0.00	0.00
Total	**3586.35**	**100.00**	**3587.11**	**100.00**	**3987.45**	**100.00**	**3495.25**	**100.00**
EXPENDITURE								
Cost of Goods Sold	1441.09	40.18	1690.77	47.13	2366.38	59.35	2323.53	66.48
Sub Contract Charges	296.91	8.28	320.30	8.93	368.21	9.23	125.68	3.60
Payment & Provision to Employees	597.81	16.67	477.60	13.31	392.50	9.84	320.97	9.18
Administrative & Selling Expenses	485.29	13.53	383.71	10.70	341.14	8.55	354.29	10.14
Finance Expenses	96.53	2.69	59.88	1.67	50.34	1.26	37.39	1.07
Depreciation	55.19	1.54	55.66	1.55	34.67	0.87	31.44	0.90
Misc Expenses written off	0.00	0.00	6.30	0.18	0.00	0.00	0.00	0.00
Total	**2972.82**	**82.89**	**2994.22**	**83.47**	**3553.24**	**89.11**	**3193.30**	**91.36**
Adjusted Profit before tax	**613.53**	**17.11**	**592.89**	**16.53**	**434.21**	**10.89**	**301.96**	**8.64**
Provision for Tax								
Current	219.86	6.13	240.00	6.69	95.62	2.40	139.94	4.00
Deferred Tax Asset / Liabilty	(2.77)	(0.08)	8.00	0.22	25.29	0.63	(3.69)	(0.11)
Fringe Benefit	0.00	0.00	0.00	0.00	9.69	0.24	9.65	0.28
Profit after Tax	**396.45**	**11.05**	**344.89**	**9.61**	**303.61**	**7.61**	**156.05**	**4.46**
Appropriations								
Dividend	0.00	0.00	40.00	1.12	0.00	0.00	0.00	0.00
Dividend tax	0.00	0.00	6.80	0.19	0.00	0.00	0.00	0.00
Adjusted Available Surplus carried forward to Balance Sheet	**396.45**	**11.05**	**298.09**	**8.31**	**303.61**	**7.61**	**156.05**	**4.46**

Income

For the year ended March 31, 2011, our income was Rs.3,586.35lakhs.

Income from sales

Income from sales in the year ended March 31, 2011 was Rs.1,919.50 lakhs, consisting primarily sale of IT and non- IT equipments. Income from sales represented 53.52% of our total income in the year ended March 31, 2011.

Income from network installation charges

Income from network installation charges in the year ended March 31, 2011 was Rs.1,639.72 lakhs. The increase was primarily due to increase in income from larger contracts. Income from services represented 45.72% of our total income in the year ended March 31, 2011.

Other income

Other income was Rs.24.04 lakhs in the year ended March 31, 2011, consisting primarily of interest on bank deposits kept as margin toward non-fund based banking facilities and commission income. Other income represented 0.67% of our total income in the year ended March 31, 2011.

Expenditure

Total expenditure in the year ended March 31, 2011 was Rs.2, 972.82 lakhs. The marginal decrease in expenditure is due to decrease in cost of goods sold and sub contract charges.

Operating and other direct expenses

Operating and other direct expenses were Rs.2, 335.81 lakhs in the year ended March 31, 2011. The decrease was due to decrease in cost of goods sold and decrease in sub contract charges by the use of in-house resources. The Payment & Provision to Employees has increased by Rs.120.21 lakhs to Rs.597.81 lakhs on account increase in salaries.

Administration and Selling expenses

Administration and Selling expenses were Rs.485.29 lakhs in the year ended March 31, 2011. The increase was primarily on account of writing off bad debts amounting to Rs.106.74 lakhs.

Finance Expenses

Finance expenses were Rs.96.53lakhs in the year ended March 31, 2011. The increase was primarily due to increased cost of bank guarantees and Letter of Credits required in bidding and execution of large projects. Finance expenses represented 3.25% of our total expenditure in the year ended March 31, 2011.

Depreciation

Depreciation was Rs.55.19lakhs in the year ended March 31, 2011. Depreciation was 1.86% of our total expenditure in the year ended March 31, 2011.

Net profit before tax

Net profit before tax was Rs.613.53lakhs in the year ended March 31, 2011.

Provision for taxation

Provision for taxes (including deferred tax charge) was Rs.219.22 lakhs in the year ended March 31, 2011.

Net profit after tax

Net profit after tax was Rs.394.31 lakhs in the year ended March 31, 2011.

Comparison of fiscal 2011 and 2010

Income

Our total income has decreased marginally by Rs.0.76 lakhs or 0.02% to Rs.3,586.35 lakhs in fiscal 2011from Rs. 3,587.11 lakhs in fiscal 2010, resulting primarily from a decrease in sales.

Income from sales

Income from sales has decreased by of Rs. 676.66 lakhs, or 26.06%, to Rs.1, 919.50 lakhs in fiscal 2011 from Rs.2, 596.17 lakhs in fiscal 2010. The decrease was primarily due to increased focus of our Company on high margin service business.

Income from network installation charges

Income from network installation charges in fiscal 2011 was Rs.1,639.72 lakhs, an increase of Rs.833.8 lakhs , or 103.47%, from Rs.805. 89 lakhs for fiscal 2010. The increase was primarily due to increase in income from larger contracts.

Other income

Other income was Rs.24.04 lakhs for fiscal 2011, a decrease of Rs.22.62 lakhs, or 48. 47%, from Rs.46.6 lakhs for fiscal 2010. The decrease was primarily due to decrease in commission income.

Expenditure

Our total expenditure decreased by Rs.21.40 lakhs or 0.71%, to Rs.2, 972.82 lakhs in fiscal 2011 from Rs.2, 994.22 lakhs in fiscal 2010. The decrease in expenditure was in line with the decrease in our income.

Operating and other direct expenses

Operating and other direct expenses decreased by Rs.152.86 lakhs or 6.14%, from Rs.2, 335.81 lakhs in fiscal 2011to Rs.2, 488.67 lakhs in fiscal 2010. The decrease was due to decrease in cost of goods sold and decrease in sub contract charges by the use of in-house resources.

The Payment & Provision to Employees has increased by Rs.120.21 lakhs or 25.17% to Rs.597.81 lakhs in fiscal 2011 from Rs.477.60 lakhs in fiscal 2010, on account increase in salaries.

Administration and Selling expenses

Administration and other expenses increased by Rs.101.58 lakhs or 26.47%, to Rs.485.29 lakhs in fiscal 2011 from Rs.383.71 lakhs in fiscal 2010. The increase was primarily on account of writing off bad debts amounting to Rs.106.74 lakhs.

Finance Expense

Finance expenses increased by Rs.36.65 lakhs or 61.20 % to Rs.96.53lakhs in the year ended March 31, 2011 from Rs.59.88 lakhs in fiscal 2010. The increase was primarily due to increased cost of bank guarantees and Letter of Credits required in bidding and execution of large projects.

Depreciation

Depreciation decreased by Rs.0.47 lakhs or 0.86% to Rs.55.19 lakhs in fiscal 2011 from Rs.55.66 lakhs in fiscal 2010. The decrease was primarily due to the use of written down value method for calculation of depreciation.

Net profit before tax

Net profit before tax was Rs.613.53 lakhs in fiscal 2011, which represented an increase of Rs.20.64 lakhs or 3.48%,from Rs.592.89 lakhs in fiscal 2010.

Provision for taxation

Provision for taxation (including deferred tax asset) was Rs. 219.22 lakhs in fiscal 2011, compared to Rs.248.00 lakhs in fiscal 2010, a decrease of Rs.28.77 lakhs or 11.60%.

Net profit after tax

Net profit after tax increased by Rs.49.42 lakhs or 14.33%, to Rs.394. 31 lakhs in fiscal 2011 from Rs.344.89 lakhs in fiscal 2010, due to the factors discussed above.

Comparison of fiscal 2010 and 2009

Income

Our total income has decreased by Rs.400.23 lakhs or 10.04 % to Rs.3, 587.11 lakhs in fiscal 2010 from Rs.3, 987.34 lakhs in fiscal 2009, resulting primarily from a decrease in sales.

Income from sales

Income from sales has decreased by of Rs.885.02 lakhs, or 25.42%, to Rs.2, 596.17 lakhs in fiscal 2010 from Rs.3, 481.19 lakhs in fiscal 2009. The decrease was due to downturn in the economy.

Income from Services

Income from network installation charges in fiscal 2010 was Rs.805. 89 lakhs, an increase of Rs.339.02 lakhs, or 72.61%, from Rs.466.87 lakhs in fiscal 2009. The increase was primarily due to increase in income from larger number of projects.

Other income

Other income was Rs.46.6 lakhs for fiscal 2010, an increase of Rs.7.38 lakhs or 18.79%, from Rs.39.28 lakhs for fiscal 2009. The increase was primarily due to increase in commission income.

Expenditure

Our total expenditure decreased by Rs.558.91 lakhs or 15.73%, to Rs.2,994.22 lakhs in fiscal 2010 from Rs.3,553.13 lakhs in fiscal 2009. The decrease in expenditure was primarily due to decrease in cost of goods sold.

Operating and other direct expenses

Operating and other direct expenses decreased by Rs.638.42 lakhs or 20.42%, from Rs.2,488.67 lakhs in fiscal 2010 to Rs.3,127.09 lakhs in fiscal 2009. The decrease was primalrily due to decrease in cost of goods sold.

The Payment & Provision to Employees has increased by Rs.85.10 lakhs or 21.68% to Rs.477.60 lakhs in 2010 from Rs.392.50 lakhs in fiscal 2009, on account increase in salaries.

Administration and Selling expenses

Administration and other expenses increased by Rs.42. 68 lakhs or 12.52% to Rs.383.71 lakhs in fiscal 2010 from Rs.341.03 lakhs in fiscal 2009. The increase was primarily on account of professional and legal charges.

Finance Expense

Finance expenses increased by Rs.9.54 lakhs or 18.95 % to Rs.59.88 lakhs in fiscal 2010 from Rs.50.34 lakhs in fiscal 2009. The increase was primarily due to marginal increase in Bank charges and interest.

Depreciation

Depreciation increased by Rs.20.99 lakhs or 60.53% to Rs.55.66 lakhs in fiscal 2010 from Rs.34.67 lakhs in fiscal 2009 from. The increase was primarily due to the depreciation on new assets purchased.

Net profit before tax

Net profit before tax was 592.89 lakhs in fiscal 2010, which represented an increase of Rs.158.68 lakhs or 36.54%, from `434.21 lakhs in fiscal 2009.

Provision for taxation
Provision for taxation (including deferred tax liability) was Rs.248.00 lakhs in fiscal 2010 compared to Rs.130.60 lakhs, an increase of Rs.117.40 lakhs or 89.90%.

Net profit after tax

Net profit after tax increased by Rs. 41.28 lakhs or 13.60%, to Rs. 344.89 lakhs in fiscal 2010 from Rs. 303.61 lakhs in fiscal 2009, due to the factors discussed above.

Comparison of fiscal 2009 and 2008

Income

Our total income has increased by Rs.492.09 lakhs or 14.08% to Rs.3987.34 lakhs in fiscal 2009 from Rs.3495.25 lakhs in fiscal 2008, resulting primarily from a increase in sales.

Income from sales

Income from sales has increased by of Rs. 516.69 lakhs or 17.43%, to Rs.3481.19 lakhs in fiscal 2009 from Rs. 2964.50 lakhs in fiscal 2008. The increase was due to increase in volume and more focus on direct sales and less dependence on job work receipts.

Income from network installation charges

Income from network installation charges in fiscal 2009 was Rs.466.87 lakhs, an decrease of Rs. 37.41 lakhs or 7.42%, from Rs. 504.28 lakhs in fiscal 2008. The decrease was primarily due to more focus on direct sales .

Other income

Other income was Rs.39.39 lakhs for fiscal 2009, an increase of Rs.12.81 lakhs, or 48.39%, from Rs.26.47 lakhs for fiscal 2008. The increase was primarily due to increase in commission income.

Expenditure

Our total expenditure increased by Rs.359.83 lakhs or 11.27%, to Rs.3553.13 lakhs in fiscal 2009 from Rs.3,193.30 lakhs in fiscal 2008. The increase in expenditure was primarily due to increase in Sub contract Charges.

