



UNIVERSAL ENERGIES LIMITED

(Company Identification No. of our Company is U74120DL2007PLC164288)

Our Company started as a partnership firm under the name of 'Unitech' in the year 1999, which was converted into a Public Limited Company as "Universal Energies Limited" on June 4, 2007 under the provisions of Part IX of The Companies Act, 1956. A Certificate of Incorporation was issued to us by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 4, 2007. Subsequently, a Certificate for Commencement of Business was issued to us by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 18, 2007. The registered office of our Company was changed from 607, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India to 607- 609, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India, with effect from April 18, 2011. For more details on the conversion from partnership firm into a public limited company and changes in the Registered Office of our Company, please refer section "History and Certain Corporate Matters" on page no. 106 of this Draft Prospectus

Registered Office: 607-609, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India.

Tel. No. +91-11-66606441, 66606442; **Fax No.** +91-11-66605658 **E-mail:** uel@uel.co.in;

Website: www.uel.co.in; **Contact Person:** Ms. Monika Srivastava (Company Secretary & Compliance Officer)

Promoters of our Company: Mr. Aditya Ranjan Singh and Mr. Akhilesh Ranjan Singh

THE ISSUE

PUBLIC ISSUE OF 7,000,000 EQUITY SHARES OF ₹ 10/- EACH ISSUED FOR CASH AT A PREMIUM OF ₹ 20/- PER EQUITY SHARE I.E. AT A PRICE OF ₹ 30/- PER EQUITY SHARE AGGREGATING TO ₹ 2100.00 LACS ("THE ISSUE" OR "THE NET ISSUE") BY UNIVERSAL ENERGIES LIMITED ("OUR COMPANY" OR "THE ISSUER"). THE FACE VALUE OF THE SHARE IS ₹ 10/- EACH AND THE ISSUE PRICE IS 3 (THREE) TIMES OF THE FACE VALUE. THE ISSUE TO THE PUBLIC WILL CONSTITUTE 32.31% OF THE FULLY DILUTED POST-ISSUE EQUITY SHARE CAPITAL OF OUR COMPANY. THE ISSUE IS BEING MADE IN TERMS OF REGULATION 26 (1) OF SEBI (ICDR) REGULATIONS, 2009, AS AMENDED (THE "SEBI REGULATIONS"). THIS BEING A FIXED PRICE ISSUE, THE ALLOCATION IN THE NET OFFER TO THE PUBLIC CATEGORY SHALL BE MADE AS PER SUB CLAUSE (4) OF REGULATION 43 OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED (THE "SEBI REGULATIONS").

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹ 10/- per share and the Issue Price is 3 (Three) times of the face value of the Equity Shares of our Company. The Issue Price (as determined by our Company in consultation with the Lead Manager and as stated under the paragraph 'Basis for Issue Price' on page no. 62 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and / or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page no. 10 of this Draft Prospectus.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on **Bombay Stock Exchange Limited ("BSE")**. The in-principle approval of BSE for listing of Equity Shares of our Company have been received pursuant to letter dated [●]. **BSE shall be the Designated Stock Exchange for the purpose of this Issue.**

GRADING

This Issue has been graded by Credit Analysis and Research Limited and has been assigned the "IPO Grade [●]/5" indicating [●] in its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5/5" indicating strong fundamentals and "IPO Grade 1/5" indicating poor fundamentals. For more information on IPO grading, see sections titled "General Information", "Other Regulatory and Statutory Disclosures" and "Material Contracts and Documents for Inspection" at page no. 39, 188 and 245 of this Draft Prospectus, respectively.

LEAD MANAGER TO THE ISSUE



Hem Securities Limited
14/15, Khatau Building,
40, Bank Street, Mumbai - 400 001
Tel: 022 - 2267 1543 / 44
Fax: 022 - 2262 5991
Web: www.hemonline.com
Email: rakeshb@hemonline.com
Contact Person: Mr. Rakesh Bhalla
SEBI Regn. No. INM000010981

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited
E-2, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (E), Mumbai - 4000 072
Tel: 022 - 4043 0200
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Web: www.bigshareonline.com
Email: ipo@bigshareonline.com
Contact Person: Mr. Babu Raphael
SEBI Regn. No. INR000001385

ISSUE PROGRAMME

ISSUE OPENS ON

[●]

ISSUE CLOSES ON

[●]

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SECTION I – GENERAL

1.3 – DEFINITIONS

Term	Description
“Universal Energies Limited” or “UEL” or “Universal Energies ” or “the Company” or “Our Company” or “ We” or “ Our” or “ Us ”	Universal Energies Limited a public limited Company incorporated under the Companies Act, 1956 having its registered office at 607 – 609, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110066, India. <i>(formerly a partnership firm under the name & style of “Unitech”)</i>
“you”, “your” or “yours”	Prospective investors in this Issue

1.2 – CONVENTIONAL / GENERAL TERMS

Terms	Description
Articles / Articles of Association	Articles of Association of Universal Energies Limited, as amended from time to time
Auditors/ Statutory Auditors	The Auditors of Universal Energies Limited: M/s D.S. Sinha & Co., Chartered Accountants, A-602, Aheria Housing Society, Plot No. – 2, Sector – 7, Dwarka, New Delhi – 110 075.
Board of Directors / the Board / our Board	The Board of Directors of Universal Energies Limited, including all duly constituted Committees thereof.
Companies Act / Act	The Companies Act, 1956, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s) / our Directors	Director(s) of Universal Energies Limited, unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
Executive Directors	Executive Directors are the Whole time Directors of our Company.
GIR Number	General Index Registry Number
Group Companies	The companies, firms and ventures disclosed in “ Our Promoter Group and Group Companies / Entities ” on page no. 126 promoted by the Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act, 1956.
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Universal Energies Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRI/ Non-Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires
Promoters	1. Mr. Aditya Ranjan Singh 2. Mr. Akhilesh Ranjan Singh
Promoter Group	The persons and entities constituting the promoter group pursuant to regulation 2(1)(zb) of the ICDR Regulations and disclosed in “ Our Promoter Group and Group Companies / Entities ” on page no. 126.
Registered Office	607 – 609, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110 066, Delhi, India.

Terms	Description
RoC	Registrar of Companies, Delhi & Haryana, 4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Bombay Stock Exchange Limited

1.3 – ISSUE RELATED TERMS

Terms	Description
Allotment/Allot/Allotted	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Application Supported by Block Amount (ASBA)	Means an application for subscribing to an issue containing an authorization to block the application money in a bank account.
ASBA Account	Account maintained by an ASBA Applicant with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant.
ASBA Applicant	Any Applicant who intends to apply through ASBA.
ASBA Application Form	The form, whether physical or electronic, used by an ASBA Applicant to make an application, which will be considered as the application for Allotment for purposes of the Prospectus.
Bankers to the Company	AXIS Bank Ltd.; IDBI Bank Ltd. and HDFC Bank Ltd
Bankers to the Issue / Escrow Collection Bank(s)	[●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ Issue Procedure – Basis of Allotment ” on page 214 of the Draft Prospectus.
BSE	Bombay Stock Exchange Limited.
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Depository / Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Application Form used by ASBA Applicant and a list of which is available on http://www.sebi.gov.in/
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account or the Refund Account, as appropriate, and the amounts blocked by the SCSBs are transferred from the bank accounts of the ASBA Applicant to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees.
Designated Stock Exchange	BSE
DP ID	Depository Participant’s Identity.
Draft Prospectus	The Draft Prospectus dated September 28, 2011, filed with the SEBI.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to

Terms	Description
	make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Employees	Permanent Employees of Universal Energies Limited as on September 23, 2011 including both staff and workmen employees.
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favor the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The Banks which are clearing members and registered with SEBI as Bankers to the Issue wherein the Escrow Account(s) of the Company will be opened.
Hem	Hem Securities Limited.
IPO	Initial Public Offering.
IPO Grading Agency	Credit Analysis and Research Limited / CARE.
Issue / Issue Size	The public issue of an aggregate of 7,000,000 Equity Shares of ₹ 10 each at the issue price of ₹ 30 each aggregating to ₹ 2100 lacs
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 30 /-.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited.
Non-Institutional Investors / Applicant	All Investors that are not QIBs (but not including NRIs other than eligible NRIs) or Retail Individual Investors and who have applied for Equity Shares for an amount over ₹ 2,00,000.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the issue price, the size of the issue and other information
Public Issue / Issue / Initial Public Offering / IPO	Public Issue of 7,000,000 equity shares of ₹ 10/- each for cash at a premium of ₹ 20/- per equity share (Price of ₹ 30/- per equity share) aggregating to ₹ 2100 Lacs (the Issue) by Universal Energies Limited (Our 'Company' or 'Issuer'). The face value of the share is ₹ 10/- each and the issue price is ₹ 30/- (3 times of the face value).
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account(s) and from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Institutional Buyers / QIBs	Public Financial Institutions as specified in Section 4A of the Companies Act, Scheduled Commercial Banks, Mutual Funds, Foreign Institutional Investors registered with SEBI, Multilateral and Bilateral Development Financial Institutions, Venture Capital funds registered with SEBI, State Industrial Development Corporations, Insurance Companies registered with the Insurance Regulatory and Development Authority (IRDA), Provident Funds with a minimum corpus of ₹ 25 Crores and Pension Funds with a minimum corpus of ₹ 25 Crores, 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, Insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account opened with an Escrow Collection Bank from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Banker	[●]
Refunds through electronic	Refunds through electronic transfer of funds means refunds through ECS, Direct

Terms	Description
transfer of funds	Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being Bigshare Services Pvt. Ltd.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in/
Working Day	All days other than a Sunday or a public holiday (except during the Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in India are open for business

1.4 - COMPANY AND INDUSTRY RELATED TERMS

Terms	Description
ARDF	Accelerated Rail Development Fund
BoP	Balance of Plant
BOT	Build Operate & Transfer
CAGR	Compound Annual Growth Rate
CGD	City Gas Distribution (CGD)
CNG	Compressed Natural Gas
DPR	Detailed Project Report
FDI	Foreign Direct Investments
GAIL	Gas Authority of India Limited
GGCL	Gujarat Gas Corporation Ltd.
GoI	Government of India
Golden Quadrilateral	GQ- connecting four metros Delhi, Chennai, Kolkata & Mumbai
HPCL	Hindustan Petroleum Corporation Limited
IGL	Indraprastha Gas Ltd.
IIFCL	India Infrastructure Finance Company Limited
IIP	Index Of Industrial Production
IIT	Indian Institute of Technology
IOCL	Indian Oil Corporation Ltd
IR	Indian Railways
IRR	Internal Rate of Return
ISO	International Organization for Standardization
JV	Joint Ventures
LOA	Letter of Award
LPG	Liquefied Petroleum Gas
MDPE	Medium-density polyethylene
MGL	Mahanagar Gas Corporation Ltd.
MMSCMD	Million Standard Cubic Feet Per Day
MoPNG	Ministry of Petroleum and Natural Gas
MoRD	Ministry of Rural Development
MoRTH	Ministry of Road Transport and Highways
MW	Megawatt
NCR	National Capital Region
NCT	National Capital Territory
NHDP	National Highways Development Programme
OFCs	Optical Fibre Cables

Terms	Description
OMCs	Oil Marketing Companies
PMGSY	Pradhan Mantri Gram Sadak Yojna
PNG	Piped Natural Gas
PNGRB	Petroleum & Natural Gas Regulatory Board
PPP	Public Private Partnership
PSU	Public Sector Undertaking
PWDs	Public Works Departments
RFQ	Request For Qualification
RIDF	Rural Infrastructure Development Fund
SPV	Special Purpose Vehicles
UMPPs	Ultra Mega Power Plants
UNCTAD	United Nations Conference on Trade and Development
VGf	Viability Gap Funding
YOY	Year Over Year

1.5 – ABBREVIATIONS

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Draft Prospectus
ECS	Electronic Clearing System
EPS	Earnings Per Share
EGM	Extraordinary General Meeting
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
MAPIN	Market Participants and Investors' Integrated Database

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

SECTION II: RISK FACTORS

2.1 - CERTAIN CONVENTIONS; USE OF MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

CURRENCY OF FINANCIAL PRESENTATION

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Universal Energies Limited” and “UEL”, unless the context otherwise indicates or implies, refers to Universal Energies Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “ten lac / lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Throughout this Draft Prospectus, all figures have been expressed in lacs. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the financial year ended 2007, 2008, 2009, 2010 and 2011 accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “*Financial Information of the Company*” beginning on page no. 131 of this Draft Prospectus. Our Company does not have any subsidiary. Accordingly, financial information relating to us is presented on a non-consolidated basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

For additional definitions used in this Draft Prospectus, see the section Definitions and Abbreviations on page no. 2 & 6 of this Draft Prospectus. In the section titled “Main Provisions of Articles of Association”, defined terms have the meaning given to such terms in the Articles of Association of our Company.

USE OF MARKET DATA

Unless stated otherwise, market data used throughout this Draft Prospectus was obtained from internal Company reports, data, websites, industry publications and a report issued by CARE hereinafter referred as the CARE Report. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe market data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source.