Operating and other direct expenses

Operating and other direct expenses increased by Rs.356.92 lakhs or 12.88%, to Rs.3127.09 lakhs in fiscal 2009 from Rs. 2770.17 lakhs in fiscal 2008. The increase was primalrily due to decrease in Sub Contract Charges.

The Payment & Provision to Employees has increased by Rs. 71.54 lakhs or 22.29% to Rs.392.50 lakhs in 2009 from Rs. 320.97 lakhs in fiscal 2008, on account increase in salaries.

Administration and Selling expenses

Administration and other expenses decreased by Rs. 13.27 lakhs or 3.74%, to Rs. 341.14 lakhs in fiscal 2009 from Rs. 354.29 lakhs in fiscal 2008. The decrease was primarily on account of bad debts w/off.

Finance Expense

Finance expenses increased by Rs.12.95 lakhs or 34.65 % to Rs.50.34 lakhs in fiscal 2009 from Rs.37.39 lakhs in fiscal 2008. The increase was primarily due to marginal increase in Bank charges and interest.

Depreciation

Depreciation increased by Rs.3.23 lakhs or 10.26% to Rs.34.67 lakhs in fiscal 2009 from Rs.31.44 lakhs in fiscal 2008. The increase was primarily due to the depreciation on new assets purchased.

Net profit before tax

Net profit before tax was Rs.434.21 lakhs in fiscal 2009, which represented an increase of Rs.132.26 lakhs or 43.80%, from Rs.301.96 lakhs in fiscal 2008.

Provision for taxation

Provision for taxation (including deferred tax liability) was Rs.130.60 lakhs in fiscal 2009 compared to Rs.145.90 lakhs, an decrease of Rs.15.30 lakhs or 10.49%.

Net profit after tax

Net profit after tax increased by Rs.147.56 lakhs or 94.56%, to Rs.303.61 lakhs in fiscal 2009 from Rs.156.05 lakhs in fiscal 2008, due to the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2011 and March 31, 2010, we had cash and bank balances of Rs.333.04 lakhs and Rs.233.96 lakhs, respectively.

Cash flows

The following table sets forth the principal components of our consolidated statement of cash flows for fiscal 2011, fiscal 2010 and fiscal 2009 and standalone cash flow for fiscal 2008:

RESTATED STATEMENT OF CASH FLOWS

(Amount in Lakhs)

(All amount in Indian Rupees)

Particulars	31st March, 2011	31st March, 2010	31st March, 2009	31st March, 2008
Net Cash from Operating Activities	1.45	(310.26)	102.47	199.38
Net cash from Investing Activities	(54.79)	(184.54)	(234.20)	(50.47)
Net cash used in Financing Activities	152.42	542.44	(37.07)	59.32
Net increase in Cash and Cash Equivalents	**99.08**	**47.65**	**(168.80)**	**208.23**

Operating activities

Net cash generated from operating activities was Rs. 1.45 lakhs in fiscal 2011 as compared to net cash used of ` 310.26 lakhs in operating activities in fiscal 2010. The change was primarily attributable to an increase and decrease in sundry debtors and inventories respectively.

Investing activities

Net cash used in investing activities in fiscal 2011 was Rs. 54. 80 Lakhs as compared to Rs. 184.54 Lakhs in fiscal 2010. The decrease was primarily attributable to a decrease in the purchase of fixed assets in fiscal 2011.

Financing activities

Net cash generated from financing activities was Rs. 152.42 lakhs in fiscal 2011, which was a decrease of Rs. 390.02 lakhs, or 71.90%, from Rs. 542.44 lakhs in fiscal 2010. The decrease was primarily due to lesser increase in secured loans to Rs. 217.90 lakhs in fiscal 2011 as compared to Rs. 498.40 lakhs in Fiscal 2010. Also fresh issue of share capital of Rs. 119.08 Lakhs is done in Fiscal 2010.

Capital Resources

Since our inception, operations and capital expenditures have been financed primarily from internally generated cash flow from operating activities and borrowings.

Indebtedness

As of March 31, 2011, our total borrowings were Rs.1,015.69 lakhs which included secured loans of Rs.992.65 lakhs and unsecured loans of Rs.23.04 lakhs. Our secured borrowings comprised of term loans and working capital loans from banks and unsecured borrowings primarily consist of loan from directors.

Off-Balance Sheet Arrangements and Financial Instruments

Contingent liabilities

As of March 31, 2011, our contingent liabilities were Rs.72.15 lakhs, which consist of Bank guarantees and letter of credits issued by banks to customers for business related requirements.

Capital Expenditures

Our capital expenditures are primarily related to the purchase of IT and non-IT equipment used in the implementation of projects.

Related Party Transactions

The principal related parties are our Directors and Subsidiaries (for purposes of our standalone financial statements). For information on our related party transactions, see relevant Annexure to our restated consolidated/standalone financial statements at page no.107.

QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Operating Risk

Our operations are subject to various operating risks that may materially increase our cost of operations and delay ordisrupt provision of services either permanently or for varying lengths of time, which could have a material adverseeffect on our business, results of operations and financial condition. We currently only maintain insurance for ourbusiness premises and our data centre. We may not maintain third-party insurance for all projects.

Interest Rate Risk

Changes in interest rates would affect our results of operations and financial condition.

If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. We do not enter into any derivatives transactions to hedge against our exposure to interest rates risks.

Currency Exchange Risk

Changes in currency exchange rates may affect our results of operations.

We also expect our future capital expenditures in connection with our proposed expansion plans to include expenditures in foreign currencies for imported equipment. Depreciation of the Indian Rupee against the U.S. dollar and other foreign currencies may adversely affect our results of operations by increasing the cost of financing any debt denominated in foreign currency or any proposed capital expenditures in foreign currencies**.**

ANALYSIS OF CERTAIN CHANGES

Unusual or Infrequent Events or Transactions

To our knowledge there have been no unusual or infrequent events or transactions that that may be described as"unusual" or "infrequent" and may have taken place during the last three years, except as disclosed in the Draft Red Herring Prospectus.

Future Relationship between Costs and Income

Other than as described in this section to our knowledge, there are no known factors which will materially impact the future relationshipbetween our operations and revenues**.**

Extent to which business is seasonal

The business of our company is not seasonal in nature.

Significant Regulatory Changes

Except as described in "Regulations and Policies" at Page No 172, there have been no significant regulatory changes that could affect our income from continuing operations.

Known Trends or Uncertainties

Except as described in this Draft Red Herring Prospectus in general and "Risk Factors" at Page No.xii and this section inparticular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or areexpected to have any material adverse impact on our revenues or income from continuing operations.

New Products or Business Segments

There are currently no publicly announced new products or business segments. For further details on our business strategy, see "***Business – Our Business Strategy***" at Page No.69.

Dependence on a Few Suppliers/Customers

We are dependent on few customers and for further details please refer to section “Risk Factors” on Page No. [●].

Total Turnover of Each Major Industry Segment

There is no dependency on industry segments.

Competitive Conditions

We operate in a competitive environment. For further details, please refer to the discussions of our competition inthe sections "Risk Factors" and "Our Business" at Page No.xii and 69, respectively.

FINANCIAL INDEBTEDNESS

A. Secured borrowings as on March 31, 2011 is Rs. 988.34 Lakhs.

I. Our Company has availed of SOD (DEP), C/C (HYP) and IMPORT L/C facilities from the Union Bank of India.

1. **SOD (DEP) Facility from Union Bank of India- Rs. 177Lakhs**

Sr. No.	Agree-ments with Lender	Natur e of Borro w-ing	Amount Sanction ed as on date March 31, 2011	Principal Amount Outstand -ing as on July 31, 2011	Inter est	Term/ Tenure	Repay -ment	Prepay -ment	Security	Negative Covenents
1.	Sanction letter dated June 8, 2009 Revised Sanction Letter dated October 15, 2010 Revised Sanction Letter dated Decembe r 13, 2010	Fund Based Facility: SOD (DEP) Facility of Rs. 177 Lakhs	Rs. 177 Lakhs	Rs. 186.18 Lakhs	1% ODR	-	On demand	-	Duly Discharged FDRs.	Note 1

2. C/C (Hyp) from Union Bank of India- Rs. 700 Lakhs

Sr. No.	Agreements with Lender	Nature of Borrowing	Amount Sanctioned as March 31, 2011	Principal Amount Outstanding as on March 31, 2011	Interest	Term / Tenure	Repayment	Prepayment	Security	Negative Covenents
1.	Sanction letter dated June 8, 2009 Revised Sanction Letter dated October 15, 2010 Hypothecation Agreement of Goods & Debts Dated December 21, 2009 Letter of Guarantee dated December 21, 2009 Memorandum of Equitable Mortgage dated December 22, 2009	Fund Based Facility: C/C (Hyp) of Rs. 700 Lakhs	Rs. 700 Lakhs	Rs. 802.16 Lakhs	Base + 4 i.e. 12.50%	-	On demand	-	Hypothecation by way of first charge over: (a) Stock (b) Book Debts Letter of Guarantee by Mr. Joson, Mr. Praveen, Mrs. Asha and Mrs. Jini Equitable Mortgage of A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400 059; 872/H-1, Hal 2nd Stage, Bangalore; 13/A, Sher e Punjab CHS Ltd., Mahakali Caves Road, Andheri (E), Mumbai 400 093; A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400 059;	Note 1

3. **Import L/C (DP/DA 90 days) from Union Bank of India- Rs. 100 Lakhs**

Sr. No.	Agreements with Lender	Nature of Borrowing	Amount Sanctioned as on March 31, 2011	Principal Amount Outstanding as on March 31, 2011	Interest	Term /Tenure	Repayment	Prepayment	Security	Negative Covenents
1.	Sanction Letter dated October 15, 2010 Hypothecation Agreement of Goods & Debts dated October 19, 2010 Memorandum of extension of Equitable Mortgage dated October 27 2010	Non-Fund Based Facility Import Letter of Credit Facility of Rs. 100 Lakhs	Rs. 100 Lakhs	Rs. 72.15 Lakhs	Base + 4 i.e. 12.50%	-	On demand	-	Hypothecation by way of first charge over: (a) Goods (b) Book Debts Equitable Mortgage ofthe following properties: A/32, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400 059; 872/H-1, Hal 2nd Stage, Bangalore; 13/A, Sher e Punjab CHS Ltd., Mahakali Caves Road, Andheri (E), Mumbai 400 093; A/31, Nand Dham Industrial Estate, Marol Maroshi Road, Andheri (E), Mumbai 400 059;	Note 1

Note 1 :

(i) Debt/Equity ratio- total outside liabilities should not be more than 4:1
(ii) No Diversion of funds to sister concern/ associate concerns shall be allowed;
(iii) Plough Back net profit in the system, retain capital and unsecure loan family members/ relatives/directors, etc.

Standard Chartered Bank (Bangalore Branch) has sanctioned a Term Loan of Rs. 244.1 Lakhs to our Company in March 2011 for the prupose of business expansion. The said term loan has been secured by way of mortage of immovable property of our promoters located at Office no.201, Sy. No. 136, Binnamangala Village, Kasabha Hobli, Indirangar, Bangalore and a personal guarantee of our Promoters. Our Company has issued a letter to the Standard Chartered Bank for restricting the sanctioned amount to Rs. 243.25 Lakhs. The said term is loan is repayable in 144 monthly instalments. The rate of interest for the said loan is 11.50%. The said term loan was not availed by our Company in the Fiscal 2011.

B. Unsecured Borrowings as on March 31, 2011

As on March 31, 2011, our Company has availed of unsecured loans aggregating to Rs. 23.04 Lakhs.

SECTION VIII - LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as stated in this Draft Red Herring Prospectus, there is no outstanding or pending litigation, suit, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigation for tax liabilities against our Company, our Directors or our Promoters or companies promoted by our Promoters and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters or Directors. Further, except as stated in this Draft Red Herring Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors or companies promoted by ourPromoters or our Subsidiary by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Neither our Company nor its Promoters, members of the Promoter Group, Subsidiary, associates and Directors have been declared as willful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them.