2.2 - FORWARD-LOOKING STATEMENTS

We have included statements in the Draft 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”.

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

- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in laws and regulations relating to the industries in which we operate;
- Increased competition in these industries;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in technology;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally; and
- Any adverse outcome in the legal proceedings in which we are involved.

For further discussion of factors that could cause our actual results to differ, see the Section titled "**Risk Factors**" beginning on page no. 8 of this Draft 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 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 Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

2.3 - RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Draft Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, 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.

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 impact in future.

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "**Risk Factors**" on Page No. 8 and "**Management Discussion and Analysis of Financial Condition and Results of Operations**" on Page No. 172 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standards.

INTERNAL RISK FACTORS

1. ***Our Company has not placed any orders so far for site construction equipments worth ₹1,181.56 Lacs, (which includes imported equipments worth ₹ 400.95 Lacs) for our proposed expansion project. Any delay in procurement of said equipments may delay the implementation schedule which may also lead to increase in prices of these equipments thus adversely affecting costs, revenues and profitability. Further, Our Company has not entered into any forward exchange contracts to hedge exchange fluctuation risks with regard to imported equipments. Our proposed expansion project may be hampered or delayed in case of happening of all or any of the above mentioned event, which may have an adverse affect business operation and financial condition of our Company.***

We are yet to place orders for site construction equipments worth ₹ 1,181.56 Lacs, (which includes imported equipments worth ₹ 400.95 Lacs) for our proposed expansion project. We are subject to the risks on account of inflation in the price of equipments which are required for our project. Further in respect of the equipments that we propose to import /procure from overseas, we may be subjected to the risks arising out of currency rate fluctuations. We have not arranged for any hedging facility to cover the risks arising out of foreign exchange fluctuations in relation to the aforesaid imports. Above factors may adversely affect our cost, revenue and profitability estimations.

2. *There is another Company promoted by our promoters, which may engage in the lines of business similar to ours. There is no non-compete agreement between our Company and this group company. We cannot assure that our promoters will not favor the interests of the said company over our interest or that the said company will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.*

Our promoters have promoted Global Gascon & Minerals Limited, which may engage in the lines of business similar to ours. There is no non-competing agreement between our Company and this group company. We cannot assure that our promoters will not favor the interests of the said company over our interest or that the said company will not expand which may increase our competition, which may adversely affect business operations and financial condition of our Company.

3. *Availability of adequate quantities of consumables, which are used for execution of infrastructure projects on procurement & contract basis, constitutes about 37% of the total direct cost based on the Audited Financial Statements, as restated as at March 31, 2011. Our Company has not entered into specific agreements for supply of its major consumables for its existing and proposed operations with the concerned suppliers. Any significant increase in prices of these major raw materials or any disruption in their supplies may adversely affect our business operations and consequently financials of our Company.*

Our consumables cost constitutes about 37% of total direct cost based on the Audited Financial Statements, as restated as at March 31, 2011. Details of major consumables purchased for F.Y. 2010-11 is as follows:

Sr. No.	Name of Item	Amount (₹ in lacs)	% of purchase
1	Coating sleeve, Direx and Primer	68.63	2.44
2	Tank Radar Level Gauge system	78.00	2.73
3	Steel (Plate, Frame etc.)	1210.21	42.31
4	Structural Steel	113.16	3.95
5	Crushed ballast stone	180.90	6.32

We have not entered into any agreement with the suppliers of these consumables. Any significant increase in the prices of these consumables due to any reason whatsoever, and our inability to pass on additional costs to our customers due to market compulsions may adversely affect our operations and thereby financials of our Company.

4. *Our Company procures significant portion of consumables from a few suppliers. Any discontinuation or disruption of supply of consumables by these few suppliers would adversely impact business operations and financial condition of our Company.*

During the financial year ended March 31, 2011, top 5 suppliers to our Company are as per the details given below:

Name of the Supplier	Amount (₹ in lacs)	% of purchase	Whether related to our Company, our Promoters, our Promoter Group
Varun & Co.	1,065.34	37.25	No
Sujeet Associates	144.87	5.06	No
Icon Controls Pvt. Ltd.	78.00	2.73	No
Raychem RPG Ltd.	68.63	2.44	No
Vikrant Ispaat Udyog	47.34	1.66	No

Any discontinuation or disruption of supply of consumables by any of the above suppliers would adversely impact business operations and financial condition of our Company.

5. *We depend on our key customers who contribute significantly towards our total sales. Any discontinuation of business or placement of orders by our these key customers may adversely affect our business operations and financial condition of our Company.*

Our top 5 customers contributed to around 70% of our total sales volume during the financial year 2010-11, the details of which are as follows:

Name of the Clients	Value (₹ in Lacs)	As % of total income	Whether related to Promoter / Promoter Group / Director
Indraprastha Gas Ltd.	1,772.00	20.28	No
Vensar Constructions Co. Ltd.	1,507.31	17.25	No
Indian Railways	1,359.98	15.57	No
Aravali Infrapower Ltd.	1,112.24	12.73	No
Indian Oil Corporation Ltd.	425.43	4.87	No
Total	6,176.96	70.71	

Any discontinuation of business or placement of orders by our key customers may adversely affect our business operations and financial condition of our Company.

6. *Our Company is involved in certain legal proceedings*

A. Our Company is involved in certain legal and other proceedings in India and may face liabilities as a result. We are involved in legal proceedings and claims in India. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our liabilities. We cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a significant adverse effect on our business and results of operations.

Our outstanding legal proceeding and the amounts claimed in these proceedings have been disclosed to the extent ascertainable below:

Sr. No.	Nature of litigation	Number of Outstanding cases	Aggregate approximate amount involved (₹)
1	Civil Proceedings	2	15,17,414
2	Show Cause Notice	1	Not ascertainable
3	Labour laws	1	5,000

B. None of our Directors, Promoters, Promoter Group are party to various legal proceedings.

Also we have from time to time initiated legal proceedings relating to our business and operations, for further details of outstanding litigation against us,

Please see “*Outstanding Litigation and Material Developments*” on Page No. 183 of this Draft Prospectus.

7. ***Our ability to effectively manage our expansion plans and successfully execute and implement our growth oriented projects may be limited which could have an adverse effect on our business operations and financial conditions.***

In the past, we have achieved impressive growth in revenues and profits as is evident from our Audited Financial Statements, as restated for past five years. We have grown from a partnership firm to a public limited company during this five year period and continue to pursue such development strategies which would enhance existing operations. Our Company's future prospects predominately depend upon our managerial capabilities and capacities to undertake such growth oriented projects. This could only be achieved once we have improvised operating systems, sound organizational structures in place, existence of standardized procedures and effective internal control mechanisms, continuous upgradation of the infrastructure and managerial capabilities to take the most appropriate managerial decisions at right time as per need of the hour. In the unlikely event of our failure to install such systems, procedures and control mechanisms in our Company due to our limited managerial abilities, we may not be able to pursue our strategic expansion cum diversification plans effectively. This could adversely affect execution of future plans, results of operations and financial conditions.

8. ***We did not attach Cash Flow Statement with regard to financial Year ended March 31, 2009, March 31, 2010 and March 31,2011 as per Accounting Standard –3 issued by The Institute of Chartered Accountants of India (I.C.A.I) and as per section 211 (3A) of the Companies Act, 1956. Though the cash flow statements were prepared, the same were not attached inadvertently. Our Company may be subjected to penal provisions with regard to relevant financial years as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.***

Accounting Standard – 3 with reference to preparation and filing of Cash Flow Statement, which became applicable during financial year ended March 31, 2008. Though the Cash Flow Statement was prepared for the period inadvertently, the same was not attached in the Annual Report for 2008-09, 2009-10 and 2010-11. However, we have prepared and annexed Cash Flow Statements for the above periods in the audited restated financial statements. Our Company may be subjected to penal provisions with regard to relevant financial years, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.

9. ***Our Company inadvertently failed to print disclosure regarding related party transactions as per AS-18 issued by The Institute of Chartered Accountants of India (I.C.A.I) and as per section 211 (3A) of the Companies Act, 1956 in the Audited Financial Statements for financial years ended March 31, 2009and 2010 as prescribed by The Institute of Chartered Accountants of India (I.C.A.I). However, from the subsequent financial year ended March 31, 2011, we have complied with the AS-18 as prescribed by ICAI. Our Company may be subjected to penal provisions, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.***

The disclosure regarding related party transactions during financial years ended March 31, 2009 and 2010 as per Accounting Standard – 18 were inadvertently not printed in the financial reports of the respective financial years although they were prepared by our Company in compliance of the said accounting standard. However, from the subsequent financial year ended March 31, 2011, we have complied with the AS-18 as prescribed by ICAI. Further we have prepared and annexed related party transactions for the above periods in the audited restated financial statements. Our Company may be subjected to penal provisions, as per the relevant sections of the Companies Act, 1956, which may adversely affect the business operations of our Company.

10. We have certain contingent liabilities, which have not been provided for in the books of accounts. Materialization of any of these contingent liabilities could affect our financials.

The Contingent liabilities of our Company not provided for, as per our audited financial statements, as restated are as under:

		(₹ in Lacs)
Sr. No.	Nature of Liability	As at March 31, 2011
1	Letter of Credit	262.61
2	Bank Guarantees	1,055.94
3	Litigations filed against our Company	21.83*

In the event any of the above mentioned contingent liabilities gets crystallized, our business operations, revenues, profitability and cash flows may be adversely affected. For further information please see Section titled “**Financial Statements of the Company**” beginning on Page No. 131 of this Draft Prospectus.

*The status of the contingent liabilities in regard to outstanding litigations filed against our Company as on September 15, 2011 is as follows:

Sr. No.	Nature of litigation	Number of Outstanding cases	Aggregate approximate amount involved (₹)
1	Civil Proceedings	2	15,17,414
2	Show Cause Notice	1	Not ascertainable
3	Labour laws	1	5,000

In the event any of the above mentioned contingent liabilities gets crystallized, our business operations, revenues, profitability and cash flows may be adversely affected. For further information please see Section titled “**Outstanding Litigations and Material Developments**” beginning on Page No. 183 of this Draft Prospectus.

11. Our Company, during the financial year ended March 31, 2011, had entered into various transactions aggregating to ₹ 336.26 Lacs with our promoters, directors, their friends and relatives, associates and group companies. Our Company in the past has entered into Related Party Transactions and may continue to do so In future also, which may adversely affect our competitive edge and better bargaining power had these transactions would have been entered with non-related parties resulting into relatively more favourable terms and conditions and better margins.

Our Company, during the financial year ended March 31, 2011, had entered into various transactions aggregating to ₹ 336.26 Lacs with our promoters, directors, their friends and relatives, associates and group companies. Our Company may enter into such related party transactions in future also and we cannot assure that in that event there would be no adverse affect on results of our operations.

For Details Please refer to Annexure XI on Related Party Transactions of the Auditor’s Report under Section titled “**Financial Information of the Company**” beginning on Page No. 160 of this Draft Prospectus.

12. For our continued success, our senior management team and other key personnel are crucial and the loss of or inability to attract and retain such personnel in the future could have adverse effect on our business operations, revenues and profitability.

Our success substantially depends on the continued service and performance of the members of our senior management team and other key management personnel in our business for the management, performing our daily operations and planning, organizing, controlling and execution of our business strategy. Our ability to implement our business strategy would predominately depend on our ability to attract, train, motivate and retain highly skilled manpower. There is stiff competition for experienced senior management and other key personnel with technical and industry expertise, and if we lose the services of any of these or other key individuals to our competitors at the

same time fail to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired, thereby affecting our business operations, revenues and profitability.

13. Our Group Company has incurred loss in the financial year 2008-09 out of last 3 financial years

The following table summarizes the loss incurred by the group company:

Sr. No.	Name of the Group Company	Loss After Tax (In ₹ Lacs)		
		For the Year ended March 31,		
		2011	2010	2009
1	Global Gascon & Minerals Limited	-	-	0.46

14. Any adverse changes in the government policies affecting our raw materials could also impact our business operations thus adversely affecting our revenues and profitability.

The prices of our major raw materials will remain volatile on account of their basic nature of being dependent on import duty, imposition of anti-dumping duties or changes in sea-freight, clearing charges, etc. also impact our raw material cost, which in turn could adversely affect our business and financial operations.

15. Our Company has high working capital requirements. In case of any insufficiency of cash flow to meet our working capital requirements or pay our short term debt obligations, there may be adverse effect on the results of our operations.

We require substantial amount of working capital to finance the purchase of consumables and execution of projects / orders before payment is received from our customers. Our working capital requirements may increase if, in certain project orders, payment terms include reduced or no advance payments or payment schedules that specify payment towards the end of a project or less favorable to us. Moreover, if a client defaults in making its payment on a project to which we have devoted resources, it could also affect our profitability and liquidity and decrease the capital resources that are otherwise available for other uses. There can be no assurance that the payments will be remitted by our customers to us on a timely basis. In addition, it is customary in the industry in which we operate to provide bank guarantees in favor of clients to secure obligations under contracts. If we are unable to provide bank guarantees our ability to get new business could be limited. Providing margins to obtain bank guarantees increase our working capital needs and limits our ability to provide guarantees and pay dividends.