A) LITIGATION AGAINST OUR COMPANY

CIVIL CASES

I. Cases filed against our Company

Nil.

II. Cases filed by our Company

A Summary Suit bearing no. 1954 of 2009 has been filed by our Company on June 19, 2009 against Sankalpan Infrastructure Ltd ("**SIL**") for non-payment of approximately Rs.14.98 Lakhs. Our Company has alleged that certain materials were supplied as well as services were provided to SIL amounting to approximately Rs. 20.56 Lakhs, of which a sum of approximately Rs. 7.15 Lakhs has been paid. Our Company has further alleged that they had sent various reminders to SIL for making the payment of the balance sum of approximately Rs. 18.27 Lakhs, of which SIL paid a paltry sum of Rs. 2 Lakhs. However, even after subsequent reminders, the said SIL failed to make the necessary payments and also claim that the total amount payable is only approximately Rs. 1.03 Lakhs. Our Company had filed a Company Petition bearing no. 461 of 2008 for winding up of SIL on the ground of inability to pay the aforesaid amount. By an Order dated 12th September, 2008 passed by the Hon'ble Bombay High Court, SIL was directed to deposit a sum of approximately Rs. 1.03 Lakhs and the said winding-up petition was disposed off. Our Company has, therefore, under the aforesaid Summary Suit prayed that SIL be ordered to pay the said sum of approximately Rs. 14.98 Lakhs, being the outstanding amount together with interest @ 21% p.a. from May 19, 2007 till the date of filing of this suit and with further interest @ 21% p.a. or any other rate as the Hon'ble Court may deem fit from the date of filing of this suit till payment/realization thereof. The said matter is presently pending.

CRIMINAL CASES

III. Cases filed against our Company

NIL.

IV. Cases filed by our Company

NIL

V. Adjudication proceedings under FEMA

A Show Cause Notice dated August 11, 2005, bearing no. T-4/103/B/205/DD/FEMA was issued against our Company based on a complaint filed by the Assistant Director, Directorate of Enforcement, Mumbai. It is alleged in the complaint that the Company has failed to furnish documentary evidence showing import of goods for which it had made the foreign remittance from Union Bank of India and to utilize the sum of Rs. 7.4 Lakhs so remitted by the Company for the purpose for which it was remitted thereby contravening the Sub-section (6) of Section 10 of FEMA ("**the Show Cause Notice**"). By a letter dated September 8, 2005 our Company replied to the Show Cause Notice alleging that the necessary documents were submitted to Union Bank of India and therefore the adjudicating proceedings should be dropped. Further, by letters dated May 4, 2007 and May 21, 2008 respectively, the Directorate of Enforcement directed our Company and the Promoters to attend their office for personal hearings. Our Company attended their offices and also addressed letters to the Directorate of Enforcement, Mumbai on May 17, 2007 and May 26, 2008 respectively confirming that Bill of Entry was submitted to Union Bank of India and also furnished the letter dated October 23, 2007 issued by the Union Bank of India confirming remittance of USD 15,840 and receipt of the necessary Bill of Entry. The said matter is presently pending.

NOTICES ISSUED AGAINST OUR COMPANY

i. Service Tax Cases

A Summons dated May 14, 2010 was issued by the Superintendent, Central Excise, Mumbai under Section 14 of the Central Excise Act, 1944 and under section 108 of the Customs Act, 1962 to Mr. Joson Thomas, Director of our Company directing him to appear on May 20, 2010 to produce documents, give evidence and submit details for the last 5 financial years. The General Manager of our Company appeared before the Superintendent, Central Excise, and Mumbai on July 12, 2010, inter-alia, submitting details of the service tax paid / payable for the last 5 financial years and denied having evaded payment of service tax or having suppressed information. It was further submitted that the entire service tax amounting to Rs. 27.31 Lakhs together with penalty of Rs.0.2 Lakhs for late filing of returns with respect to the last five financial years was paid by our Company on December 26, 2009. The said matter is pending final disposal.On February 7, 2011, the Superintendent, Central Excise, Mumbai, alongwith his officers visited the office of our Company and scrutinised the records pertaining to Cenvat and Service tax credits availed and utilized by our Company. During the course of visit, it was alleged by the officers that there were certain discrepancies in the actual credit available and credit utilized as per the service tax returns filed by our Company. On February 7, 2011, a Summons under section 14 of the Central Excise Act, 1944 and under Section 108 of the Customs Act, 1962 was issued by the Office of the Commissioner of the Central Excise, Mumbai, wherein our Company was directed to appear before Superintendent, Central Excise on February 8, 2011 to tender evidence and submit details with respect to the investigation carried out by the Superintendent regarding suppression and evasion of service tax. Our Company appeared before the Superintendent of Central Excise on February 8, 2011 as directed. Further, our Company also paid the said dues alongwith interest amounting to approximately Rs. 0.14 Lakhs as per their letter dated February 7, 2011. The said matter is pending final disposal.

***ii.* Income Tax Cases**

The Company was directed to produce the accounts and/or documents specified in the notice u/s 142(1) dated August 18, 2010. Thereafter, a Notice u/s 142(1) dated March 16, 2011 was issued by the Deputy Commissioner of Income Tax – 8(2), Mumbai to our Company,inter-alia, directing the Company to furnish certain papers /documents and information namely, the audit reports, tax certificates, other tax/income related documents, etc for the assessment year 2009-2010, on March 21, 2011. Our Company sought time from the department to furnish the required information and subsequently submitted the same on May 27, 2011. The said matter is pending.

iii. **Central Sales Tax/ MVAT Cases**

a. A notice dated August 5, 2010 was issued by the Office of the Deputy Commissioner Sales Tax to our Company, inter-alia, alleging that a sum of Rs. 9.30 Lakhs is payable by our Company as additional tax under the MVAT, 2002. By a letter dated March 24, 2011, our Company replied to the aforesaid notice denying the additional tax liability of Rs.9.30 Lakhs as alleged by the Auditors.The said matter is presently pending.

b. A notice dated August 5, 2010 was issued by the Office of the Deputy Commissioner Sales Tax to our Company, inter-alia, alleging that certain declarations were not received by our Company as stated in the audit report for the year 2005-2006. The said notice further provided that the said declaration be produced by our Company or in the alternative file revised returns for the year 2005-2006 and also pay a sum of Rs. 6.97 Lakhs along with interest under Section 9(2) of the Central Sales Tax, 1956 read with section 30(2) of the MVAT Act, 2002. The said matter is presently pending.

c. A notice dated August 5, 2010 wasissued by the Office of the Deputy Commissioner Sales Tax to our Company, inter-alia, stating that certain discrepancies were found in Desk Audit of form 704 for the period 2005-2006 and directed our Company to attend their office in the event the Company disagreed with the aforesaid findings. The said matter is presently pending.

iv. **ROC Notice**

A Show Cause notice dated June 23, 2011 was issued by the Government of India, Ministry of Corporate Affairs to our Company, inter-alia, alleging that the Annual General Meeting of the Company for the year ended 2010 was not held in terms of Section 166 read with Section 210 of the Companies Act, 1956 and that Annual Return as on September 30, 2010, three copies of the Balance Sheet and Profit & Loss account for the year ended March 31, 2010 were not filed with the RoC. The said Notice required the Company to show cause as to why prosecution should not be initiated against the Company in terms of Section 162, 168 and 220 (3) of the Companies Act, 1956. By a letter dated June 30, 2011, our Company replied to the aforesaid show cause notice stating that the Annual General Meeting of the Company was held on September 30, 2010 i.e within the statutory time frame and that the Balance Sheet and Profit & Loss account for the year 2009-2010 was also approved at the said meeting, however, the Annual Return as on September 30, 2010 and the Balance Sheet and Profit & Loss Account for the year ended March 31, 2010 were filed with the RoC after the prescribed period along with additional filing fees due to lack of professional support. We have not received any further communication from the RoC.

v. **Other Notices**

A notice dated July 13, 2011 was issued under Section 433 of the Companies Act, 1956 to our Company on behalf of TVS Net Technologies Ltd. **("TVS"),** inter-alia**,** alleging that our Company approached TVS for supply of 3000 GN 2025 USB Head Sets, out of which 2000 GN 2025 USB Head Sets were supplied by TVS to India Infoline Ltd under instructions of our Company. The total alleged liability of our Company was aggregating to 61.72 Lakhs out of which an approximate sum of Rs. 10.93 Lakhs has already been paid to TVS. Under the said Notice TVS has claimed a sum of Rs. 69.08 Lakhs (inclusive of interest @ 21% p.a) from our Company. Subsequently, an interim letter dated August 4, 2011 and reply to the said notice dated September 2, 2011 was addressed to the Advocate representing TVS, inter alia, refuting all the allegations set out therein.

B) LITIGATION AGAINST OUR PROMOTERS/DIRECTORS

CIVIL CASES

Cases filed against Promoters/Directors

Nil

Cases filed by Promoters/Directors

Nil

CRIMINAL CASES

Cases filed against our Promoters/Directors

Nil

Cases filed by our Promoters/Directors

Nil

Notices Issued Against Our Promoters/Directors

Nil

C) LITIGATION INVOLVING THE GROUP COMPANIES/SUBSIDIARY

Civil cases

Cases filed against the Group Companies/Subsidiary

Nil

Cases filed by the Group Companies/Subsidiary

Nil

Criminal cases

Cases filed against our Group Companies/Subsidiary

Nil

Cases filed by our Group Companies/Subsidiary

Nil

Notices Issued Against Our Group Companies/Subsidiary

Nil

D) PENALTIES IMPOSED IN PAST CASES IN THE LAST FIVE YEARS

Pursuant to the authorization dated February 4, 2009 bearing no. V/PI/30-01/GrD/M-IV/09, Superintendent (Prev.), Group – D, Central Excise, Mumbai – IV alongwith his officers visited the office of our Company on February 5, 2009 to conduct a search for certain documents. During the search, the required documents were segregated by the Officers. Subsequent to the enquiry, by a Summons dated February 10, 2009, the Office of the Superintendent of Central Excise, Mumbai

directed our Company to attend their office on February 16, 2009 and produce certain documents and also furnish evidence with respect to non-payment of service tax. Mr. Joson Thomas, Director of our Company, appeared personally and produced the required documents to the Superintendent. Post inquiry, the Superintendent by his letter dated December 2, 2009, directed our Company to pay the service tax amounting to approximately Rs. 20.85 Lakhs for the period from 2004-05 to 2008-09 and interest amount on approximately Rs. 82.56 Lakhs wherever the service tax payment is delayed. Our Company by a letter dated December 29, 2009, intimated the Superintendent of payment of the service tax amounting to approximately Rs. 27.31 Lakhs which includes the interest amount.

E) AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS :

Nil

Material developments occurring after the last Balance Sheet Date

Except as disclosed in the section title "Management Discussion and Analysis of Financial Conditions and Results of Operations" at Page No. 152 there are no material developments which would affect the business and operations of our Company since March 31, 2011.

Adverse Events

There has been no adverse event affecting the operations of our Company, occurring within one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

A. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on July 4, 2011 authorized the Issue subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, such other authorities as may be necessary.

2. The shareholders of our Company have approved this Issue under Section 81 (1A) of the Companies Act, 1956 vide a Special Resolution passed at our Company's Annual General Meeting held on September 6, 2011.