Continued increases in working capital requirements and insufficient cash flows from our operations to meet any of the above requirements may have an adverse effect on our financial condition and results of operations. Moreover, we may need to incur additional indebtedness in the future to satisfy our working capital needs.

16. We have planned capital expenditure, which may not yield the benefits intended and may impede our business operations, revenues and profitability.

We intend to embark upon an expansion plan to meet the growing demand. We are incurring capital expenditure of ₹ 2403.06 lacs for this proposed project as detailed in the section titled “*Objects of the Issue*” beginning on Page No. 55 of this Draft Prospectus. In the past, we have not undertaken capital expenditure of such size and our inability to manage capital expenditure may adversely affect our operations. We cannot assure that we will be able to get the benefits of the generally growing demand in the existing sectors we cater to and accordingly the benefits accruing to us from the planned expansion may be less than what is anticipated.

17. Delay in raising funds from the IPO could adversely impact the implementation schedule, thus adversely affecting our growth plans, revenues and profitability.

The expansion of our proposed project is to be funded from the proceeds of this IPO and internal accruals. If, we have or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that

we would be able to execute the expansion project within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans, revenues and profitability.

18. *The Objects of the Issue for which the funds are being raised has not been appraised by any Bank or Financial Institution.*

We intend to use the net proceeds of the issue for the objects as described in the section entitled “Objects of the Issue” of this Draft Prospectus. The purposes for which the proceeds of the issue are to be utilized have not been appraised by any independent entity and are based on estimates as approved by our Board of Directors and on third party quotations. In addition, our capital expenditure plans and working capital estimates are subject to a number of variables, including possible cost overruns and changes in management’s views of the desirability of current plans and many other factors.

Pending utilization of proceeds out of issue for the purposes described in the Draft Prospectus, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks, investment in mutual funds etc as the Board of Directors may deem fit and proper.

Further, as per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 500.00 Crores. Thus, as the issue size is less than ₹ 500 Crores, there is no requirement for appointment of a monitoring agency. 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 the Corporate Governance Requirements, an Audit Committee of the Board shall monitor the utilization of the net proceeds of the issue which shall not be subject to any monitoring by any independent agency.

19. *We are yet to receive the sanction for additional bank borrowings for our working capital requirements post-expansion. Our inability to arrange such additional borrowings from bank(s) could affect our operations, our business plans, profitability and financial condition.*

Our projected level of working capital requirement (for both existing and proposed expansion project) for the financial year 2012-13 is of ₹ 6857.10 lacs, out of which we propose to meet ₹ 3,479.58 lacs from bank borrowings, ₹ 2,267.52 lacs from internal accruals and long term working capital loans, and balance ₹ 1,110.00 lacs from the proposed issue proceeds. Our inability to tie-up for the additional working capital requirement from our banks could impede proposed operations in our expansion project and thereby adversely affect our business plans, profitability and financial condition. For further details, please refer to heading “Working Capital Margin” under the chapter “*Objects of the Issue*” on page 55 of the Draft Prospectus.

20. *Our Company is covered under the Payment of Gratuity Act, 1972. However, there was a delay in filing Form A with the Controlling Authority, Assistant Labour Commissioner, New Delhi.*

Our Company is covered under the Payment of Gratuity Act, 1972. However, there was a delay in filing Form A with the Controlling Authority, Assistant Labour Commissioner, New Delhi.

21. *Although, our Company has provided for the gratuity liability in our books of accounts, we are yet to take the compulsory insurance policy as per section 4A of the Payment of Gratuity Act, 1972. Our Company may be held liable under the relevant provisions of the said Act.*

Although, our Company has provided for the gratuity liability in our books of accounts, we are yet to take the compulsory insurance policy as per section 4A of the Payment of Gratuity Act, 1972. Our Company may be held liable under the relevant provisions of the said Act.

22. *Our Company's operating results are difficult to predict and can vary from period to period. This could cause our share price to fluctuate.*

Our Company's revenue and profits have varied in the past and may continue to vary significantly from period to period due to various reasons, including:

- Easy availability and competitive pricing of consumables
- the size, timing and profitability of our projects in the past;
- delays in receipt of payment from customers or level of bad debts;
- unanticipated changes in regulatory policies in the jurisdictions in which we operate;
- our customer's requirements, and their future plans;
- unanticipated cancellations or deferrals of orders, or non-renewal or termination of any contracts by our customers; and
- changes in pricing policies of our competitors;
- slow down in global economy

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

23. *During the Financial Year 2010-11, our Company had given loan to relatives of our Directors in contravention of the provisions of section 295 of the Companies Act, 1956, which have since been returned to our Company.*

During the financial year 2010-11, our Company had given loan to relatives of our Directors in contravention of the provisions of section 295 of the Companies Act, 1956. The aggregate amount of loan given was ₹ 38.66 lacs, which have since been returned to our Company. Our Company is in the process of filing the application for compounding of offence under the relevant provisions of Companies Act, 1956. Accordingly, our Company may be held liable, as per the disposal of the application by the relevant authorities under the relevant provisions of the Companies Act 1956.

24. *We are subject to restrictive loan covenants of Banks in respect of term loans / working capital facilities availed from them, due to which our business growth and execution of our proposed projects may be adversely affected.*

Our Company has entered into agreements for term loans and financial facilities with our banker and the covenants in such agreements require us to obtain bank's permission in writing in respect of effecting any change in the Company's Capital Structure; change in unsecured loan, change in trading cycle, implementation of any scheme of expansion/ modification/ diversification/ renovation, entering into any borrowing arrangement with other banks, undertake guarantee, undertake obligations on behalf of any other Company, declare dividends except for the any year approved by the bank, pay guarantee commission to the guarantors whose guarantees have been stipulated, create an further charge/ lien/ encumbrance over assets & properties charged to the bank and sell/ assign or otherwise dispose off the fixed assets charged to the bank. Due to such other specific and general restrictive/negative covenants which our Bankers may impose, our business growth and execution of our proposed projects may be adversely affected.

Furthermore, our Company has created charge in favor of our lender against the fixed assets of our Company. In case of default by our Company in repayment of the loans, our Banker may exercise their rights over the security, which may be detrimental to the interest of our Company.

25. *Slowdown / Shutdown of business operations may adversely affect our business or results of operations and consequently, financial condition of our Company.*

Our business operations are subject to operating risks, such as breakdown or failure of equipments, severe weather, interruption in power supply due to breakdown of power generators, shortage of consumables, performance below expected levels of output or efficiency, natural disasters, obsolescence, labour disputes, industrial accidents, our inability to respond to technological advances and emerging industry standards and practices in the industry and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results, and the slowdown / shutdown of business operations may have a material adverse affect on our business, financial condition and results of operations and consequently, financial condition of our Company.

26. *Our Company may continue to be controlled by its Promoters and Promoter Group following this Issue and our other shareholders may not be able to affect the outcome of shareholders' voting.*

After the completion of this Issue, our Promoters and Promoter Group will collectively hold 61.00% of the fully diluted post-Issue equity share capital. Consequently, our Promoters may exercise substantial control over us and have the power to elect and remove a majority of our Directors and / or determine the outcome of proposals for corporate action requiring approval of our Board of Directors or shareholders, such as lending and investment policies, revenue budgets, capital expenditure, dividend policy and strategic acquisitions. Our Promoters will be able to influence our major policy decisions and any wrong decision on their part could adversely affect your investment in the Equity Shares.

27. *The market price of the Equity Shares may be adversely affected by any additional issuances of equity or sales of a large number of the Equity Shares by our Promoters.*

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

28. *There is no existing market for the Our Company's Equity Shares, which may or may not develop or be sustained after the completion of Offer. Our stock price may be highly volatile after the Issue, and as a result, you could lose a significant portion or all of your investment.*

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

29. *Our continued success depends upon availability of adequate labour on timely basis. Any work stoppages or other labour related problems could adversely affect our business.*

We require skilled and unskilled labour for successful running of our existing, as well as, future operations. Any shortage of adequate labour and stoppage due to any labour related issues may affect smooth running of our operations. We maintain cordial relationship with the labour and have not encountered any work stoppages and other labour problems so far.

- 30. *Change / Up gradation in Technology is one of the key factors for the sustained growth of our business operations. Our inability to adapt to / incorporate required change/up gradation in technology may place our competitors at an advantage in terms of costs, efficiency and schedule delivery of products and consequently would have an adverse impact on our business operations and financial condition of our Company.***

Technology plays an important role in our industry and any inability on our part to adapt to / incorporate required change/up gradation in technology may place our competitors at an advantage in terms of costs, efficiency and schedule delivery of products and consequently would have an adverse impact on our business operations and financial condition of our Company.

- 31. *Our Company has obtained insurance coverage which may not adequately cover all potential losses to which we may be subject to, and this may have a material adverse effect on our business, result of operations and financial conditions.***

Our insurance coverage may not adequately protect us against certain operating hazards and this may have a material adverse effect on our business. There can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time. Accordingly, 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. There is a risk that our insurance policies may not be sufficient in covering all losses in which we or any third parties may suffer. If we suffer in an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

- 32. *Our revenues are dependent upon our meeting client specific requirements and largely on a customized basis. Our inability or delay, if any, to meet customized client-specific requirements may result in losing customers thereby causing loss of revenues and eventually adversely affecting our business operations and financial condition.***

Our assignments for providing services largely involve execution of infrastructure projects on procurement & contract basis thereby providing customized solutions on a case-to-case basis, depending upon the needs of each customer. Our inability to provide customized solutions could diminish our market image and brand value, which could lead to clients discontinuing their contracts with us and stagnation/reduction of our client base, which in turn could harm our business and profitability. Thus, our future growth will depend on our continued evolution of specific sets of customized products to deal with the rapidly evolving and diverse needs of our customers in a cost-compliance and effective manner. Our inability, if any, to meet customized client-specific requirements may result in losing customers thereby causing loss of revenues and eventually adversely affecting our business operations and financial condition.

- 33. *Reduction / Termination of Tax benefits and / or change in the Tax structure applicable to Our Company may increase our tax liability and reduce our profit margins.***

Any reduction / termination of tax benefits and/or change in Tax structure by the relevant authorities which are currently applicable to the Company may adversely affect the results of our operations and profitability.

- 34. *Change in Interest rates and Banking policies resulting into increase in interest rates or other terms and conditions that may have an adverse effect on Company's profitability.***

Our Company is dependent on bank(s) for working capital requirements/term loans. Any change in the extant Banking policies or increase in interest rates may have an adverse effect on Company's profitability.

- 35. *We have not identified alternate sources of financing for the Equity component of the Expansion project and any disruption in this regard would impair implementation of our proposed growth plans which may adversely affect our business, result of operations and financial conditions.***

The total fund requirement is proposed to be funded through a mix of net proceeds from the issue and internal accruals. The cost of the proposed project is estimated at ₹ 2403.06 Lacs, out of which ₹ 2,100.00 Lacs is to be financed through the proceeds of the proposed Public Issue. We have not identified any alternate sources of financing for the equity component of the project cost. Any delay on our part to raise money through this Issue or arranging any alternative source of financing for the equity component may delay the implementation of the proposed project thereby adversely affecting our business, result of operations and financial conditions.

- 36. *Any future equity offerings or issue of options under any employee stock option scheme may lead to dilution of your shareholding in our Company and which may result into dilution of earnings per share and dividend earnings, if any, and other Shareholder's rights under relevant provisions of the Companies Act, 1956.***

Subscribers of Equity shares in this Issue may experience dilution of their shareholding to the extent of any future equity offerings and to the extent additional options that may be issued under our employee stock option scheme. This may result into dilution of earnings per share and dividend earnings, if any, and other Shareholder's rights under relevant provisions of the Companies Act, 1956.

- 37. *We operate in a competitive industry, which could limit our ability to grow and which may adversely affect our business, result of operations and financial conditions.***

Pricing is one of the factors that play an important role in successfully procuring works contracts. Our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster. Growing competition may result in a decline in our market share and force us to reduce our margins, which may adversely affect our business, result of operations and financial conditions.

- 38. *Our promoter group partnership firm viz. M/s. Global Alliance was dissolved vide deed of dissolution on March 31, 2011.***

Global Alliance was a partnership firm formed vide Partnership Deed dated 04.10.2004 between Mr. Aditya Ranjan Singh S/o Mr. Kameshwar Prasad Singh, R/o A – 118/2, Paryavaran Complex, IGNOU Road, New Delhi and Mr. Shrikant S/o. Dr. R.K. Shrivastava R/o 69/20 Old Sohbatia Bagh, Allahabad under the Indian Partnership Act, 1932. The Partnership Firm was a group company within the meaning of the term group companies as per the SEBI (ICDR) Regulations. However, it has been informed that the Partnership Firm was dissolved vide Deed of Dissolution of Partnership dated 31st March 2011.

- 39. *Our Company has borrowed certain unsecured loans which are repayable on demand. In case of such demand, our cash flows and business operations may be adversely affected.***

Our Company has borrowed unsecured loans aggregating ₹ 457.75 Lacs as of March 31, 2011, of which ₹ 38.25 Lacs are repayable to body corporates on demand. The interest on such unsecured loans from body corporates are also repayable on demand. In the event of demand for repayment of such unsecured loans is made by the said lenders, our cash flows and business operations may be adversely affected.

- 40. *Our Company has substantial manpower requirement for our proposed expansion project and we are yet to recruit most of the prospective employees in this regard. Our inability to timely recruit the required manpower could adversely affect implementation of our proposed project thereby impeding our growth prospects and our business operations and financial condition.***

Our Company has projected total manpower requirement of 85 employees, which are yet to be recruited. Our inability to timely recruit the required manpower could adversely affect implementation of our proposed project thereby impeding our growth prospects and our business operations and financial condition.

- 41. A significant portion of our total revenues are contributed by sales made to PSUs/Government departments and any such delay in payment from the such clients, may be adversely affect cash flows and financial condition of our Company.**

A significant portion of our total sales are made to PSUs/Government departments and any such delay in payment from such clients, may be adversely affect cash flows and financial condition of our Company.

- 42. The execution of transfer documents in favour of our Company with regard to purchase of industrial plot and construction thereon is yet to be completed. In case of non execution of above documents, our business operations and financial condition of our Company may be adversely affected.**

Our Company has purchased an industrial plot situated at Plot no 12, Block A, Sector 57, Noida, Uttar Pradesh alongwith construction thereon. The execution of transfer documents in favour of our Company with regard to the above property purchased is yet to be completed. The Agreement to Sell was executed on May 20, 2011 between our Company and the seller and the consideration has been paid. The permission for transfer of the above property in favour of our Company has been received from New Okhla Industrial Development Authority on September 27, 2011. In case of non execution of above documents, our business operations and financial condition of our Company may be adversely affected.

- 43. Our Company has entered into lease agreements for the Registered Office of our Company. Any dispute arising from such lease agreements, may affect our business operations and consequently the financial condition of our Company.**

Our Company has entered into 3 lease agreements for the Registered Office premises at 607,608 and 609, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066 with Lessors Mr. Rahul Bhuchar, Mrs. Anju Marwaha and Mr. Sudhir Kumar Marwaha, respectively. Thus, any dispute arising from such lease agreements may affect our business operations and consequently the financial condition of our Company.

External Risk Factors

- 1. Exchange Rate Fluctuations may have impact on the performance of Our Company.**

Our Company is exposed to exchange rate fluctuations. Uncertainties in the global financial market may have an adverse impact on the exchange rate between Rupee vis-à-vis other currencies. The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in the future. Such fluctuations can have a serious impact on the revenues from the export business. Fluctuations in foreign exchange rates may adversely affect the cost of project. We have not entered into any hedging agreement for minimizing the exchange rate risk and in the event of rates changing adversely, the project cost may rise.

- 2. Any slowdown in economic growth in India could cause our business to suffer.**

Our performance and growth are essentially dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, weather conditions, adversely affecting agriculture, commodity and energy prices or various other factors. In addition, the Indian economy is in a state of transition. The share of the service sector of the economy is rising while that of the industrial, manufacturing, and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

- 3. Our business could be adversely affected by any economic, political and social developments in India and particularly in the regional markets where we operate.**

Our performance and growth could be adversely affected by various factors, such as political and regulatory action including adverse changes in liberalization policies, any adverse development in the World economy, introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that we will succeed to operate in or succeed in obtaining all requisite regulatory approvals in the future for our operations which could have an adverse impact on our business, financial condition and results of operations.

4. *Regulatory changes with regard to Direct/Indirect taxes may adversely affect our performance or financial conditions.*

Regulatory changes relating to business segments in which we operate in India can have a bearing on our business. Each State in India has different local taxes and levies which may include value added tax, sales tax and octroi. Changes in these local taxes and levies may impact our profits and profitability. Any negative changes in the regulatory conditions in India or our other geographic markets could adversely affect our business operations or financial conditions.

5. *Instability of economic policies and the political situation in India or elsewhere could adversely affect the fortunes of the industry.*

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations governing the private sector over the past several years.

Unstable internal and international political environment could impact the economic performance in both the short term and the long term. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

6. *Force majeure events, terrorist attacks or natural disaster or any other acts of violence or war involving India, or other countries could adversely affect the financial markets, may result in loss of customer confidence and adversely affect our Company's business, results of operations, financial conditions and cash flows.*

Certain force majeure events, being beyond our Company's control, including natural disasters, terrorist attacks and other acts of violence or war which may involve India, or other countries, may adversely affect Indian or worldwide financial markets, and could lead to economic recession. These acts may also result in a loss of business confidence and have other consequences that could adversely affect business, results of operations and financial condition of our Company. More generally, any of these events could lower confidence in India. Any such event could adversely affect the financial performance or the market price of the Equity Shares of our Company.

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

The Equity Shares are proposed to be listed on BSE. Pursuant to Indian regulations, certain actions must be completed before the Equity shares can be listed and trading may commence. Investors' book entry or demat accounts with depository participants in India are expected to be credited within two working days of the date on which the basis of allotment is approved by BSE. Thereafter, upon receipt of final approval of the stock exchange, trading in the equity shares is expected to commence within two working days of the date on which the basis of allotment is approved by BSE. There can be no assurance that the Equity Shares allocated earlier to investors will be credited to their demat accounts, or that trading will commence, within the time periods specified above.

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

The prices of our Equity Shares may fluctuate after this Issue due to a wide variety of factors, including volatility in the Indian and global securities markets; our operational performance, financial results and capacity expansion, developments in India's economic liberalization and deregulation policies, and changes in India's laws and regulations impacting our business.

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

9. Fluctuations in prices and availability of energy, freight and other operating inputs may affect our margins.

Energy usage in our production facilities represents one of our main production costs. In some cases, due to the basis for pricing in our sales contracts, or due to competitive markets, we may not be able to pass on to our customers the full amount of raw material price increases or higher energy, freight or other operating costs and this could reduce our profitability.

PROMINENT NOTES

1. Net Worth before the Issue as per Audited Financial Statements of the Company and the Issue Size

Net worth before the Issue (Based on Audited Financial Statements, as restated as on March. 31,2011)	₹ 1992.42 Lacs
Issue Size	Issue of 7,000,000 Equity Shares of ₹ 10/- each at ₹ 30 (including share premium of ₹ 20/- per Equity Share) aggregating to ₹ 2100 Lacs /-(Rupees Two Thousand one hundred lacs only)
Book Value (Based on Audited Financial Statements, as restated as on March 31, 2011) (Face Value of ₹ 10/- per share)	₹ 13.59

Note:

- The Net worth of the Company as at March 31, 2011 has been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
- The Net worth of the Company as at March 31, for financial years ended 2007, 2008, 2009, 2010 and 2011 have been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
- The Net worth of the Company as at March 31, 2010 and March 31, 2008 had been computed excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.

2. The average cost of acquisition of Equity shares of the Core Promoters is as per the details given below:

Name of Promoter	Total No. of Equity Shares	Average cost of acquisition (₹)
Mr. Aditya Ranjan Singh	949,8000	5.81
Mr. Akhilesh Ranjan Singh	295,7000	2.29

- Public Issue of 7,000,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 30 per Equity Share, aggregating ₹ 2100 Lacs (The "Issue"). The Issue would constitute 32.31 % of the fully diluted post Issue paid-up capital of our Company.

4. Our Company started as a partnership firm under the name of 'Unitech' in the year 1999, which was converted into a Public Limited Company as "Universal Energies Limited" on June 4, 2007 under the provisions of Part IX of The Companies Act, 1956. A Certificate of Incorporation was issued to us by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 4, 2007. Subsequently, a Certificate for Commencement of Business was issued to us by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 18, 2007.
5. The registered office of our Company was changed from 607, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India to 607- 609, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India, with effect from April 18, 2011.
6. Our Company, its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
7. As per Regulation 4 (2) (a) of SEBI (ICDR) Regulations, 2009 neither our company nor any of Promoters, Promoters Group, or Directors or Person in Control of the Company has ever been debarred from accessing the capital market by the Board (SEBI)
8. As per Regulation 4 (2) (b) of SEBI (ICDR) Regulations, 2009 neither of our Promoters, Promoters Group, Directors or Person in Control of the Company has ever been part of Promoter group, Directors or Person in Control of any other company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI)
9. Any clarification or information relating to the Issue shall be made available by the LM, our Company and our Compliance Officer to the investors at large and no selective or additional information would be available for a section of investors in any matter whatsoever. Investor may contact the LM for any complaints pertaining to the Issue.
10. The Investors are advised to refer to the Paragraph on "**Basis for Issue Price**" beginning on Page No. 62 of this Draft Prospectus before making any investment in this Issue.
11. Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.
12. In the event of over-subscription, allotment shall be made as set out in para titled "**Issue Procedure - Basis of Allotment**" beginning on Page No. 214 of this Draft Prospectus and shall be made in consultation with the BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
13. No part of the Issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associate or Promoter Group companies/ entities except in the usual course of business.
14. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any equity shares (of UEL) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. However, there are various related party transactions which have been entered in the past by the Company wherein promoters, directors and their relatives/ associates are interested. For details, please refer to Annexure XI on "Related Party Transactions" under Section titled "**Financial Statements of the Company**" beginning on Page No 160 of this Draft Prospectus.

15. The aggregate amount of related party transactions entered into by our Company during the previous financial year (i.e. FY 2010-11) is ₹ 336.26 Lacs. For details, please refer to Annexure XI on “Related Party Transactions” under Section titled “**Financial Statements of The Company**” beginning on Page No 160 of this Draft Prospectus.
16. No loans and advances have been made to any person(s) / Companies in which the Director(s) of our Company are interested except as stated in the Auditors Report. For details of loans and advances, please refer to Annexure-VII of Auditors Report under section titled “**Financial Statements of the Company**” appearing on Page No. 156 of this Draft Prospectus
17. Except as disclosed under Annexure XI on “Related Party Transactions” under Section titled “**Financial Statements of the Company**” on Page No. 160 of this Draft Prospectus, there have been no transactions between our Company and Group Companies, Key Managerial Persons during the last financial year (i.e.2010-11)
18. Except as disclosed under Annexure XI on “Related Party Transactions” under Section titled “**Financial Statements of the Company**” and “**Our Promoter Group and Group Companies / Entities**” at pages 160 and 126 respectively, none of Group Companies are interested in our Company.
19. Our Company has not changed its name at any time during the last three years immediately preceding the date of filing the Draft Prospectus with the Board.
20. There are no financing arrangements whereby our Promoter, Promoter Group, Directors or their immediate relatives have financed the purchase of Equity Shares by any other person during the six months preceding the date of filing of this Draft Prospectus.
21. Our Company’s vehicles are being used for official purposes. These vehicles are primarily used for company’s guest, staff conveyance during office hours for official purposes. Promoter directors also use the vehicles for official purposes.
22. Our Company and the LM will update the Draft Prospectus in accordance with the Companies Act, 1956 and the SEBI (ICDR) Regulations, 2009, as amended and our Company and the LM will keep the public informed of any material changes relating to our Company till the listing of its Equity Shares on the BSE Stock Exchange.
23. The Issue is being made in terms of regulation 26 (1) of SEBI (ICDR) Regulations, 2009, as amended. This being a fixed price issue, the allocation in the net offer to the public category shall be made as per sub clause (4) of Regulation 43 of the SEBI (ICDR) Regulations, 2009, as amended.

SECTION III – INTRODUCTION

3.1 - SUMMARY

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Draft Prospectus, including the information contained in the chapter titled “*Risk Factors*” and “*Financial Statements of the Company*” and related notes beginning on Page No. 10 and Page No. 131 of this Draft Prospectus before deciding to invest in our Equity Shares.

Industry Overview

Overview of the Indian Economy

India is the fourth largest economy in the world after the United States of America, China and Japan in purchasing power parity terms. (Source: World Development Report, 2009).

The overall growth of gross domestic product (GDP) at factor cost at constant prices, as per Advance Estimates was 8.5 per cent in 2010-11, representing an increase from the revised growth of 8 per cent during 2009-10, according to the monthly economic report released for the month of July 2011 by the Ministry of Finance. The index of industrial production (IIP) rose to 8.8 per cent in June 2011, year-on-year (y-o-y), on back of manufacturing and within that, the capital goods sub-segment. During April-June 2011-12, the IIP growth was registered at 6.8 per cent as compared to 9.6 per cent during 2010-11.

The eight core infrastructure industries grew by 5.2 per cent in June 2011 as compared to the growth of 4.4 per cent in June 2010. In addition, exports in terms of US dollar, increased by 46.4 per cent during June 2011. On the back of such facts, India’s GDP is projected to continue to grow at a brisk pace of 8.8 per cent in 2011-12.

The Economic Scenario

India has been ranked at the second place in global foreign direct investments (FDI) in 2010 and is expected to remain among the top five attractive destinations for international investors during 2010-12, according to a report on world investment prospects titled, 'World Investment Prospects Survey 2009-2012' by the United Nations Conference on Trade and Development (UNCTAD).