3. In-principle approval for listing from the National Stock Exchange of India Limited dated [●].

4. In-principle approval for listing from the Bombay Stock Exchange Limited dated [●].

B. APPROVALS/ LICENSES/ PERMISSIONS RECEIVED TO CONDUCT OUR BUSINESS

(i) COMPANY

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue	Date of Expiry
Constitutional Registration					
1.	Certificate of Incorporation	11-120069	Addl. Registrar of Companies, Maharashtra, Mumbai	May 27, 1999	N/a
2.	Fresh Certificate of Incorporation consequent upon change of name on conversion to Public Limited Company	U72900MH1999PLC120069	Deputy Registrar of Companies, Maharashtra, Mumbai	April 7, 2011	N/a
3.	Fresh Certificate of Incorporation consequent upon change of name.	U72900MH1999PLC120069	Deputy Registrar of Companies, Maharashtra, Mumbai	April 27, 2011	N/a
Taxation Registration					
1.	Tax Deduction Account Number	MUMI05760G	Income Tax Department	August 5, 2004	N/a
2.	Permanent Account Number	AAAC17336N	Commissioner of Income Tax	May 21, 1999	N/a
3.	Employees Provident Fund Association.	MH-42730	Regional Provident Fund Commissioner, Employees' Provident Fund Association	August 6, 1997	N/a

Sr. No.	Nature of Registration/License	Registration /License No.	Issuing Authority	Date of Issue	Date of Expiry
Constitutional Registration					
Other Approvals					
1	Memorandum for micro, small or medium enterprise	Entrepreneur Memorandum No. 27222200125	Deputy Director of Industries, Maharashtra	June 17, 2009	N/a
2	Trade Mark Registration	Trade Mark no. 1527611 INFONET CONVERGING HORIZONS	Trade Marks Registry, Mumbai	March 20, 2009 w.e.f February 5, 2007	February 5, 2017
3	Certificate of Importer-Exporter Code (IEC)	0300037678	Foreign Trade Development Officer, Ministry of Commerce, Government of India	May 10, 2007	N/a
4	Quality Management System - ISO 9001: 2008 (for providing IT services)	FM 552091	Managing Director, BSI India	July 2, 2009	July 1, 2012
5	Centralised Service Tax Registration	AAAC17336NSD002	Central Board of Excise and Customs	February 16 , 2010	N/a

(ii) BRANCH OFFICES

Sr. No.	Nature of Registration/License	Registration Number	Issuing Authority	Issuing Date / Commence-ment Date	Date of Expiry
MUMBAI					
1.	Professional Tax Enrollment Number	PT/E/11/04/29/18/5108	Profession Tax Officer, Enrollment Registration Branch, Mumbai	February 16, 2000	N/a
2.	Professional Tax Registration Number	PT/R/1/1/29/19771	Sales Tax Office, Registration Branch, Mumbai	March 8, 2000	N/a
3.	Central Sales Tax Registration & Turnover (Certificate of Registration)	27390001722C	Sales Tax Officer (Mazgaon, Mumbai)	April 1, 2006	Until cancelled
4.	Maharashtra Value Added Tax (Certificate of Registration)	27390001722V	Sales Tax Officer (Mazgaon, Mumbai)	April 1, 2006	N/a
5.	Employees State Insurance Corporation	B/Cov./NS-43170 (31-29532-101)	Regional Office Maharashtra, Employee State Insurance Corporation	September 19, 1997	N/a

Sr. No.	Nature of Registration/License	Registration Number	Issuing Authority	Issuing Date / Commence-ment Date	Date of Expiry
6.	Shops and Commercial Establishment Registration	KE016025	Inspector under the Bombay Shops and Establishment Act, 1948	March 18, 2005	Decemb er 31, 2011
KOLKATA					
1.	West Bengal Value Added Tax (Certificate of Registration)	19628361087	Assistant Commissioner, Sales Tax, Behala Circle.	October 8, 2007	N/a
2.	Central Sales Tax Registration & Turnover (Certificate of Registration)	19628361281	Assistant Commissioner, Sales Tax, Behala Circle.	October 8, 2007	Until cancelle d
3.	Professional Tax Enrolment Certificate	ENC-1463638	Profession Tax Officer	September 6, 2007	N/a
4.	Certificate of Enlistment (Trade Licence)	000204009674	Kolkata Municipal Corporation, Licence Dept.	April 1, 2007	March 31, 2012
5.	Employees State Insurance Corporation	4135017038001 0999	Assistant Director	January 24, 2011	N/a
6.	Shops and Establishment Registration	K 01/Tolly/P-II/48777	Registering authority, Shops and Establishment, Government of West Bengal	August 9, 2011	August 8, 2014
BANGALORE					
1.	Karnataka Value Added Tax (Certificate of Registration)	29440200851	Assistant Commissioner of Comml. Taxes, Bangalore	April 1, 2005	Until cancelle d
2.	Tax Deduction Account Number	BLRI02816C	Directorate General of Income Tax (Systems)	-	-
3.	Employees State Insurance Corporation	31-29532-101 (BNG)	Regional Director, E.S.I. Corporation	November 2, 2007	N/A
4.	Shops and Establishment Registration	82/V No./518	Office of the Inspector, Karnataka Shops and Commercial Establishments Act, 1961	April 8, 2004	Decemb er 31, 2013
5.	Central Sales Tax Registration & Turnover (Certificate of Registration)	02495570	Assistant Commissioner of Commercial Taxes	January 9, 2004	N/a

Sr. No.	Nature of Registration/License	Registration Number	Issuing Authority	Issuing Date / Commence-ment Date	Date of Expiry
	Combined Professional Tax Certificate	P00502401	Profession Tax Officer, V Circle, Bangalore	November 26, 2009	N/a
HYDERABAD					
1.	Value Added Tax (Certificate of Registration)	28103035224	Commercial Tax Officer, VAT Registering Authority, Basheerbagh Circle, Abids Division.	August 1, 2008	N/a
2.	Employees State Insurance Corporation	52-31-029532-002-1008	Assistant Director	February 21, 2010	N/a
3.	Professional Tax Enrolment Certificate	28252933418	Commercial Taxes Department, Hyderabad	July 1, 2011	N/A
4.	Professional Tax Registration Number	28464097522	Commercial Taxes Department, Hyderabad	July 1, 2011	N/A
KERALA					
1	Kerala Value Added Tax (Certificate of Registration)	32072052374C	Commercial Tax Officer, (Works Contract), KVAT, Ernakulam.	May 8, 2008	Until cancelled/suspended/ surrend-ered
2	Employees State Insurance Corporation	47350170380010999	Deputy Director (Inspection)	October 5, 2010	N/A
3	Shops and Establishment Registration	CC 35/1385	Assistant Labour Laws, Cochin	June 27, 2011	December 31, 2011
DELHI					
1	Delhi Value Added Tax (Certificate of Registration)	07410321753	VAT Officer	February 5, 2007	N/A
2	Central Sales Tax Registration & Turnover (Certificate of Registration)	07410321753	Notified Authority	February 5, 2007	Until cancelled
	Employees State Insurance Corporation	DL-SRO-OKHLA-53/B	Asst. Director	April 1, 2009	N/A
	Shops and Commercial Establishment Registration	2011017484	Department of Labour, Government of National Capital Territory of Delhi	May 27, 2011	-

Sr. No.	Nature of Registration/License	Registration Number	Issuing Authority	Issuing Date / Commence-ment Date	Date of Expiry
CHENNAI					
1	Tamil Nadu Value Added Tax (Certificate of Registration)	33631386845	Commercial Tax Officer, Porur Assessment Circle.	June 12, 2007	N/A
2	Employees State Insurance Corporation	52-31-029532-001-1008	Deputy Director (Inspector)	February 19, 2010	N/A
3	Central Sales Tax Registration	893272	Commercial Tax Officer/Deputy Commercial Tax Officer	June 12, 2007	Until cancelled
4	Shops and Commercial Establishment Registration	-	Assistant Inspector of Labour	August 2, 2011	-
5	Professional Tax Registration Certificate	081180033	Corporation Chennai, Profession Tax	June 7, 2011	N/A
6	Professional Tax Enrolment Certificate	08-118-PE-0084	Corporation Chennai, Profession Tax	June 7, 2011	N/A
PUNE					
1	Employees State Insurance Corporation	33350170380010999	Assistant Director	November 2, 2006	N/A
2	Shops and Commercial Establishment Registration	Aundh/II/5553	Inspector, Bombay Shops and Establishment Act, 1948	April 19, 2010	December 31, 2011
3	Central Sales Tax Registration & Turnover (Certificate of Registration)	27390001722C	Sales Tax Officer (Mazgaon, Mumbai)	April 1, 2006	NA
4	Maharashtra Value Added Tax (Certificate of Registration)	27390001722V	Sales Tax Officer (Mazgaon, Mumbai)	April 1, 2006	NA

PENDING GOVERNMENT APPROVALS

Sr. No.	Particulars	Date of Application	Authority
1	Shops and Establishment Registration(Hyderabad)	July 25, 2011	District Labour officer, Hyderabad

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at their meeting held on July 4, 2011, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders of our Company have approved this Issue under section 81 (1A) of the Companies Act, 1956 *vide* a Special Resolution passed at our Company's Annual General Meeting held on September 6, 2011.

Prohibition by SEBI or RBI

Our Company, our Directors, our Promoter, the Group Companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as Directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the Stock Exchange in India. Our Company, our Promoter, their relatives, Group Companies has not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same.

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, 2009 as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

Our Company has net tangible assets of at least Rs. 300 Lakhs in each of the preceding 3 full years, of which not more than 50% are held as monetary assets.

Our Company has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three (3) out of immediately preceding five (5) years.

Our Company has a Net Worth of at least Rs. 100 Lakhs in each of the preceding 3 full years (of 12 months each.

a) Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of size (i.e. public issue by way of offer document + firm allotment + Promoters' contribution through the offer document) does not exceed five (5) times our pre- issue net worth as per the audited balance sheet of the last financial year.

b) Except as stated otherwise in this Draft Red Herring Prospectus, there has not been any change in the name of our Company since inception.

Further, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

Disclaimer Clauses

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN 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 THIS 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, CHARTERED CAPITAL AND INVESTMENT LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2011 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, 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 ISSUER, IT'S 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 MENTIONED IN 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 THIS 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 OURSELF, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELF ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE CERTIFY 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 ARE SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT OR PHYSICAL MODE ONLY. - NOT APPLICABLE**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND**

DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    a. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE 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 OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLM, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from the Issuer and the Book Running Lead Manager

Investors may note that our Company and BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that any one, placing reliance on any other source of information including our Company's website, www.infonet.co.in;would be doing so at his own risk.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLM accepts no responsibility save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

Neither our Company nor the Book Running Lead Manager or any other member of the Syndicate is liable to the Bidders for any failure in downloading 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 will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and 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. Our 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.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company and Promoter Group Entities, affiliates or associates of our Company in the ordinary course of business and have engaged, and may in future engage, in the provision of financial services for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. The Draft Red Herring Prospectus does not, however, constitute 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 the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our 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), The Equity Shares shall be sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of the Bombay Stock Exchange Limited

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of National Stock Exchange of India Limited

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of IPO Grading Agency
[●]

Filing

A copy of the Draft Red Herring Prospectus has been filed with the Securities Exchange Board of India at Corporation Finance Department, SEBI Bhavan, Plot No. C 4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai- 400002.

Listing

Application will be made to the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

[●] shall be the Designated Stock Exchange with which the basis of allotment will be finalized for the QIB, Non Institutional and Retail portion.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, we shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 10 weeks from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our Directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our 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 BSE and NSE are taken within twelve Working Days of finalization of Bid/Issue Closing Date.

Consents

Necessary Consents for the issue have been/will be obtained from the following:

1. Directors of our Company
2. Bankers to our Company
3. Auditors to our Company
4. Book Running Lead Manager to the Issue
5. Legal Advisor to the Issue
6. Registrar to the Issue
7. IPO Grading Agency
8. Company Secretary cum Compliance Officer
9. Syndicate Member(s)
10. Underwriter(s)

11. Escrow Collection Banker(s) to the Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Mumbai, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Mumbai.

In accordance with the Companies Act and the SEBI Regulations, Messrs Laxmikant Kabra & Co. Chartered Accountants, our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except for the report of [●] in respect of IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, the Audit Reports of the Auditors of our Company on the restated financial information, and the Tax Benefit Statement by the Auditors of our Company included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Public Issue Expenses

The expenses for this Issue include Issue management fees, IPO Grading Expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchange, amongst others. The estimated Issue expenses are as under:

Activity	Expenses (Rs. Lakhs)	% of Issue Size	% of Issue expenses
Lead management, Syndicate fees, Underwriting and Selling fees	[●]	[●]	[●]
Advertisement and marketing expenses	[●]	[●]	[●]
Printing and stationery (including expenses on transportation of the material)	[●]	[●]	[●]
Others (Filing fees with SEBI, BSE, NSE, Registrar'sfees, legal fees, IPO Grading fees, listing fees,travelling and other misc expenses)	[●]	[●]	[●]
Total	[●]	[●]	[●]

Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cashexcept as mentioned in the *Chapter titled "Capital Structure" beginning on page no.*23 *of the Draft Red Herring Prospectus.*

Commission or Brokerage on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of our Company since 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 issue during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance – Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding Debentures or Bonds or Redeemable Preference shares

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Draft Red Herring Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investors' grievance

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB or the Syndicate/Sub-syndicate member, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB or Syndicate/Sub-syndicate member where the ASBA Form was submitted by the ASBA Bidders.