India's FDI gathered momentum with the inflows growing by 310 per cent in June 2011 to touch US\$ 5.65 billion. It is the highest monthly inflow during the last 11 years. The total FDI stood at US\$ 16.83 billion during January-June 2011, nearly 57 per cent higher than the US\$ 10.74 billion received during the same period last year.

Source: www.ibef.com

City Gas Distribution sector

Introduction and evolution

The City Gas Distribution (CGD) system, as the name suggests is a natural gas distribution infrastructure set up in various cities to cater to consumers like industrial, domestic households, commercial enterprises (like restaurants) and also fuel for vehicles through refuelling stations. Natural gas supplied to industrial, domestic and commercial customers is known as Piped Natural Gas (PNG) whereas gas used to run vehicles is known as Compressed Natural Gas (CNG).

PNG is supplied through extensive network of pipelines. Gas sale to commercial and industrial users is typically achieved through long-term gas sales agreement, whereas residential users are charged on usage basis. Residential households use gas primarily for domestic cooking or heating purpose. The PNG is increasingly being seen as an attractive alternative to the domestic LPG cylinders.

Commercial customers are majorly proprietary or partnership entities that utilize PNG exclusively for commercial purpose as an alternative of LPG. This set of customers comprises hotels, restaurants, dairies, educational institutions etc. Industrial customers are those manufacturing concerns which use gas as a fuel. These entities use gas in volume. Textile, pharmaceuticals, glass, chemicals, pulp and paper etc. are some of the industries where PNG is widely used as a fuel. The PNG is required for a variety of purposes such as heating, cooling, power production and as a process feedstock. These customers can be further categorized into large scale and small/medium scale entities. The large scale entities have bulk requirement which are mainly supplied at a high pressure through a gas grid made up of steel pipes. Small/medium scale entities' requirement is met through pipes made up of steel and Poly-Ethylene (nascent stage in India) at varied pressure levels depending on requirement. CNG is dispensed through fuel stations to cater to the automobile sector. These fuel stations are either owned by gas supply companies or operated through franchisee model.

Current state of CGD sector in India

As on December 31, 2010, India had CGD network in 41 cities with about 596 CNG stations catering to about 1.1 million vehicles. The coverage is expected to grow to 250 cities by the year 2020. As per MoPNG, as of December 31, 2010, the number of PNG connections has almost doubled from about 0.7 million in December 08 to 1.4 million. However, the CGD infrastructure in India is still in a nascent stage even compared to neighbouring countries such as Pakistan and Bangladesh. Laying CGD is a capital intensive business and requires heavy investment in the initial phases of the project. The gestation period for the project is long and revenue starts flowing after at least five years of operation. As per industry estimates, for laying CGD network the required investment falls in the range of ₹ 300-500 crore per city (with gas demand of about 0.3-0.5 mmscmd) depending on the size of the city.

The Eleventh Five Year Plan emphasized on enhancing the city gas pipeline network and earmarked an outlay of ₹ 90 bn.

The current gas requirement in CGD network stands at about 14 mmscmd. Out of the total natural gas supply of 173 mmscmd to various sectors, CGD sector's requirement is only around 8%. In developed countries like US & Western Europe, CGD demand stands at around 40% of the total gas supply. Low availability of gas, especially for non-mandated segments, has constrained the growth of the sector. Hence, there is an immediate need for establishing a vast CGD network with accelerated pace taking the increasing demand of the public into consideration. Moreover, measures should be taken for developing specific safety standards for CGD by setting up a dedicated monitoring authority.

Last year, in response to the PNGRB, the Reserve Bank of India notified the inclusion of "City Gas Distribution Networks" in "Infrastructure Lending" definition. This would help CGD business operators to gain easy access to capital and would further stimulate the growth of the sector.

Outlook - CGD sector

Currently, CGD is confined to limited number of cities like Delhi, Mumbai and some major cities in the state of Gujarat because of constraints in gas supply owing to limited gas linkage and gas infrastructure. However, the discovery of KG-D6 and construction of gas grid is likely to provide much needed impetus to CGD as it is likely to enhance its coverage in large number of cities across the country. CARE Research believes, CGD is likely to show high growth potential going forward on the back of increase in gas availability.

CARE Research demand estimates of 16 mmscmd in FY12 seems to be on a conservative side, because of challenges like regulatory imbroglio over authorization process, lower priority in the gas allocation and uncertainties over construction of transmission infrastructure. However, during FY11-FY14 period, CARE Research estimates CGD off-take to grow at a CAGR of around 20% and reach a level of 26 mmscmd by FY14 from 14 mmscmd in FY11.

Railways

Overview of the Railway sector

Indian Railways (IR) is the largest rail networks in Asia. With total rail length of about 63,974 km (at the end of FY10) Indian rail is one of the largest rail networks in the world. It has been carrying the freight and passenger traffic for more than 150 years. Over the years, the rise in international trade and domestic cargo has increased the freight movement by rail. With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. The share of railways in total freight movement is about 30% and that in the passenger traffic movement is about 18%. IR operates approximately 11,000 passenger trains a day, around 5,000 freight trains a week and employs nearly 1.4 million people. The freight traffic accounts for roughly 70% of its revenues while the passenger traffic constitutes 30%. As per Ministry of Railways, IR is expected to carry about 993 mn tonnes of freight traffic annually by the end of Eleventh Five Year Plan.

Freight and passenger traffic carried by rail

The freight traffic carried by the IR grew from a level of 667 mn tonnes in FY06 to a level of 922 mn tonnes in FY11, at a CAGR of 6.7%. In FY11, freight traffic growth on yoy basis slowed down to 3.8% as compared to 6.6% growth registered in FY10. This is mainly attributable to the slowdown in the iron ore freight traffic on account of the ban on iron ore exports imposed by the Karnataka government. During FY11, iron ore freight traffic carried by rail declined by 16.6% on yoy basis.

Growth in Passenger traffic

The passenger traffic carried by IR grew from 5,378 millions in FY05 to 7,246 millions in FY10, registering a CAGR of 6.1%.

Outlook - Railway sector & effective construction investment

Railway carries about 30% of the freight movement in the country and about 18% of the passenger traffic. Growing demand of rail services is surpassing the capacity of railways. Assuming the CAGR of 9%, India's total freight movement is expected to grow from the current 3 bn tonnes to 5.2 bn tonnes in the next 6-7 years. Even with 30% market, cargo freight to be carried by IR will almost double to 1,600 mn tonnes. IR has proposed some projects on priority basis like rail-port connectivity projects, raiiside warehouses, hinterland corridor projects, private sidings, container depots etc. This throws a huge opportunity for the construction industry.

The annual plan for the railways for FY12 is pegged at ₹57,630 crore. Total investment in the Railways during the next five years is expected to be more than ₹4,000 bn.

Construction Industry

Overview of the construction industry

Construction and GDP:

The construction industry has close linkage with the economic growth of the country. Construction as a percentage of GDP has been in the narrow range of 7.9-8.1% in the past few years. With a slowdown in the economic growth in FY09, growth in construction GDP had also declined to 5.4% compared to the growth of 10.7% registered in FY08. However, with the recovery in domestic demand, accommodative policies and stimulus packages announced by the government, macroeconomic environment improved in the next year and construction registered a growth of 7% in FY10. During FY11, both GDP and construction posted a healthy growth rate of 8.5% and 8.1%, respectively.

Brief on infrastructure sector

Broadly, construction can be classified into three segments – infrastructure, industrial and real estate. The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, telecom etc. Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by Government of India (GoI) in various sub-segments of infrastructure. GoI has been focusing on improving the infrastructure in the country in the past few years. This is reflected in the rising trend of the infrastructure investment as a percentage of GDP. Investment in the infrastructure as a percentage of GDP has increased from 4.5% in FY04 to 7.9% in FY11. The following chart shows the trend of absolute investment in the infrastructure sector during the past few years:

For the current fiscal, GoI has earmarked about ₹ 2.14 lakh crore towards the rural and urban infrastructure development in the country which is almost 23% higher than the previous year. Government has increased budgetary support towards various critical infrastructure projects like under Bharat Nirman by about ₹10,000 crore to ₹ 58,000 crore. The corpus of Rural Infrastructure Development Fund (RIDF) has been raised to ₹ 18,000 crore for 2011-12 compared to ₹ 16,000 crore in the year 2010-11.

Road sector

Overview of road sector

India has an extensive road network of 3.3 million kms – the second largest in the world. The country's roads carry about 65% of the total freight and 80% of the passenger traffic. The following table shows the bifurcation of the types of roads in the country:

Bifurcation of the types of roads in the country

Type	KMS	% of total
National highways	70,934	2.1
State highways	1,31,899	4.0
District roads	4,67,763	14.1
Rural & other roads*	26,50,200	79.8
Total	33,20,796	100.00

Source: National Highway Authority of India (NHAI)

* includes Expressways

National highways serve as the arterial network across the country. Even though they constitute only 2% of all roads, they carry almost 40% of the road traffic. Moreover, only 21% of national highways in the country have four or more lanes. The total length of the expressways in the country is just about 1,000 kms, way below in comparison to a country like China which has the second-largest expressway network in the world with 74,000 kms. India's road density is 2.75 km per 1,000 people which is abysmally low as compared to the global average of 770 km per 1,000 people.

Outlay in Infrastructure sector

Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country and in turn the construction industry. GoI has set an ambitious target of increasing the proportion of infrastructure investment to about 9% of GDP by the terminal year of the Eleventh Five Year Plan. The construction industry has the opportunity to capitalise on the massive order flow expected to come from the infrastructure projects.

OUR BUSINESS OVERVIEW

Our Company is an ISO 9001:2008 certified Public Limited Company engaged in execution of Infrastructure Projects on procurement & contract basis pertaining to laying of down-stream Onshore Gas Pipeline Networks including setting-up of City Gas Distribution Networks for Public Sector Undertakings and Private Companies, Supply and Installation of Channel Sleepers, Construction of foot over-bridges & various pre-laying track works for Indian Railways and Other Miscellaneous Infrastructure Projects i.e. Civil Constructions projects in connection with roads, buildings, agricultural land development etc for private sector undertakings.

Initially, our Company commenced its operations as a Partnership Firm under the name & style of “Unitech” in the year 1999 and was later converted into a Public Limited Company on June 04, 2007 under the provisions of Part IX of the Companies Act, 1956. Consequently, a Certificate of Incorporation was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 04, 2007 under the name of Universal Energies Limited (“UEL”).

UEL under the leadership of Mr. Aditya Ranjan Singh – our Managing Director and Mr. Akhilesh Ranjan Singh – our Whole-time Director has consistently registered growth in the revenue and profitability over the years. With execution of each contract we have developed expertise in our line of operations with valuable contributions from our in-house skilled manpower and modern equipments meant for execution of engineering jobs. Further with the phase of time we have attained the understanding for obtaining various Government permissions and approvals required for executing the project and managing financial arrangements for the works.

Our revenues has grown from ₹ 2,569.15 lacs in the financial year 2007-08 to ₹ 8,736.05 in the financial year 2010-11 at a CAGR of 50.37% and our net profit after tax as restated has grown from ₹ 80.48 lacs to ₹ 577.14 lacs at a CAGR of 92.84% during the same period.

Our company is in the business of executing infrastructure projects on Procurement & Contract basis which includes:

- Laying of down-stream onshore gas pipelines network for IOCL, IGL, GAIL, Sabarmati Gas Ltd., Green Gas Ltd., Indian Oil Tanking Ltd., Reliance Industries Ltd. etc. The Company has developed its expertise in City Gas Distribution Network including laying of pipeline, Setting-up of Gas Stations / Pump Houses and Construction of Storage Tanks. Our Company is one of the qualified contractors in this line of business.
- Supply and installation of channel sleepers, Construction of foot over-bridge & pre-laying track works for Indian Railways. During the last few years the Company has undertaken revamping operations of old railway bridges by replacing the channel sleepers.
- Other Miscellaneous Infrastructure projects i.e. Civil Construction, Road Construction etc for private companies.

Our Customers

UEL receives contracts from Public sector undertakings, Government departments and Private corporate houses. An inclusive list of our clients is as under:

Public Sector undertakings	: Bharat Petroleum Corporation Ltd., Green Gas Ltd., Sabarmati Gas Ltd., Indraprastha Gas Ltd., Indian Oil Corporation Ltd., GAIL Gas Ltd.
Government department	: Northern Railway, North Western Railway, North Eastern Railway and North Central Railway
Private Corporate Houses	: Great Eastern Energy Corporation, Ltd., Gammon India Ltd., Reliance Industries Ltd., Reddy Veeranna Constructions, Pvt, Ltd., IOT Infrastructure and Energy Services Ltd., Nafto Gaz India Pvt. Ltd., Simplex Infrastructure Ltd.

KEY BUSINESS STRENGTHS

1. Established player engaged in execution of Infrastructure Projects on procurement & contract basis with clientele including PSUs

We are an established player engaged in execution of Infrastructure Projects on procurement & contract basis with clientele including PSUs. We were awarded our first contract of laying down-stream gas distribution pipeline network in the fiscal 2002. With the passing years we have added to our clientele some of the reputed names which includes Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and other organizations like GAIL Gas Ltd, Indraprastha Gas Ltd. Further our early entrance and continued presence in City Gas Distribution Network has made us eligible for qualifying technical bids.