Disposal of Investors' Grievances and Redressal Mechanism

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of Bidders applying through ASBA process for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Aditya Goswami as the Compliance Officer and he may be contacted in case of any pre issue/post issue related problems at the following address:

Compliance Officer
Mr. Aditya Goswami
A/32 Nand Dham Industrial Estate,
Marol Maroshi Road,
Marol, Andheri (East)
Mumbai – 400 059

Tel No: + 91-22-66027900
Fax No: + 91-22-66758844
Email: aditya.g@infonet.co.in
Website: www.infonet.co.in

Our Company has not received any investor complaints during the three years preceding the filing of the Draft Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing the Draft Red Herring Prospectus with SEBI.

Our Company does not have any listed group companies. Hence similar disclosures for the group companies are not applicable.

Changes in Auditors during the last three years and reasons thereof

In the Extra OrdinaryGeneral Meeting of our Company held on July 12, 2010, M/s Mandar Patil and Co was appointed as the new auditor of our Company in place of M/s. Ganesh Shetty and Co. Messrs Ganesh Shetty and Co. expressed their desire not to continue as statutory auditors of our Company due to personal reasons.

In the Annual General Meeting of our Company held on September 6, 2011, M/s Laxmikant Kabra & Co were appointed as the new auditorof our Company in place of M/s Mandar Patil and Co. M/s Mandar Patil and Co. not being peer review auditors desired to resign as statutory auditors in light of the Company proposing an Initial Public Offering of its equity shares.

Capitalization of Reserves or Profits during last five years

Except as stated in the Chapter titled "*Capital Structure*" beginning on Page No. 23 of the Draft Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the ASBA form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the 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 offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled "Main Provisions of Articles of Association" on Page No.*223 *of the Draft Red Herring Prospectus.*

Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash.

Face Value and Issue Price per Share

The face value of the Equity Shares is Rs. 10 each. The Floor Price of Equity Shares is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. The Issue Price will be determined by our Company in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled "Main Provisions of Articles of Association" on page no.*223 *of the Draft Red Herring Prospectus.*

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. *For details of Allocation and Allotment, please refer to the paragraph titled "Basis of Allotment" beginning on page no.191 under Chapter titled "Issue Procedure" beginning on page no. 191 of the Draft Red Herring Prospectus.*

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by 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 moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Bid/Issue Program

The period of operation of subscription list of public issue:

Bid/Issue opens on: **[●], 2011**	Bid/Issue closes on: **[●], 2011**

Our Company in consultation with the BRLM, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall refund the entire subscription amount received, no later than 70 days from the closure of the Issue. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for (a) the lock-in of the pre-Issue capital of our Company and the Promoters' Contribution as provided in "Capital Structure" on Page No.23, and (b) otherwise provided in our Articles, as described in "Main Provisions of the Articles of Association" on Page No.223, there are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.

ISSUE STRUCTURE

The present Issue comprising of [●] Equity Shares of Rs. 10 each for cash at price of Rs. [●] (including a premium of Rs. [●]) aggregating upto Rs. 6000 Lakhs is being made through the 100% Book Building process. Details of the Issue structure are tabulated below:

Particulars	QIBs*	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for allocation#	Not more than [●] Equity Shares.	Not less than [●] Equity Shares or Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares or Issue size less allocation to QIB Bidders and Non Institutional Bidders.
Percentage of Issue Size available for allocation	Not more than 50% of the Issue Size (of which 5% shall be reserved for Mutual Funds) * However, 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds.	Not less than 15% of the Issue Size or Issue Size less allocation to QIBs and retail individual bidders *	Not less than 35% of the Issue Size or Issue Size less allocation to QIBs and non institutional bidders *
Basis of Allocation if respective category is oversubscribed**	In the QIB Portion, proportionate as follows : (a) upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2 Lakhs	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2 Lakhs.	[●] Equity Shares and in multiples of [●] Equity Shares
Maximum Bid	Not exceeding the size of the Issue, subject to the investment limit applicable to the Bidder	Not exceeding the size of the Issue, subject to the investment limit as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid amount does not exceed Rs. 2 Lakhs.
Mode of Allotment	Dematerialized mode	Dematerialized mode	Dematerialized mode
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot/ Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share

Who can apply* **	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor and sub accounts (other than foreign corporates or foreign individuals) registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lakhs and pension funds with minimum corpus of Rs. 2500 Lakhs, National Investment Fund in accordance with applicable law and Insurance funds set up and managed by Army, Navy or Air Force of the Union of India and Insurance Funds set-up and managed by the Department of Posts, India	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), NRIs, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals. (applying for an amount exceeding Rs. 2 Lakhs)	Individuals (including ASBA Bidders, NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Bid Amount does not exceed Rs. 2 Lakhs in value. .
Terms of payment	Full Bid Amount applicable to QIB Bidders at the time of submission of the Bid-cum-Application Form.##	Full Bid Amount applicable to QIB Bidders at the time of submission of the Bid-cum-Application Form.##	Full Bid Amount applicable to Retail Individual Bidder at the time of submission of Bid-cum-Application Form to the Member of Syndicate or the ASBA Bid-cum-Application Form. ##

***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 or a combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange and subject to applicable provisions of the SEBI (ICDR) Regulations. Investors may note that in case of over-subscription in the Issue, allotment to Bidders in all categories shall be on a proportionate basis.*

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

#Our Company is considering a Pre-IPO Placement upto maximum 25, 00,000 Equity Shares aggregating upto maximum Rs.2, 000 Lakhs with various investors. The Pre-IPO Placement will be at the discretion of our Company and at a price to be decided by our Company. Our Company will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Issue size of 25% of the post-Issue paid-up equity share capital being offered to the public.

##In case of Bidders submitting ASBA Bid cum Application Form, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Non-ASBA Bidders are required to make payment of the full Bid Amount along with the Bid-cum-Application Form and the ASBA Bidders shall instruct the relevant SCSB to block the full Bid Amount along with the application.

*By a Circular dated April 29, 2011 issued by SEBI and bearing no. CIR/CFD/DIL/1/2011, it is now mandatory for all QIB Bidders (Except those Bidding under the Anchor Investor Portion) and Non-Institutional Bidders to apply through the ASBA process only. Further, the Syndicate/ sub-syndicate members shall alsoaccept Bid-cum-Application Forms from all Bidders applying through the ASBA process at Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat only ("**Syndicate ASBA Centres**"). However, before accepting these ASBA forms syndicate/sub-syndicate members shall satisfy themselves that the SCSBs whose name has been filled in the ASBA form has named a branch in that centre to accept ASBA forms.*

Our Company and 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 the 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 the Red Herring Prospectus.

Book Building Procedure

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

Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate or their affiliates. ASBA Bidders may submit their Bids either to the Designated Branch of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centres.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders' depository account including the DP ID Numbers, PAN and the beneficiary account number shall be treated as incomplete and rejected. In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid-cum-Application Form

The prescribed colour of the Bid-cum-Application Form for various categories is as follows:

Category		Colour of Bid-cum-Application Form
Indian Public including QIBs, Non-Institutional Bidders or NRIs applying on a non-repatriation basis (ASBA as well as Non-ASBA)	:	[●]
Non-residents, NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as Non-ASBA)	:	[●]

Copies of the Bid-cum-Application Form and the Red Herring Prospectus will be available for categories of Bidders, with the members of the Syndicate and at our Registered office. Before being issued to Bidders, the Bid-cum-Application Forms must be serially numbered. The ASBA Bid cum Application Form will also be available on the websites of the Stock Exchanges and SCSBs at least one day prior to the Bid/Issue Opening Date and shall bear an unique application number. The BRLM and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options will not be considered as multiple Bids.

Uponfiling 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 or to a Designated Branch of the SCSB or in electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding), the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

ASBA Bidders shall submit an ASBA Bid cum Application Form in physical form either to the Designated Branches of the SCSBs or to any of the members of the Syndicate/ sub-syndicate at the Syndicate ASBA Centres or in electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding), authorising the SCSBs to block funds equal to the Bid Amount in the ASBA Accounts.

The Bid-cum-Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered multiple Bids.

Who can Bid?

- Any person eligible to invest under all applicable laws, rules, regulations and guidelines;
- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the "*Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;

- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual bidding in the QIB portion;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.

- Venture Capital Funds registered with SEBI;

- Foreign Venture Capital Funds registered with SEBI;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorised to invest in equity shares;

- Insurance Companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with a minimum corpus of Rs. 2500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with a minimum corpus of Rs. 2500 Lakhs and who are authorised under their constitution to hold and invest in equity shares;

- National Investment Fund set up by resolution F. No. 2/3/2005 – DDII dated November 23, 2005, by the GoI, published in the gazette of India;

- Insurance funds set up and managed by the army, navy or air force of the Union of India; and

- Insurance funds set-up and managed by the Department of Posts, India.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLM and the Syndicate Members

The BRLM and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis. Such holding or subscription may be on their behalf or on behalf of their clients.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion.

As per the ICDR Regulations, 5% of the QIB Portion is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual

Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

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.

As per the existing regulations, no mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

The Bids made by asset management companies or custodians of Mutual Funds shall clearly indicate the name of the concerned scheme for which application is being made.

Bids by Non Residents

There is no reservation for Eligible NRIs or FIIs or FVCIs registered with SEBI. Such Eligible NRIs, FIIs and FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation. As per the existing regulations, OCBs cannot participate in this Issue.

Bids by Eligible NRIs

1. Bid-cum-Application Forms have been made available for Eligible NRIs at the Registered Office and with the members of the Syndicate.

2. Eligible NRIs applicants should note that only such applications 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 should use the Bid cum Application form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up share capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual.

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 (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client's norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason thereof.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the following investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI:

The holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and foreign venture capital investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/or bye laws must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form.

(b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid-cum-Application Form.

(c) With respect to Bids made by provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form.

Our Company in their absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company and the BRLM is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 2 Lakhs. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 2 Lakhs. In case the Bid Amount is over Rs. 2 Lakhs due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds Rs. 2 lakhs and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the SEBI Regulations, a **QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date. If the Bid/Issue Period for QIBs shall close one day prior to the Bid/Issue Closing Date, QIBs are not allowed to withdraw their Bids after [●], i.e., one Working Day prior to the Bid/Issue Closing Date.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.2 Lakhs for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs.2 Lakhs or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at "Cut-off Price".

Information for the Bidders:

(a) Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the Registrar of Companies, publish pre-Issue advertisement, in the form prescribed under the SEBI Regulations, in two national daily newspapers (one each in English and Hindi) and one Marathi language daily newspaper, each with wide circulation..

(b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid-cum-Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.

(d) Eligible Bidders who are interested in subscribing for the Equity Shares should approach BRLM or any of the Syndicate Members or their authorised agent(s) or to the Designated Branches of the SCSBs to register their Bids.

(e) Any Bidders (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid-cum-Application Form can be obtain the same from our Registered Office and from the BRLM and the members of the syndicate.

(f) The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centresin accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bid cum Application Forms (except electronic ASBA Bid cum Application Forms) which do not bear the stamp of a member of the Syndicate or the Designated Branch are liable to be rejected.

(g) The Syndicate (in accordance with the terms of the Syndicate Agreement) and the Designated Branches will accept Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus.

(h) With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

Bidders may note that in case the DP ID and Client ID and PAN mentioned in the Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

Additional information specific to ASBA Bidders

1. ASBA Bid cum Application Forms in physical form will be available with the Designated Branches and with the members of the Syndicate at the Syndicate ASBA Centres; and electronic ASBA Bid cum Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Further, the SCSBs will ensure that the Red Herring Prospectus is made available on their websites.

2. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

3. The SCSBs shall accept Bids only during the Bid Period and only from the ASBA Bidders. The SCSB shall not accept any ASBA Bid cum Application Form after the closing time of acceptance of Bids on the Issue Closing Date.

4. The ASBA Bid cum Application Form shall bear the stamp of the Designated Branch or the members of the Syndicate (in case of Bids through Syndicate ASBA), if not, the same shall be rejected.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Form or the ASBA Revision Form may be submitted to the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centres.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate and SCSBs, as applicable, 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.

Method and Process of Bidding

(b) Our Company and the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also publish the same in widely circulated national newspapers (one each in English and Hindi) and a widely circulated

Marathi newspaper. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Issue Period.

(c) Our Company in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date.

(d) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, 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 published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLM, at the terminals of the Syndicate and by intimation to the SCSBs.

(e) During the Bid/Issue Period, Bidders (other than ASBA Bidders), who are interested in subscribing for the Equity Shares should approach the Syndicate Members or their authorised agents to register their Bids. The Syndicate Members shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders applying through the ASBA process may approach the Designated Branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centres to register their Bids.

(f) 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 entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(g) The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form or ASBA Bid Cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids".

(h) In case of Bidders applying through the ASBA process has submitted the Bid-cum-Application Forms to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centres or its authorized agents, the Syndicate members shall upload the Bid details in the electronic bidding system of the Stock Exchange. Before accepting the Bid-cum-Application Forms, the Syndicate/sub-syndicate members shall ensure that SCSBs whose name has been entered in the Bid-cum-Application Form has designated a branch in that particular bidding center to accept such Bid-cum-Application Forms. Within two days of the Bid/Issue Closing date, the Syndicate members shall forward a schedule containing the application and amount along with the application forms to the branch of the SCSBs so authorised to accept the ASBA forms procured by the Syndicate members. Upon receipt of such application forms the SCSBs shall verify whether sufficient funds are available in the ASBA account as mentioned in the application forms. In the event sufficient funds are not available in the relevant ASBA Account, the Designated Branch of the SCSB shall reject such Bids.

(i) The members of the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form.

(j) Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "Escrow Mechanism- Terms of payment and payment into the Escrow Accounts" on page no. 191.

(k) Incase of receipt of the ASBA Form directly from the Bidder, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSBs shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) The Price Band and the minimum Bid lot size shall be decided by our Company in consultation with the BRLM and advertised at least two Working Days prior to the Bid/Issue Opening Date, in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation.

(b) Our Company, in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(c) In case of revision in the Price Band, the Bid/Issue Period will be extended for at least three additional days after revision of Price Band subject to a maximum of 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation and also by indicating the change on the websites of the BRLM, SCSBs and at the terminals of the Syndicate Member(s).

(d) Our Company, in consultation with the BRLM will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(e) The Bidders 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 may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non- Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders, shall submit the Bid-cum-Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB

Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

(g) In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain [•] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs.7,000.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "Issue Procedure - Payment Instructions" on Page No. 191.

Electronic Registration of Bids

(a) The members of the Syndicate and the designated branches of the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis.

(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 as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary 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, FII, NRI, Mutual Fund, etc.
- Price Option

- Numbers of Equity Shares Bid for.
- Bid Amount.
- Cheque Details.
- Bid-cum-Application Form number.
- DP ID and client identification number of the beneficiary account of the Bidder.
- PAN.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members shall enter the following information pertaining to the Bidder into the online system:

- Name of the Bidder(s);
- Application Number;
- PAN (of First Bidder, in case of more than one Bidder);
- Investor Category and Sub-Category:
- Number of Equity Shares Bid for.
- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.
- Bid Amount
- Bank Account number

(g) 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 or the SCSBs as the case may be. The registration of the Bid by the member of the Syndicate or the SCSB does not guarantee that the Equity Shares shall be allocated/Allotment either by the members of the Syndicate or our Company.

(h) Such TRS willbe non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, bidding through the members of the Syndicate, only the BRLM and their affiliate Syndicate Members also have the right to accept the bid or reject it. However, such rejectionshould 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 would not be rejected except on the technical grounds.

(j) The permission given by 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 the BRLM are cleared or approved by 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.

(k) It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the BSE; 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.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges main frame on a regular basis.

(b) The Book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period and can be obtained from them.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed

Revision Form, which is a part of the Bid-cum-Application Form or ASBA Bid Cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 2 Lakhs if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 2 Lakhs, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) 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 Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.

b) Our Company, in consultation with the BRLM shall finalize the 'Issue Price', the number of Equity Shares to be allotted in each category of Bidders.

c) The allocation available to QIBs for not more than 50% of the Issue to the Public, of which 5% shall be reserved for Mutual Funds, would be on a proportionate basis, subject to valid bids being received at or above the Issue Price in the manner as described in the section titled 'Basis of Allotment'. The allocation to Non-Institutional Bidders and Retail Individual Bidders of not less than 15% and 35% of the Issue to the Public, respectively, would be on proportionate basis, in the manner specified in the SEBI (ICDR) Regulations in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

d) Under subscription, if any, in QIBs, Non-Institutional and Retail categories would be allowed to be met with spill over from any of the other categories at the discretion of our Company and the BRLM. However, if the aggregate demand by Mutual Funds is less than [●] Equity Shares, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders in proportion to their Bids.

e) Allocation to NRIs, FIIs, Foreign Venture Capital Funds registered with SEBI applying on repatriation basis will be subject to the terms and conditions stipulated by the FIPB and RBI while granting permission for Issue/Allocation of Equity Shares to them.

f) QIBs shall not be allowed to withdraw their Bid after the Bid Closing Date applicable to QIBs.

g) Our Company in consultation with the BRLM, reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allocation, without assigning reasons whatsoever.

The allotment details shall be uploaded on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, Our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the "Prospectus". The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, Our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue.

(b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allocated to such Bidder.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 10 Working Days of the Bid/Issue Closing Date.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a) Check if you are eligible to apply in terms of the Red Herring Prospectus and under applicable law;
(b) Ensure that you have Bid within the Price Band;
(c) Read all the instructions carefully and complete the Bid-cum-Application Form;
(d) Ensure that the details about the Depository Participant, PAN and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;
(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted either at a Designated Branch of the SCSB or to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centres.;
(f) With respect to ASBA Bids ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Form;
(g) Ensure that you request for and receive a TRS for all your Bid options;
(h) In case of Bids submitted through ASBA process, ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Form to the respective Designated Branch of the SCSBs or the Syndicate members;
(i) In case of Non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and in case of Bids under the ASBA process funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
(j) In case of Bids submitted through the ASBA process, instruct the relevant SCSBs not to release the funds blocked in the ASBA Account in respect of the relevant Bid Amounts until receipt of instructions from the Registrar to the Issue to unblock the Bid Amount, based on finalization of the Basis of Allotment;
(k) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
(l) Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court and subject to the SEBI circular dated April 3, 2008 from the residents of the state of Sikkim, all Bidders should mention their PAN allotted under the IT Act. Bid Cum-Application Form in which the PAN is not provided will be rejected;
(m) Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(n) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form.
(o) All QIB Bidders and Non-Institutional Bidders shall apply only through the ASBA process.

Don'ts:

(a) Do not Bid if you are prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
(b) Do not Bid if you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise, or if you are not competent to contract under the Indian Contract Act, 1872, as amended;
(c) Do not Bid if you are a US resident;
(d) Do not bid after the time prescribed as per the Bid cum Application Form, Pre-issue advertisement and the Red Herring Prospectus and if the Bid is not as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;
(e) Do not submit your Bids on plain paper;
(f) Do not forget to tick the Bidder category on the Bid cum Application Form;
(g) In case of ASBA Bids, do not forget to tick the authorization to the SCSB to block funds in the ASBA Account;
(h) Do not Bid for lower than the minimum Bid size;
(i) Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
(j) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;
(k) Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;
(l) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;
(m) Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 200,000);
(n) Do not Bid for a Bid Amount exceeding Rs. 200,000 (for Bids by Retail Individual Bidders);
(o) With respect to ASBA Bids, do not bid if there are inadequate funds in the ASBA Account for enabling the SCSB to block the Bid Amount specified in the ASBA Bid cum Application Form;
(p) Do not Bids under power of attorney or if you are a limited company, corporate, trust, etc., unless the Bid is supported with relevant documents;
(q) Do not forget to mention the sole or first Bidder's PAN (except for Bids on behalf of the Central or State Government, residents of Sikkim and officials appointed by the courts), DP ID and BAN in the Bid-cum-Application Form;
(r) Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
(s) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and
(t) Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid-cum-Application Form or in the Revision Form. Bidders must provide details of valid and active DP ID, BAN and PAN clearly and without error. Invalid accounts/ suspended accounts or where such account is classified as invalid or suspended may not be considered for allotment. Incomplete or incorrect Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs.200,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs.200,000 and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

(h) If the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should also be signed by the account holder as provided in the Bid cum Application Form.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT) or unblocking of ASBA Account. It is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Form and Bid-cum-Application Form that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLM or the Registrar or the Escrow Collection Banks or the SCSBs nor Our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT"S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (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 such Bidder's sole risk and neither our Company, the Escrow Collection

Banks, Registrar, the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Bids and revision to Bids must be:

1. On the Bid-cum-Application Form or the Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained in the Red Herring Prospectus, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision are liable to be rejected.

2. Bids by Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to a maximum Bid Amount of Rs. 2 Lakhs.

3. Bids by QIBs bidding in the Net QIB Portion and Non- Institutional Bidders must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs. [●] and in multiples of [●] Equity Shares thereafter. Bids cannot be made for more than the size of this Issue, subject to applicable investment limits under laws or regulations to the Bidders. QIBS cannot withdraw their Bids after the Bid Closing Date.

4. Made in a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

5. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs.2 lakhs would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 2 lakhs would be considered under Non- Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorneyor by Limited Companies, Corporate Bodies or Registered Societies

In case of bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any bid in whole or in part.

Certain additional documents are required to be lodged along with the Bid cum Application Form by the following entities:

(a) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with ASBA Bid cum Application Form.

(c) With respect to Bids made by provident funds with minimum corpus of Rs. 2500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form.

Our Company in our absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney and additional documents, as specified above, along with the Bid cum Application Form, subject to such terms and conditions that the Bank and the BRLM may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Retail Individual Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Retail Individual Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Retail Individual Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank 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 unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Retail Individual Bidder shall draw a cheque or demand draft or remit the funds electronically through the NEFT/RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Retail Individual Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form.

2. The Retail Individual Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
   (a) In case of Resident Retail : "[●]"
   (b) In case of Non-Resident Retail : "[●]"

4. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. 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 a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

6. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

8. Within 10Working Days from the Bid/Issue Closing Date, the Refund Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

9. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

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 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.

In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.

4. The addresses of all the applications in the multiple masters will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The Bids with same name and same address will be treated as multiple Bids.

5. The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid-cum-Application Form without the PAN is 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**.

REJECTION OF BIDS

In case of QIB Bidders, our Company in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB 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.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid-cum-Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [ ];
- Category not ticked;
- Multiple Bids as defined in the Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid-cum-Application Forms does not have the stamp of the BRLM or Syndicate Members or the SCSB;
- Bid-cum-Application Forms does not have Bidder‘s depository account details;
- Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant‘s identity (DP ID) and the beneficiary‘s account number;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- ASBA Bids for QIBs not intimated to the BRLM;
- Bids by persons in the United States;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids by QIBs and Non-Institutional Bidders through the non-ASBA process;
- Bids not uploaded on the terminals of the Stock Exchanges; and

- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised 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 agreements have been signed among our Company, the respective Depositories and the Registrar:

Agreement dated May 6, 2011, between NSDL, Our Company and the Registrar;
Agreement dated April 25, 2011, between CDSL, Our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) 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.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) 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.

(f) 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.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of Our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs/ to the Syndicate Member(s)/sub-syndicate members at the Syndicate ASBA Centres, the Bidders can contact the Designated Branches of the SCSBs or the Syndicate/ Sub-Syndicate members, as the case may be.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders'bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither Our Company, nor the Book Running Lead Managers, the Registrar, Escrow Collection Bank(s),Bankers to the Issue, the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. **NECS** – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit.

2. **Direct Credit** – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

4. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through Speed Post/ Registered Post. 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.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar 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 10 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, Our Company 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 within 10 Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, NEFT, direct credit the refund instructions will be given to the clearing system within 10 Working Days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 10 Working Days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, Our Company further undertakes that:

Allotment of Equity Shares shall be made only in dematerialised form within 10 Working Days of the Bid/Issue Closing Date; and

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 10 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder‘s Bank Account shall be made within 10 Working Days from the Bid/Issue Closing Date.

If the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 10 Working Days from the Bid/ Issue Closing Date or on refusal by stock exchanges to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any sharestherein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any otherperson in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.*****”**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, 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 Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Issue size less Allotment to Non Institutional Bidders and Retail shall be available for Allotment to Non- QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. The Allotment to all the QIB Bidders will be made at the Issue Price. The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

Allotment shall be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be less than [●] Equity Shares.

The Book Running Lead Managers, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the 'Basis of Allocation' is finalized in a fair and proper manner in accordance with the SEBI Regulations. The drawing of lots (where required) to finalize the 'Basis of Allocation' shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

A. Illustration of Allotment to QIBs and Mutual Funds ("MF")

Sr. No.	Particulars	Issue Details
1.	Issue Size	200 Crores equity shares
2.	Allocation to QIB (50%)	100 Crores Equity Shares
3.	Anchor Investor Portion	30 Crores Equity shares
4.	Portion available to QIBs other than Anchor	70 Crores Equity shares
	Of which:	
	a. Allocation to Mutual Funds	3.5 Crores Equity Shares
	b. Balance for all QIBs including MFs	66.5 Crores Equity Shares
5.	No. of QIB applicants	10
6.	No of Shares applied for	500 Crores Equity shares

B. Details of QIB Bids

Sr .No	QIB Bidders	No. of shares bid (in crores)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20
10	MF5	20
	Total	**500**

#A1-A5 : (QIB bidders other than MFs),
(MF1-MF5): (QIB Bidders which are MFs)

C. Details of Allotment to QIB Bidders

Type of QIB Bidders	Equity shares bid for	Allocation of 3.5 crores equity shares to MFs proportionately	Allocation of balance 66.5 crores equity shares to QIBs proportionately	Aggregate allocation to MFs
A1	50	0	6.65	0
A2	20	0	2.66	0
A3	130	0	17.29	0
A4	50	0	6.65	0
A5	50	0	6.65	0
MF1	40	0.7	5.32	6.02
MF2	40	0.7	5.32	6.02
MF3	80	1.4	10.64	12.04
MF4	20	0.35	2.66	3.01
MF5	20	0.35	2.66	3.01
	500	**3.5**	**66.5**	**30.1**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "*Issue Structure*" on Page No.189.

2. Out of 70 crores equity shares allocated to QIBs, 3.5 crores (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 equity shares in QIB category.

3. The balance 66.5 crores equity shares (i.e. 70–3.5 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 equity shares (including five MF applicants who applied for 200 equity shares).

4. The figures in the fourth column entitled "Allocation of balance 66.5 crores Equity Shares to QIBs proportionately" in the above illustration are arrived as under:

   For QIBs other than Mutual Funds (A1 to A5) = No. of shares bid for (i.e. in column II) X 66.5 /496.5

   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 66.5 / 496.5

   The numerator and denominator for arriving at allocation of 66.5 crore Equity shares to the 10 QIBs are reduced by 3.5 crores Equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Method of Proportionate Allotment

In the event of the Issue being over-subscribed, the basis of allotment shall be finalised by Our Company in consultation with the Designated Stock Exchange. The Executive Director/Managing Director/authorized employees of the [●] (Designated Stock Exchange) along with the post Issue Lead Merchant Banker and the Registrars to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportional basis as explained below:

(a) Bidders will be categorized according to the number of Equity Shares applied for,

(b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

(c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio, in that category subject to a minimum allotment of [●] Equity Shares. The allotment lot shall be the same as the minimum application lot irrespective of any revisions to the Price Band.

(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.

(e) If the proportionate Allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If the decimal is less than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

(f) Investors should note that the Equity Shares will be allocated to all successful Bidders in dematerialised form only. Bidders will not have the option of being allocated Equity Shares in physical form.

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.

Letters of Allotment or Refund Orders or instructions to the SCSBs, disposal of application and application moneys

Our Company shall give credit to the beneficiary account with depository participants within 10 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit. Our Company will ensure dispatch of any refund orders by speed or registered post or direct credit, NEFT or NECS, at the sole or first Bidders' sole risk, within 10 Working Days from the Bid/ Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 10 Working Days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs 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 10 Working Days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders' depositary accounts will be completed within 10 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT or ECS, the refund instructions have not been given in the disclosed manner within 10 Working Days from the Bid/ Issue Closing Date or on refusal by stock exchanges to grant listing permission for the Equity Shares being offered, our Company shall, within 8 days, repay the money failing which it shall pay interest with interest at 15% per annum, as prescribed under section 73 of the Companies Act.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar. Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKING BY OUR COMPANY

We undertake as follows:

1. that the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

2. that all steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed are taken within 12 Working Days of Bid/Issue Closing Date;

3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.

4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. that certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time.

6. that no further issue of securities shall be made till the securities offered through the Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, under subscription, etc.

7. 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.

Our Company, in consultation with the BRLM, reserves the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within two days of the closure of the issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the issue after closure of bidding, the issuer shall be required to file a fresh draft offer document with SEBI.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors of our Company certifies that:

i) All monies received out of this issue of Equity Shares to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;

ii) Details of all monies utilized out of the issue referred to in sub-item (a) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the Balance Sheet of our Company indicating the purpose for which such monies had been utilized; and

iii) Details of all unutilized monies out of the issue of Equity Shares, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Balance Sheet of our Company indicating the form in which such unutilized monies have been invested;

iv) 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 Net Proceeds; and

Our Company shall not have recourse to the proceeds of the Issue until the approval for trading of the Equity Shares from the Stock Exchanges has been received.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended 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 of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration

requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.

SECTION X- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Subject as hereinafter otherwise provided, the regulations contained in Table 'A' in the Schedule I of the Companies Act, 1956 shall apply to this Company except so far as they have been impliedly or expressly modified by what is contained in the Articles hereinafter mentioned or by the said act.

The Authorized capital of our Company is Rs.20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00, 000 Equity Shares of Rs.10/- each.

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

CAPITAL

3. a) The Authorised Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum of Association of the Company from time to time.

b) The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.

5. Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

6. The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s) premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.

7. Subject to the provisions of the Act and these Articles, the shares/securities (whether Equity or Preference) shall be under the control of the Directors who may allot, forfeit or otherwise dispose of the same to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par or at discount, and with full power to give any person the option to call for or be allotted shares of any class of the company either at premium or at par or at discount, such option being exercisable at such times and for such consideration as the Board thinks fit.

8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.

9. On the issue of redeemable preference shares under the provisions of Article 7 hereof , the following provisions-shall take effect:

(a) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption;

(b) No such Shares shall be redeemed unless they are fully paid;

(c) The premium, if any payable on redemption shall have been provided for out of the profits of the

Company or out of the Company's security premium account, before the Shares are redeemed;

(d) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company; and

(e) Subject to the provisions of Section 80 of the Act, the redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit. The reduction of Preference Shares under the provisions by the Company shall not be taken as reducing the amount of its Authorised Share Capital

10. The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce
(a) the share capital;
(b) any capital redemption reserve account; or
(c) any security premium account
in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.

11. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

(a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

(b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

(c) Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

(d) Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered asprovided in Section 125 of the Act.

(e) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.

(f) Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after theallotment of its debentures or debenture-stock andwithin one month after the application for theregistration of the transfer of any such debentures ordebentures-stock have completed and ready fordelivery the certificate of all debenture-stock allotted or transferred.

(g) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.

(h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

12. The Company may exercise the powers of issuing sweat equity shares conferred by Section 79A of the Act of a class of shares already issued subject to the following conditions:

(a) the issue of sweat equity shares is authorised by a special resolution passed by the Company in general meeting;

(b) the resolution specifies the number of shares, their value and the class or classes of directors or employees to whom such equity shares are to be issued; and

(c) not less than one year has at the date of issue elapsed since the date on which the Company was

entitled to commence business.

13. Subject to the provisions of Section 79A and other applicable provisions of the Act and the Rules made thereunder, the Company may issue Sweat Equity Shares if such issue is authorised by a Special Resolution passed by the Company in the general meeting. The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorised by a Special Resolution of the Company in general meeting subject to the provisions of the Act and the Rules and applicable guidelines made thereunder, by whatever name called.

14. (a) Pursuant to Section 77A of the Act, the Company may purchase its own shares or other specified securities out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares made specifically for buy-back purposes by passing a special resolution in the General Meeting of the Company.

(b) Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Section 77A of the Act and the applicable guidelines and regulations that may be issued in this regard.

Provided that nothing in this clause shall be taken to prohibit:

(i) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or

(ii) the making by the Company of loans, within the limit laid down in subsection (3) of Section 77 of the Act, to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership;

(c) No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.

15. Subject to the provisions of Section 94 of the Act, the Company in general meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; subject nevertheless, to the provisions of clause (d) of sub-section (I) of Section 94; and the resolution whereby any share is sub-divided, may determine that, as between the holders of the share resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

MODIFICATION OF CLASS RIGHTS

16. (a) If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights privileges shares, all or any of the rights privileges attached to any class (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 106 and 107 of the Act and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of these Articles relating to general meetings shall mutatis mutandis apply to every such separate class of meeting.

(b) The rights conferred upon the holders of the Shares including Preference Share, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

17. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of Section 79 of the

Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

18. (a) Where at any time after the expiry of two years from the formation of the company or at any time after the expiry of one year from the allotment of shares in the company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

(i) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;

(ii) such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days from the date of the offer and the offer if not accepted, will be deemed to have been declined;

(iii) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (ii) hereof shall contain a statement of this right; PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may, renounce the shares offered to him; and

(iv) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think fit, in their sole discretion;

(b) Notwithstanding anything contained in sub-clause a(i) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) in any manner whatsoever:

(i) if a special resolution to that effect is passed by the company in General Meeting; or

(ii) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the company.

(c) Nothing in sub-clause (iii) of (a) hereof shall be deemed:

(i) to extend the time within which the offer should be accepted; or

(ii) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

(d) Nothing in this Article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued or loans raised by the company:

(i) to convert such debentures or loans into shares in the company; or

(ii) to subscribe for shares in the company (whether such option is conferred in these Articles or otherwise).

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(i) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and

(ii) in the case of debentures or loans other than debentures issued to, or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in General Meeting before the issue of the debentures or raising of the loans.

(e) In addition to and without derogating from the powers for that purpose conferred on the Board under Article 16 the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased

capital of the company) shall be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, as such General Meeting shall determine and with full power to give any persons (whether members or not) the option to call for or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount as the meeting shall determine and with full power to give any person (whether a member or not) the option of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.

19. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.

20 An application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purposes of these Articles, be a Member.

21. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

22. The money (if any) which the Board 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 become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him, accordingly.

23. Every Member, or his heirs, executors, administrators, or legal representatives, shall pay to the Company the portion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require on date fixed for the payment thereof.

24. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

CERTIFICATES

25. (a) Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as provided in the relevant laws) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Directors or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits of it, at least one of the aforesaid two Directors shall be a person other than a Managing or whole-time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person, to whom it has been issued, indicating the date of issue.

(b) Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.

(c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

26. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates inreplacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

27. (a) If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.

(b) The Company shall not be bound to register more than three persons as the joint holders of any share.

28. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise 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 the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

29. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

UNDERWRITING AND BROKERAGE

30. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company but so that the commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

31. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

32. Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

INTEREST OUT OF CAPITAL

33. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building the provision of any plant, or onshore or offshore rigs, which can not be made profitable for a lengthy period, the Company my pay interest on so much of that share capital at a rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

CALLS

34. (1) The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board.

(2) A call may be revoked or postponed at the discretion of the Board.

(3) A call may be made payable by installments.

35. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

36. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

37. Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

38. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which 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.

39. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 21% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

40. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

41. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the nameof the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books: and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles: and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

42. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of hisshares, 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 forfeiture of such shares as hereinafter provided.

43. (a) The Board may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.

(b) No Member paying any such sum in advance shall be entitled to 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 this Article shall mutatis mutandis apply to calls on debentures issued by the Company.

LIEN

44. The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause.

45. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfillment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the Certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new Certificate or Certificates in lieu thereof to the purchaser or purchasers concerned.

46. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to lien for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares at the date of the sale.

FORFEITURE AND SURRENDER OF SHARES

47. If any Member fails to pay the whole or any part of any call or installment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or installment or any part thereof orother moneys as aforesaid remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or installment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneysshall remain unpaid in respect of any call or installment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable laws of India, for the time being in force.

48. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or installment and such interest thereon as the Directors shall determine from the day on which such call or installment ought to have been paid and expenses as aforesaid are to be paid.

The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

49. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

50. When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register ofMembers.

51. Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

52. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.

53. The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

54. A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

55. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

56. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

57. In the meantime and until any share so forfeited shall be sold, re-allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

58. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

59. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

60. (a) The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.

(b) The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect

thereof.

61. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 108 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof.

62. The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

63. Subject to the provisions of Section 111 of the Act and Section 22A of the Securities Contracts (Regulation) Act, 1956, the Directors may, at their own absolute and uncontrolled discretion and by giving reasons, decline to register or acknowledge any transfer of shares whether fully paid or not and the right of refusal, shall not be affected by the circumstances that the proposed transferee is already a member of the Company but in such cases, the Directors shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and transferor notice of the refusal to register such transfer provided that registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the company has a lien on the shares. However, no transfer of shares/debentures shall be refused on the ground ofthem not being held in marketable lots.

64. If the Company refuses to register the transfer of any share or transmission of any right therein, the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was lodged with the Company, send notice of refusal to the transferee and transferor or to the person giving intimation of the transmission, as the case may be, and there upon the provisions of Section 111 of the Act or any statutory modification thereof for the time being in force shall apply.

65. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.

66. The Board of Directors shall have power on giving not less than seven days pervious notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures 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 at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.

67. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.

68. Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For this purpose the notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

69. (a) On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his legal representatives where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares.

(b) Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.

Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

(c) Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

70. The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.

71. Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

72. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of suchshares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares; provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.

73. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

74. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

75. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

76. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognised by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Article 54 hereof as circumstances permit.

77. No transfer shall be made to any minor, insolvent or person of unsound mind.

NOMINATION

78. i) Notwithstanding anything contained in the articles, every holder of shares or debentures of the Company may, at any time, nominate a person in whom his/her shares or debentures shall vest in the event of his/her death and the provisions of Section 109A and 109B of the Companies Act, 1956 shall apply in respect of such nomination.

ii) No person shall be recognised by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the shares or debentures of the Company in the manner specified under Section 109A of the Companies Act, 1956

iii) The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such nomination.

iv) lf the holder(s) of the shares or debentures survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

79. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

(i) to be registered himself as holder of the share or debenture, as the case may be; or

(ii) to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;

(iii) if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;

(iv) a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALISATION OF SHARES

80. For the purpose of this Article, unless the context otherwise requires:

A. Definitions:

Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a Depository.

SEBI "SEBI" means the Securities and Exchange Board of India.

Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;

Depositories Act "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force;

Depository "Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

Record "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;

Regulations "Regulations" mean the regulations made by SEBI;

Security "Security" means such security as may be specified by SEBI.

B. Dematerialisation of Securities :

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any;

C. Option for Investors :

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

D. Securities in Depositories to be in fungible form :

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;

E. Rights of Depositories and Beneficial Owners :

i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;

ii) Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;

iii) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. Service of information :

Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. Transfer of Security :

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

H. Sections 83 and 108 of the Act not apply :

Notwithstanding anything to the contrary contained in the Articles -

i) Section 83 of the Act shall not apply to the shares with a Depository;

ii) Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.

I. Register and Index of beneficial owners :

The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. Intimation to Depository :

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. Stamp duty on securities held in dematerialised form :

No stamp duty would be payable on shares and securities held in dematerialized form in any medium as may be permitted by law including any form of electronic medium.

L. Applicability of the Depositories Act :

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

M. Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository :

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

N. Declaration by person not holding beneficial interest in any Shares

(1) Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

(2) A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such Beneficial Owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

(3) Whenever there is a change in the beneficial interest in a Share referred to above, the Beneficial Owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

(4) Not withstanding anything contained in the Act and Articles 37 and 38 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Registrar with regard to such declaration.

JOINT HOLDER

81. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles :

(a) the Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

(b) on the death of any such joint holders the survivor or survivors shall be the only person recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person;

(c) only the person whose name stands first in the Register of Members may give effectual receipts of any dividends or other moneys payable in respect of share; and

(d) only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

SHARE WARRANTS

82. The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence(if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

83. (a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant.

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

84. (a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

85. The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

86. The Company may, by ordinary resolution in General Meeting.
a) convert any fully paid-up shares into stock; and
b) re-convert any stock into fully paid-up shares of any denomination.

87. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulation under which the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit, provided that, 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.

88. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company, and other matters, as if they hold the shares for which the stock arose.

89. Such of the regulations of the Company (other than those relating to share warrants), as are applicable to paid up share shall apply to stock and the words “share” and “shareholders” in those regulations shall

include "stock" and "stockholders" respectively.

BORROWING POWERS

90. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash creditor by issue of bonds, debentures or debenture-stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.

91. Subject to the provisions of the Act and these Articles, any bonds, debentures, debenture-stock or any other securities may be issued at a discount, premium or otherwise and with any special privileges and conditions as to redemption, surrender, allotment of shares, appointment of Directors or otherwise; provided that debentures with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in General Meeting.

92. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by theCompany or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

93. Any bonds, debentures, debenture-stock or their securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

94. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

95. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETINGS OF MEMBERS

96. (a) The Company shall, in each year, hold, in addition to any other meetings, a General Meeting as its Annual General meeting, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next and the Annual General Meeting shall be held within six months of the expiry of its financial year.

Provided that if the Registrar shall have, for any special reason, extended the time within which any Annual General Meeting shall be held, by a period not exceeding three month, then such Annual General Meeting may be held within such extended period.

(b) Every Annual General Meeting shall be called at a time during business hours and on such day (not being a public holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which the Registered office is situated.

(c) The Statutory Meeting of the Company shall be held at such place and at such time (not less than one month nor more than six months from the date at which the Company is entitled to commence business) as the Directors may determine and in connection therewith, the Directors shall comply with the provisions of Section 165 of the Act.

97. All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

98. (1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be -

(a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

(ii) the case of any other requisition, not less than two weeks before the Meeting, and

(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.

PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.

(5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.

(6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

99. (a) The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of

100. (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or

if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

101. (1) In case of requisition the following provisions shall have effect:

(a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.

(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.

(c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.

(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.

(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:

(i) By the requisitionists themselves ; or

(ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (I) which ever is less.

PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.

(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:

(a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but

(b) shall not be held after the expiration of three months from the date of deposit of the requisition.

PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.

(3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.

(4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

102. (a) A General Meeting of the Company, Annual or Extraordinary and by whomsoever called, may be called by giving not less than 21 days clear notice in writing.

(b) A General Meeting may be called by giving shorter notice than that specified in clause (1) hereof if consent is accorded thereto (a) in the case of an Annual General Meeting by all the members entitled to vote thereto and (b) in case of any other general meeting, by members of the Company holding not less than ninety-five per cent of the total voting power exercisable at that meeting.

PROVIDED THAT where any members of the Company are entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purpose of this clause in respect of the former resolution and not in respect of the latter.

103. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.

104. At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.

105. For all purposes the quorum at a general meeting shall be five members personally present. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.

106. (a) The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.

(b) No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.

107. The Chairman with the consent of the Members may adjourn any Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a Meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or any business to be transacted at an adjourned meeting.

108. In the case of an equality of votes the Chairman shall both on a show of hands and on a poll (if any) have casting vote in addition to the vote or votes to which he may be entitled as a Member.

109. Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.

110. At any general meeting a resolution including a special resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of a show of hands) demanded :

(a) by the Chairman; or
(b) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
(c) by any member or members present in person or by proxy and holding shares in the company on which an aggregate sum of not less than Rupees fifty thousand has been paid up.

111. A declaration by the Chairman that in pursuance of voting on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and any entry to that effect in the books containing the minutes of the proceedings of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favor or against such resolution.

112. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Draft Red Herring Prospectus with RoC to Bid/Issue Closing Date on Working Days from the date of filing of the Draft Red Herring Prospectus until the date of Closure of the Issue.

MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 20, 2011 between our Company and the BRLM appointing them as the Book Running Lead Manager to the Issue.

2. Memorandum of Understanding dated December 10, 2010 between our Company and Share Pro Services (India) Private Limited appointing them as Registrar to this Issue.

3. Tripartite Agreement dated May 6, 2011among our Company, NSDL and Share Pro Services (India) Private Limited.

4. Tripartite Agreement dated April 25, 2011among our Company, CDSL and Share Pro Services (India) Private Limited.

5. Escrow Agreement dated [●] between our Company, the BRLM, Syndicate Member, Escrow Collection Banks and the Registrar to the Issue.

6. Syndicate Agreement dated [●] between our Company, BRLM and the Syndicate Member.

7. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Member.

8. The Memorandum and Articles of Association of our Company, as amended from time to time.

9. Copy of Certificate of Incorporation dated May 27, 1999 issued by the Registrar of Companies, Maharashtra, Mumbai.

10. Fresh Certificate of Incorporation dated April 7, 2011 issued by the Registrar of Companies, Maharashtra, Mumbai.

11. Fresh Certificate of Incorporation dated April 27, 2011 issued by the Registrar of Companies, Maharashtra, Mumbai.

12. Annual General Meeting resolution dated September 6, 2011 and the resolution of the Board dated July 04, 2011 authorising the Issue.

13. Copy of Resolution dated May 23, 2011for re-appointment and authorising the remuneration of our current Managing Director.

14. Copy of Resolution dated May 23, 2011for appointment and authorising the remuneration of our current Whole Time Director.

15. Copy of Restated Audit report on restated financial statements by the Auditors, M/s Laxmikant Kabra & Co. dated July 18, 2011 included in the Draft Red Herring Prospectus and copies of the Balance Sheet referred in the report.

16. IPO Grading Report issued by [●] dated [●].

17. Consents in writing from our Promoters, Directors, Company Secretary and Compliance Officer, CFO, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Book Running Lead Manager(s), Syndicate Member(s), Underwriter(s), IPO Grading Agency, Registrar of the Issue, Legal Advisor to the Issue to act in their respective capacities.

18. Initial Listing Applications dated [●] and [●] filed with the BSE and the NSE respectively.

19. In-principle listing approvals from BSE and NSE dated [●] and [●] respectively.

20. Due Diligence Certificate dated September 22, 2011 to SEBI from Chartered Capital and Investment Limited, the Book Running Lead Manager.

21. SEBI observation Letter No. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

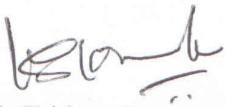
SECTION XII -DECLARATION

We, the Directors of our Company, hereby declare and certify that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

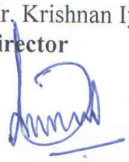
SIGNED BY

Mr. Joson Thomas
Managing Director

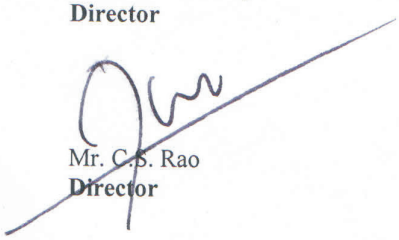
Mr. Praveen ValiaParampath
Whole-Time Director



Mr. Krishnan Iyer
Director

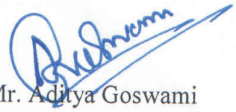


Mr. PrakashShimpi
Director



Mr. C.S. Rao
Director

Mr. Madhu MohananM.B.Nair
Chief Financial Officer



Mr. Aditya Goswami
Company Secretary and Compliance Officer

Date: 23rd Sept 2011
Place: Mumbai