2. Customer centric approach with the ability to customize

Our customer centric approach has enabled us to understand and respond to the requirements of our clients. Our capability to provide customized solutions as per the technical specifications of the clients enables us to expand and innovate our services in line with current and future requirements of our clients. We work closely with our customers from the pre-order phase commencing with preliminary operations and extending upto monitoring the performance of the implemented work to ensure client satisfaction. We continue to lay strong emphasis on our post-execution client service to ensure it is quick and responsive.

3. Healthy Order Book position

As at August 31, 2011, some of the major works orders as reflected by our order book totaled ₹ 7,391.78 lacs. In our line of business, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential revenues. Our strategy is not merely to add works contracts to the order book but to focus on capturing quality contracts with high margins.

4. Experienced and strong management team

We have an experienced management team with established and structured corporate processes. We believe that our management team has a long-term vision. We also believe that their understanding of the line of business in which we operate and flexibility in managing our operating and financial leverage has enabled us to adapt to the changing business scenario in a focused and constructive manner. Our Company reaps the benefits of highly qualified & experienced Directors & managerial personnel. Our Chairman Mr. Kamta Prasad Roy, holds a Master's degree in Electrical Engineering from IIT, Delhi and is a retired Executive Director from GAIL (India) Limited with an overall experience of over 40 years in Fertilizer, Chemicals, Oil and Gas industry. Our another Independent Director Mr. Prabhu Dayal Didwania is a Mechanical Engineer from Banaras Hindu University and he has served Mecon Limited (a PSU promoted by Steel Authority of India Limited) and was instrumental in advising the Government of India in respect of City Gas Network in India. Further, our execution team comprises of technically qualified personnel having vast experience which enables us to implement varied kind of projects with different technical specifications.

5. Long term relationship with our clients

Our continuous focus on providing quality services has resulted in long term relationships with our clients such as Indraprastha Gas Limited, Indian Railways etc. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them.

6. Quality Certifications

Our Company has been certified by ACS Registrars Limited as an ISO 9001:2008 certificate for "erection, commissioning & installation of gas distribution network, civil contracts and maintenance". For further details refer to section titled "*Government Approvals*" on page no. 186 of the Draft Prospectus.

OUR BUSINESS STRATEGY

1. Enhancing our range of services

Our focus is to expand the ambit of our services in City Gas Distribution Network projects. PNGRB has initiated development of City Gas Distribution Network in India and licenses to private players are being issued to cover larger no. of cities. We intend to:

- Undertake laying / execution of city gas distribution projects on labour contract basis from the principal license holders of selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years.
- Undertake turnkey projects for laying/execution of city gas distribution networks in selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years. This shall include engineering, procurement and supply of material along with labour job.
- Undertake joint venture projects with the principal license holders of city gas distribution network in selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years. This may include joint/sub ownership of the city gas distribution network.
- Obtain City Gas Distribution Network license where city gas networks shall reach in next 5-7 years. Our Company has all the technical qualifications for the above license.

2. Continue to strengthen relationships with key clients

We believe that we constantly try to address client's needs around a variety of our services. Our existing client relationships help us to get repeat business from them. This has helped us to maintain a long term business relationship with our clients and ensure their retention. This represents a competitive advantage in gaining new clients and increasing our business in future.

3. Diversification in the Civil Construction business

We intend to increase the ambit of our operations in civil construction sector which will include construction of buildings, roads etc. For procurement of contracts in this space we intend to pitch by way of negotiated tender and/or joint ventures in order to enhance our credentials.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table sets forth the historical financial information of our Company derived from the restated and audited financial statements for the Fiscal years ended March 31; 2007, 2008, 2009, 2010 and 2011, all prepared in accordance with Indian GAAP and SEBI (ICDR) Regulations and included in the section titled "Financial Information of the Company" beginning on page No 131 of this Draft Prospectus and should be read in conjunction with those Financial Statements and notes thereto and the section titled "Management's Discussion and analysis of financial condition and results of operations" beginning on page No 172 of this Draft Prospectus.

ANNEXURE-I

AUDITED SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(₹ In Lacs)

	Particulars	As at				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed Assets:					
	Gross Block	817.35	573.63	551.18	256.21	55.49
	Less: Depreciation	158.89	121.34	69.85	23.17	9.54
	Net Block	658.46	452.29	481.33	233.05	45.95
	Capital Work in Progress	400.48	200.00	-	-	-
	Total	A 1,058.93	652.29	481.33	233.05	45.95
B	Investments:	B 53.39	-	-	-	-
C	Current Assets, Loans & Advances:					
	Inventories	1,462.33	491.61	196.79	292.65	229.83
	Sundry Debtors	1,922.89	1,093.77	806.75	356.21	374.32
	Cash & Bank Balances	748.44	280.53	208.60	129.64	97.99
	Other Current assets, Loans & Advances	170.36	163.57	132.60	181.60	96.38
	Total	C 4,304.01	2,029.47	1,344.74	960.09	798.52
D	Deferred Tax Assets / (Liability)	D (12.03)	(5.37)	(5.60)	(4.14)	-
	Total Assets (I=A+B+C+D)	5,404.31	2,676.39	1,820.47	1,188.99	844.47
E	Loan Funds					
	Secured Loans	2,009.97	748.01	636.16	212.52	100.41
	Unsecured Loans	457.75	291.74	367.16	258.49	89.66
	Total Loan Funds	E 2,467.73	1,039.75	1,003.32	471.01	190.07
F	Current Liabilities & Provisions					
	Current Liabilities	758.59	574.41	384.28	472.28	506.83
	Provisions	185.57	65.07	9.42	4.77	2.06
	Total Current Liabilities & Provisions	F 944.17	639.48	393.70	477.05	508.89
G	Share Application Money	G -	38.00	-	101.36	-
	Total Liabilities (II=E+F+G)	3,411.89	1,717.23	1,397.02	1,049.42	698.96
H	Net Worth (I- II):	1,992.42	959.16	423.45	139.57	145.51
I	Net Worth Represented by:					
	Share Capital	1,466.30	130.30	120.00	100.00	145.51
	Reserves & Surplus	526.54	829.70	304.71	41.25	-
	Less: Miscellaneous Expenses not w/off	0.42	0.84	1.26	1.68	-
	Net Worth	1,992.42	959.16	423.45	139.57	145.51

Note:

- The above statement should be read with the significant accounting policies and notes to the restated summary statement of assets and liabilities, profit and loss account and cash flows statement as appearing in Annexure III.

2. The status of the company upto 03rd June 2007 was partnership, accordingly share capital disclosed for the year ending 31st March 2007 represents total of balance in Partner's Capital Account as on that date.
3. Up to F.Y. 2006-07 & 1/4/2007 to 03/06/2007, the company's status was that of a partnership firm under the name and style of "Unitech" and in the books of the our erstwhile partnership firm, depreciation was charged following the WDV method at the rates as per Income Tax Rules, 1962 as there was no other option available to the partnership firm in this regard. However, during the F.Y. 2007-08, when our partnership firm was converted into a corporate entity under Part IX of the Companies Act, 1956, our company had two options for charging depreciation viz. (i) on the basis of Straight Line Method and (ii) on WDV Method and under both the methods, rates for charging depreciation are varied as provided under the Companies Act, 1956 itself. The Company opted for the WDV method as per the Companies Act, 1956 (the method which was used by the erstwhile partnership firm) and the same WDV method is continued till today in the books of accounts of the Company. Thus, there was no change in the method of charging the depreciation and hence, no further accounting treatment was made in the books of accounts and consequently in the Auditors Report given on the Financial Statements as Re-stated. However, after incorporation of the Company, it has continued charging depreciation under WDV method, at the rates applicable as per Companies Act, 1956. It has resulted in the change of depreciation rates only under WDV Method and in compliance with AS - 6, the balance unamortized value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

Except the change in the rate of depreciation as stated aforesaid there is no change in the policy of the concern post conversion into the company with regard to charging of depreciation and consequently, no inconsistent policy was followed in this respect. Therefore, in view of above, there is no deviation to the provisions of AS-6 as well as Provisions of SEBI (ICDR) Regulations 2009 which requires re-computation of the financial statement due to incorrect accounting policy.

4. The financials of the erstwhile firm M/s Unitech, which was converted into a public limited Company on June 04, 2007 under Part IX of the Companies Act, 1956 have been restated in accordance with the provisions of Schedule VI of the Companies Act, 1956 after complying the accounting standards of the Institute of Chartered Accountants of India and provide a true and fair view of the firm's accounts merged with the F.Y. 2007-08."

ANNEXURE-II

AUDITED STATEMENT OF PROFITS AND LOSS ACCOUNT (AS RESTATED)

(₹ In lacs)

Particulars	Year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
INCOMES:					
Income from contractual works	8,517.00	3,200.56	2,646.23	2,132.63	1,525.18
Sales for contractual works	219.05	1,874.99	795.68	436.52	710.61
Other Income	39.95	9.91	7.76	3.13	7.50
Increase / (Decrease) in Inventories	970.72	294.83	(95.86)	62.82	31.78
TOTAL INCOME	9,746.71	5,380.28	3,353.81	2,635.10	2,275.07
EXPENDITURES:					
Purchases	2,860.13	2,881.12	1,123.83	760.13	1,187.03
Direct Expenses	4,934.51	1,565.51	1,589.82	1,387.64	733.80
Payments to & Provision for Employees	140.73	85.57	63.37	48.71	71.77
Administrative Expenses	554.69	226.87	251.74	207.20	139.89
Selling & Distribution Expenses	14.50	0.85	1.01	5.08	1.51
Interest and other finance charges	300.46	173.44	138.89	69.61	27.40
Depreciation	54.32	51.49	46.68	28.24	9.54
Total:	8,859.33	4,984.85	3,215.35	2,506.63	2,170.95
Net Profit before tax & extra-ordinary items:	887.39	395.43	138.46	128.47	104.12
Provision for Tax					
- Current Tax	293.65	135.71	48.43	39.59	-
- Fringe Benefit Tax	-	-	3.83	2.62	1.56
- Deferred Tax Liability / (Asset)	6.78	(0.24)	1.05	4.14	-
Net Profit before extra-ordinary items & after tax:	586.96	259.95	85.15	82.12	102.56
Short / (Excess) Provision of Income tax of earlier years	-	-	-	-	21.19
Prior Period Item (net of tax)	-	-	-	2.62	-
Net Profit after tax and extra-ordinary items (as per audited financial statements) :	A 586.96	259.95	85.15	79.49	81.37
Adjustments on account of restatements (refer clause 21 of annexure VI - Notes to Accounts)	B (9.82)	(3.67)	(1.69)	0.98	(14.03)
Net Profit as restated (A+B):	577.14	256.29	83.46	80.48	67.34
Surplus/(deficit) available for appropriation	577.14	256.29	83.46	80.48	67.34
Appropriations:					
- Transferred to General Reserve	-	-	-	-	-
- Transferred/adjustment in Capital Account of partnership firm	-	-	-	39.23	-
- Capitalisation of reserve on account of bonus issue	397.40	-	-	-	-
- Proposed Dividend	29.33	-	-	-	-
- Tax on Dividend	4.87	-	-	-	-
Total Appropriations:	431.60	-	-	39.23	-
Balance Profit after Appropriation	145.54	256.29	83.46	41.25	67.34
Balance brought forward from previous year:	381.00	124.71	41.25	-	-
Accumulated Profit/ (Loss) carried to Balance Sheet	526.54	381.00	124.71	41.25	-

Note:

- The above statement should be read with the significant accounting policies and notes to the restated summary statement of assets and liabilities, profit and loss account and cash flows statement as appearing in Annexure III.

2. Up to the F.Y. 2006-07 & 1/4/2007 to 03/06/2007, the status of the Company was that of a partnership firm under the name and style of "Unitech". The conversion of firm into company took place during the F.Y.2007-08 under the provisions of part IX of the Companies Act, 1956. When the status was partnership firm, the depreciation had been provided at the rates applicable as per Income Tax Rules, 1962. However, after incorporation of company, the depreciation has been provided at the rates applicable as per Companies Act, 1956. It has resulted into change of depreciation rates under WDV Method. In compliance with AS - 6, the balance unamortised value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

ANNEXURE-III
AUDITED STATEMENT OF CASH FLOW STATEMENT (AS RESTATED)
(₹ In lacs)

Particulars	Year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
1. Cash Flow From Operating Activities:					
Net Profit before tax and extraordinary item	887.39	395.43	138.46	128.47	104.12
<i>Adjustments for:</i>					
Depreciation	54.32	51.49	46.68	28.24	9.54
Earlier year expenditure	-	-	-	(2.62)	(21.19)
Preliminary expenses W/o (provided)	0.42	0.42	0.42	0.42	-
Interest Paid	300.46	173.44	138.89	69.61	27.40
(Profit)/Loss on sale of Fixed Assets	(23.87)	-	-	-	-
Interest Received/ Other Non Operative Receipts	(16.07)	(9.91)	(7.76)	(3.12)	(6.89)
Operating Profit before Working Capital Changes	1,202.64	610.87	316.69	221.00	112.97
<i>Adjustments for:</i>					
Inventories	(970.72)	(294.83)	95.86	(62.82)	(31.78)
Debtors	(829.13)	(287.01)	(450.55)	18.12	(6.31)
Loans & Advances	(6.79)	(30.97)	48.99	(76.38)	(11.56)
Trade Payables	199.66	190.13	(88.00)	(34.55)	41.87
Cash Generated from Operation	(404.34)	188.20	(76.99)	65.37	105.20
Taxes Paid	(232.76)	(83.72)	(48.90)	(41.13)	(34.72)
Net Cash from Operating Activities	(637.10)	104.49	(125.89)	24.23	70.48
2. Cash Flow From Investing Activities:					
Fixed Assets Purchased	(672.10)	(222.45)	(294.96)	(215.34)	(29.58)
Sale of Fixed Assets	235.00	-	-	-	-
Dividend Received	-	-	-	-	-
Interest Received	16.07	9.91	7.76	3.12	6.89
Investments Purchased	(53.39)	-	-	-	-
Profit / (Loss) on Sale of Shares	-	-	-	-	-
Net Cash from Investing Activities	(474.42)	(212.55)	(287.20)	(212.22)	(22.69)
3. Cash Flow From Financing Activities:					
Proceeds from Secured Loans	1,261.96	111.85	423.64	112.11	40.67
Proceeds of Share Application Money	(38.00)	38.00	(101.36)	10.41	-
Proceeds from Unsecured loans	166.02	(75.43)	108.67	168.83	8.75
Proceeds from issue of shares	938.60	10.30	20.00	-	0.73
Proceeds from securities premium	(448.70)	268.70	180.00	-	-
Increase in Miscellaneous Expenditure	-	-	-	(2.10)	-
Interest paid	(300.46)	(173.44)	(138.89)	(69.61)	(27.40)
Net Cash from Financing Activities	1,579.42	179.99	492.06	219.63	22.75
Net Increase/ (Decrease) in Cash & Cash Equivalents	467.91	71.93	78.96	31.65	70.54
Cash & Cash Equivalents at the beginning of the year	280.53	208.60	129.64	97.99	27.45
Cash & Cash Equivalents at the end of the year	748.44	280.53	208.60	129.64	97.99

Note:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by ICAI.
2. Figures in Brackets represents outflow.
3. The above statement should be read with Significant Accounting Policies and Notes on Restatements as in Annexure- VI as per our report of even date

3.2 – THE ISSUE

PRESENT ISSUE TO THE PUBLIC IN TERMS OF THIS DRAFT PROSPECTUS – FIXED PRICE ISSUE	
Equity Shares Offered: Present Issue of Equity Shares by our Company	7,000,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 30 /- per share aggregating ₹ 2100 Lacs
Net Issue to the Public*	7,000,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 30 /- per share aggregating ₹ 2100 Lacs
Equity Shares outstanding prior to the Issue	14,663,000 Equity Shares
Equity Shares outstanding after the Issue	21,663,000 Equity Shares
Objects of the Issue	Please refer Chapter to the title “ <i>Objects of the Issue</i> ” on Page No. 55 of this Draft Prospectus

1. Our Company is proposing the Initial Public Offering under Regulation 26(1) of SEBI (ICDR) Regulations 2009, as amended.

**As per Regulation 43 (4) of the SEBI (ICDR) Regulation, as amended, since our is a fixed price issue the allocation in the net offer to public category shall be made as follows:*

(a) minimum fifty per cent. to retail individual investors; and

(b) remaining to:

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

(c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

3.3 - GENERAL INFORMATION

Our Company started as a partnership firm under the name & style of “Unitech” in the year 1999 and was later converted into a Public Limited Company on June 04, 2007 under the provisions of Part IX of the Companies Act, 1956. Consequently, a Certificate of Incorporation was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 04, 2007 under the name of Universal Energies Limited (“UEL”). The present authorised share capital of our Company is ₹ 2,500 lacs divided into 25,000,000 equity shares of ₹ 10/- each.

The brief information for our Company is given below:

Registered Office	The Registered Office of our Company is situated at 607 - 609, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110066, India. Telephone No: +91 11 6660 6441 Fax No: +91 11 6660 5658	
Date of Incorporation	June 04, 2007	
Certificate for Commencement of Business	June 18, 2007	
Company Identification No.	U74120DL2007PLC164288	
Address of Registrar of Companies	4 th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019 Phone: +91 11 2623 5703, 26235704 Fax: +91 11 2623 5702 Email: roc.delhi@mca.gov.in	
Name of the Stock Exchange	Bombay Stock Exchange Limited	
Designated Stock Exchange	Bombay Stock Exchange Limited	
Issue Programme	Issue Opens on:	[●]
	Issue Closes on:	[●]

Board of Directors of our Company

Our Board of Directors comprises the following:

Name	Age (yrs)	DIN	Designation	Address
Mr. Kamta Prasad Roy	64	03208181	Chairman, Non-Executive - Independent Director	E-87, Sector-39, G.B. Nagar, Noida - 201301, Uttar Pradesh, India
Mr. Aditya Ranjan Singh	39	00017716	Managing Director	V-5 B, First Floor, Green Park Extension, New Delhi - 110016, India
Mr. Akhilesh Ranjan Singh	41	00274033	Whole-Time Director	Siddharth Apartment, Flat No 13, Shastri Nagar, Sigra Varanasi - 221002, Uttar Pradesh, India
Mr. Shankar Kumar Thakur	42	03499027	Whole-Time Director	O-3, Saurav Vihar, Hari Nagar Extension, Jaitpur, Delhi - 110044, India
Mr. Vinay Kumar Singh	41	02175917	Non-Executive - Independent Director	6, Amravati Colony, Sarvodaya Nagar, Lucknow - 226010, Uttar Pradesh, India
Mr. Prabhu Dayal Didwania	61	03531641	Non-Executive - Independent Director	Plot No. F-30, Flat No. 612-A, Mahagun Manor, Sector -50, Gautam Budh Nagar, Noida - 201301, Uttar Pradesh, India

For further details of our Directors, please refer to Page No. 110 under Section titles “*Our Management*” of this Draft Prospectus

Company Secretary & Compliance Officer of Our Company

Ms. Monika Srivastava is the Company Secretary and the Compliance Officer of our Company and her contact details are as follows:

607 -609, Somdutta Chamber – II,
Bhikaji Cama Place,
New Delhi – 110 066, India.
Phone No.: +9111 6660 6441
Fax No.: +9111 66605658
Email: cs@uel.co.in
Website: www.uel.co.in

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the concerned SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the ASBA Application Form was submitted by the ASBA Applicant.

LEAD MANAGER TO THE ISSUE

Hem Securities Limited
14/15 Khatau Building, 40, Bank Street,
Mumbai - 400 001
Tel: +91 22 2267 1543 / 44
Fax: +91 22 2262 5991
E- Mail: rakeshb@hemonline.com
Website: www.hemonline.com
Contact Person: Mr. Rakesh Bhalla
SEBI Regn. No. INM000010981

REGISTRAR TO THE ISSUE

Bigshare Services Pvt. Ltd.
E -2/ 3, Ansa Industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (E), Mumbai – 4000 072.
Tel No.: +91 22 4043 0200
Fax: +91 22 2847 5207
Web: www.bigshareonline.com
Email: ipo@bigshareonline.com
Contact Person: Mr. Babu Raphael
SEBI Regn. No. INR000001385

LEGAL ADVISOR TO THE COMPANY

M/s. Chir Amrit Law Chambers,
6th Floor, Unique Destination,
Opp. Times of India Building,
Tonk Road, Jaipur- 302 015.
Tel: +91 141 4044 500
Fax: +91 141 4044 522
Web: <http://www.chiramritlaw.com>
Email: law@chiramritlaw.com
Contact Person: Mr. Sanjay Jhanwar

IPO GRADING AGENCY

Credit Analysis & Research Limited,
B – 47, Inner Circle, Connaught Place,
Near PVR Plaza
New Delhi – 110 001
Tel No.: +91 11 45333201
Fax No.: +91 11 45333238
Email: jyotsna.gadgil@careratings.com
Web: www.careratings.com
Contact Person: Ms. Jyotsna Gadgil

BANKERS TO THE ISSUE / ESCROW COLLECTION BANKS

[●]

REFUND BANKER

[●]

BANKER(S) TO THE COMPANY

AXIS Bank Limited

5th Floor, Ashoka Estate,
24, Barakhamba Road,
New Delhi – 110001
Tel. No.: +91 11 43506500
Fax No.: +91 11 43506565
Email: nishant.bansal@axis.com
Website: www.axisbank.com
Contact Person: Mr. Nishant Bansal

IDBI Bank Limited

Indian Red Cross Society Building,
1, Red Cross Raod,
Post Bag No. - 231, New Delhi- 110 001
Tel. No.: +91 11 6628 1199
Fax No.: + 91 11 2371 1664
Email: susan.mohindru@idbi.co.in
Website: - www.idbi.com
Contact Person: Ms. Susan Mohindru

HDFC Bank Limited

4th Floor, Indian Express Building,
9-10, Bahadurshah Zafar Marg,
ITO, New Delhi - 110 002
Tel. No.: +91 11 6613 2000
Email: nikhilk.aggarwal@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Nikhil K. Aggarwal

OTHER PROMINENT LENDERS TO THE COMPANY**SREI Equipment Finance Private Limited**

D2, 5th Floor, Southern Park,
Saket Place, Saket,
New Delhi - 110 017
Tel. No.: +91 11 6603 7734, 6602 5700
Fax No.: +91 11 6602 5799
Email: nro@srei.com
Website: www.srei.com
Contact Person: Mr. Ankit Tyagi

Small Industries Development Bank of India (SIDBI)

Udhyog Meenar, Ground Floor,
Vanijya Nikunj, Udhyog Vihar,
Phase - V, Gurgaon - 122016
Tel. No.: +91 124 2349486
Fax No.: +91 124 2349487
Email: sjain@sidbi.in
Website: www.sidbi.in
Contact Person: Mr. Sanjay Jain

SELF CERTIFIED SYNDICATE BANKS

The list of banks who have been notified by SEBI to act as Self Certified Syndicate Banks (SCSBs) for ASBA process are provided at <http://www.sebi.gov.in/>

AUDITORS OF THE COMPANY

M/s D.S. Sinha & Company,
Chartered Accountants
A-602, Young Aheria Housing Society,
Plot No. - 2, Sector - 7,
Dwarka, New Delhi - 110 075.
Tel No: +91 11 26160536
Email: dssinhaco@gmail.com
Web: www.dssco.org
Contact Person: Mr. Sanjeev Kumar

IPO GRADING

This issue being has been graded by Credit Analysis and Research Limited and has been assigned [●] indicating the fundamentals of the issue are [●]. The IPO Grading is assigned on a 5 point scale from 1 to 5 with [●] indicating strong fundamentals and [●] indicating poor fundamentals. For details in relation to report of grading agency please refer to “*Grading Rationale*” on page [●] of the Draft Prospectus.

MONITORING AGENCY

The issue size is less than ₹ 500 crore and hence there is no requirement for appointment of Monitoring Agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. 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 the Corporate Governance Requirements, the Audit Committee of our Company would monitor the utilization of the proceeds of the Issue. For details please refer to section titled “*Objects of the Issue- Monitoring of Utilization of Funds*” on page 59 of this Draft Prospectus.

APPRAISING AGENCY

The issue has not been appraised.

CREDIT RATING

CARE has assigned “CARE BBB [Triple B]” rating and “CARE A3 [A Three]” for our long term and short term banking facilities, respectively, vide its September 23, 2011 letter. Also, previously CARE had assigned “CARE BBB [Triple B]” rating and “PR3 [PR Three]” for our long term and short term banking facilities, respectively, vide its November 23, 2010 letter.

EXPERT OPINION

Except for the report of CARE in respect of the IPO Grading of this Issue (a copy of which will annexed to the Prospectus), furnishing the rationale for its grading and the reports of the Auditors of our Company, M/s. D. S. Sinha & Co., (the Statutory Auditors), in respect of the information contained in “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on pages 131 and 67, respectively, our Company has not obtained any expert opinions.

TRUSTEES

As the issue is of Equity Shares, the appointment of Trustees is not required.

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since **Hem Securities Limited** is the sole Lead Manager to this Issue, statement of inter-se allocation responsibilities among Lead Manager’s is not applicable.

UNDERWRITING TO THE ISSUE

Underwriting being optional, this Issue is not being underwritten.

3.4 - CAPITAL STRUCTURE OF OUR COMPANY

The share capital of our Company as on the date of this Draft Prospectus is set forth below:

(₹ In Lakhs)

Sr.No.	Particulars	Aggregate Value at Face Value (₹)	Aggregate Value at Issue Price (₹)
A	Authorised Capital 25,000,000 Equity Shares of face value ₹ 10 each	2,500.00	-
B	Issued, Subscribed and Paid up capital 14,663,000 Equity shares of face value ₹ 10 each	1,466.30	-
C	Present Issue in terms of this Draft Prospectus 7,000,000 Equity shares of face value ₹ 10/- each at a premium of ₹ 20 per share.	700.00	2,100.00
D	Net offer to public* 7,000,000 Equity shares of face value ₹10/- each at a premium of ₹ 20 per share.	700.00	2,100.00
E	Paid up Capital After the Issue 21,663,000 Equity shares of face value ₹ 10/- each.	2,166.30	-
F	Share Premium Account Before the Issue After the Issue		Nil 1,400.00

1. The present Issue of 7,000,000 Equity Shares in terms of the Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated June 22, 2011 and by Special Resolution passed under Section 81 & 81(1A) of the Companies Act, 1956 at the Annual General Meeting of the members held on September 19, 2011.

* Our Company is proposing the Initial Public Offering under Regulation 26(1) of SEBI (ICDR) Regulations 2009, as amended. As per Regulation 43 (4) of the SEBI (ICDR) Regulation, as amended, since our is a fixed price issue the allocation in the net offer to public category shall be made as follows:

- (a) minimum fifty per cent. to retail individual investors; and
- (b) remaining to:
 - (i) individual applicants other than retail individual investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- (c) the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category.

NOTES TO CAPITAL STRUCTURE

1. Details of Increase in Authorized Share Capital of our Company

(₹In Lacs)

Date of Meeting	Increased From	Increased To	Remarks
04.06.2007	-	100.00	On Incorporation, the initial authorized share capital comprised of 100,000 Equity Shares of ₹ 100/- each
25.03.2009	100.00	150.00	Increased from 100,000 Equity Shares of ₹ 100/- each to 150,000 Equity Shares of ₹ 100/- each.
16.03.2011	150.00	500.00	Increased from 150,000 Equity Shares of ₹ 100/- each to 500,000 Equity Shares of ₹ 100/- each.
31.03.2011	Sub – Division *		Increased from 500,000 Equity Shares of ₹ 100/- each to 5,000,000 Equity Shares of ₹ 10/- each.
31.03.2011	500.00	1,500.00	Increased from 5,000,000 Equity Shares of ₹10/- each to 15,000,000 Equity Shares of ₹ 10/- each.

Date of Meeting	Increased From	Increased To	Remarks
19.09.2011	1,500.00	2,500.00	Increased from 15,000,000 Equity Shares of ₹10/- each to 25,000,000 Equity Shares of ₹ 10/- each.

2. Equity Share Capital History of our Company

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Cumulative Securities Premium Account (₹)	Cumulative Paid-up Capital (₹)	Consideration	Nature of Issue and Category of Allottees
04.06.2007	33,200	33,200	100	100	Nil	3,320,000	On conversion of partner's capital into share capital	Subscribers to the Memorandum ¹
29.03.2008	66,800	100,000	100	100	Nil	10,000,000	Cash	Allotment to Promoter
30.03.2009	20,000	120,000	100	1000	18,000,000	12,000,000	Cash	Allotment to Promoters & Promoter Group
31.12.2009	3,000	123,000	100	2000	23,700,000	12,300,000	Cash	Allotment to Promoter
31.03.2010	7,300	130,300	100	3000	44,870,000	13,030,000	Cash	Allotment to Promoter & Others
25.03.2011	16,330	146,630	100	3000	92,227,000	14,663,000	Cash	Allotment to Promoter, Promoter Group & Others
31.03.2011	-	1,466,300	Sub – Division of equity shares having a face value of ₹ 100 each into equity share having a face value of ₹ 10 each					
31.03.2011	13,196,700	14,663,000	10	Nil	Nil	146,630,000	Bonus	Bonus Issue to the Existing Shareholders ²

1. Issue of Equity Shares to the partners of the erstwhile partnership firm, Unitech, i.e. Mr. Aditya Ranjan Singh, Mr. Anil Kumar, Mr. Jay Pratap Narain Singh, Mr. Akhilesh Ranjan Singh, Mr. Prashant Kumar Singh, Mr. Ajay Kumar Singh and Mr. Ashok Kumar Singh on account of conversion under Part IX of the Companies Act, 1956 as subscribers to the MOA.

2. Our Company had issued bonus shares to the members in the ratio of 9:1 (Nine shares for every one share held on that date) by utilizing the amount lying to the credit of Securities Premium Account and Profit & Loss Account amounting to ₹ 92,227,000 and ₹ 39,740,000 respectively.

Note: Up to the F.Y. 2006-07 the status of the Company was that of a partnership firm under the name and style of "Unitech" which was later on converted in to a Public Limited Company on June 04, 2007 under the part IX of the Companies Act, 1956 under the name of "Universal Energies Limited" and the business was taken over on continuous basis.

3. Capital Build Up in respect of shareholding of Promoters

Date of Allotment/ Date of Fully Paid up/ Sub Division	Consideration	Nature of Issue	No. of Equity Shares	Face Value (₹)	Issue Price / Consideration (₹)	% of Pre-issue paid up capital	% of Post-issue paid up capital	No. of Pledged shares	% of Pledged shares to Total Pre issue Holding
Mr. Aditya Ranjan Singh									
04.06.2007	On conversion of partner's capital into share capital	Subscribers to the Memorandum	1,000	100	100	0.07	0.05	-	-
29.03.2008	Cash	Allotment	66,800	100	100	4.56	3.08	-	-
30.03.2009	Cash	Allotment	9,980	100	1000	0.68	0.46	-	-
25.08.2009	Cash	Purchase from Mr. Prashant Kumar Singh	3,500	100	100	0.24	0.16	-	-
31.12.2009	Cash	Allotment	3,000	100	2000	0.20	0.14	-	-
25.03.2011	Cash	Allotment	10,700	100	3000	0.73	0.49	-	-
Total no. of equity shares before sub division			94,980			6.48	4.38	-	-
31.03.2011	Sub - Division of equity shares having a face value of ₹ 100 each into equity share having a face value of ₹ 10 each (A)		949,800	10	-	6.48	4.38	-	-
31.03.2011	-	Bonus Issue (B)	8,548,200	10	Nil	58.30	39.46	-	-
Total no. of equity shares as on the date of Draft Prospectus (A+B)			9,498,000			64.78	43.84		
Mr. Akhilesh Ranjan Singh									
04.06.2007	On conversion of partner's capital into share capital	Subscription to Memorandum	15,000	100	100	1.02	0.69	-	-
30.03.2009	Cash	Allotment	2,920	100	1000	0.20	0.13	-	-
31.03.2010	Cash	Allotment	300	100	3000	0.02	0.01	-	-
30.08.2010	Cash	Purchase from Mr. Prashant Kumar Singh	5,000	100	100	0.34	0.23	-	-
09.03.2011	Cash	Purchase from Mr. Prashant Kumar Singh	6,350	100	150	0.43	0.29	-	-
Total no. of equity shares before sub division			29,570			2.02	1.37	-	-
31.03.2011	Sub - Division of equity shares having a face value of ₹ 100 each into equity share having a face value of ₹ 10 each (A)		295,700	10	-	2.02	1.37	-	-
31.03.2011	-	Bonus Issue (B)	2,661,300	10	Nil	18.15	12.29	-	-
Total no. of equity shares as on the date of Draft Prospectus (A+B)			2,957,000			20.17	13.65		

4. Details of the aggregate shareholding of our Promoter Group is as below:

Particulars	No. of Shares	% of Pre-issue paid up capital
Promoter Group		
Mrs. Manisha Singh	720,000	4.91%
Mrs. Rekha Singh	10,000	0.07%
Mr. Ajay Kumar Singh	10,000	0.07%
Mr. Ashok Kumar Singh	10,000	0.07%
Mr. Chandan Singh	10,000	0.07%
Total	760,000	5.18%

5. Details of the aggregate number of Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus with SEBI.

Name	Date of Allotment/ Acquisition	Nature of Allotment/ Acquisition	No. of Shares	Face Value (₹)	Allotment/ Acquisition Price (₹)	Consideration
Mr. Aditya Ranjan Singh	31.03.2011	Bonus Issue	8,548,200	10	Nil	N.A.
Mr. Akhilesh Ranjan Singh	31.03.2011	Bonus Issue	2,661,300	10	Nil	N.A.
Mrs. Manisha Singh	31.03.2011	Bonus Issue	648,000	10	Nil	N.A.
Mrs. Rekha Singh	31.03.2011	Bonus Issue	9,000	10	Nil	N.A.
Mr. Ajay Kumar Singh	31.03.2011	Bonus Issue	9,000	10	Nil	N.A.
Mr. Ashok Kumar Singh	31.03.2011	Bonus Issue	9,000	10	Nil	N.A.
Mr. Chandan Singh	31.03.2011	Bonus Issue	9,000	10	Nil	N.A.
Mr. Shankar Kumar Thakur	31.03.2011	Bonus Issue	90,000	10	Nil	N.A.

The maximum and minimum price at which the aforesaid acquisition was made was ₹ Nil per equity share.

6. Promoter's Contribution and Lock-in

The following shares held by Promoter are locked-in as Promoter's Contribution: **Mr. Aditya Ranjan Singh**

Date of Allotment/ Date of Fully Paid up	Nature of Issue	No. of Equity Shares	Face Value (₹)	Issue Price / Consideration (₹)	% of Pre-issue paid up capital	% of Post-issue paid up capital	Lock in period
04.06.2007	Subscribers to the Memorandum ¹	1,000	100	100	0.07	0.05	-
29.03.2008	Allotment	66,800	100	100	4.56	3.08	-
30.03.2009	Allotment	9,980	100	1,000	0.68	0.46	-
25.08.2009	Purchase from Mr. Prashant Kumar Singh	3,500	100	100	0.24	0.16	-
31.12.2009	Allotment	3,000	100	2,000	0.20	0.14	-

Date of Allotment/ Date of Fully Paid up	Nature of Issue	No. of Equity Shares	Face Value (₹)	Issue Price / Consideration (₹)	% of Pre-issue paid up capital	% of Post-issue paid up capital	Lock in period
25.03.2011	Allotment	10,700	100	3,000	0.73	0.49	-
		94,980	100		6.48	4.38	-
31.03.2011	Sub - Division of equity shares having a face value of ₹ 100 each into equity share having a face value of ₹ 10 each	949,800	10	-	6.48	4.38	3 years
31.03.2011	Bonus Issue	3,599,430	10	Nil	24.55	16.62	3 years
Total		4,549,230			31.03	21.00	

¹ Issue of Equity Shares to the partners of the erstwhile partnership firm, Unitech, on account of conversion under Part IX of the Companies Act, 1956 as subscribers to the MoA.

² Bonus Issue in the ratio of 9:1 (Nine shares for every one share held on that date), by utilizing the amount lying to the credit of Securities Premium Account and Profit & Loss Account amounting to ₹92,227,000 and ₹39,740,000 respectively. The said bonus shares are not ineligible as per regulation 33 of ICDR as the same are neither resulting from a bonus issue by utilisation of revaluation reserves nor unrealized profits of the Company nor from bonus issue against equity shares which are ineligible for minimum promoters' contribution.

All Equity Shares, which are being locked in are not ineligible for computation of Promoters contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years under Regulation 36(a) of the SEBI ICDR Regulations. No equity shares proposed to be locked-in as Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalisation of intangible assets, involved in such transactions

Our Promoter have, by a written undertaking, consented to have 4,549,230 equity shares held by them to be locked in as Promoters contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Draft Prospectus with SEBI till the date of commencement of lock-in period as stated in the Draft Prospectus. The equity shares under the Promoters contribution will constitute 21.00% of our post-issue paid up share capital. Our Promoter have also consented that the Promoters contribution under Regulation 33 of the SEBI ICDR Regulations will not be less than 20% of the post issue paid up capital of our Company. The entire pre-issue shareholding of the Promoters, other than the Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue or commencement of commercial production whichever is later, as per the applicable SEBI Regulations.

Eligibility of Share for "Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters' Minimum Contribution	Compliance
33 (a) (i)	Whether acquired in consideration other than cash and revaluation of assets or capitalization of intangible assets.	No.
33 (a) (ii)	Whether bonus issue to the promoters resulting from the capitalization of revaluation reserves	No. (Note: Bonus issue to the promoters was made out of realized profits/share premium received in cash. There is no revaluation reserve or unrealized profits in the company.)

Reg. No.	Promoters' Minimum Contribution	Compliance
33 (b)	Whether promoters acquired shares during the preceding one year at a price lower than the price at which specified securities are being offered to public in the IPO.	No. (Note: Shares acquired during preceding one year at price higher than the price being proposed to public. Also not forming part of minimum promoters' contribution.)
33 (c)	Specific securities allotted to promoters against capital existing in such partnership firms for a period of more than one year on continuation basis.	Yes (Note: Shares acquired by way of Subscription to Memorandum of Association upon conversion of erstwhile partnership Firm "Unitech " into a Public Limited Company on June 04, 2007 under the Part IX of the Companies Act, 1956)
33 (d)	Specified securities pledged with any creditor.	No.

Original shares on which the Bonus Shares have been allotted and the Bonus Shares considered for Minimum Promoters Contribution are NOT INELIGIBLE SHARES as per Regulation 33 (1) (a) (ii) of SEBI (ICDR) Regulations, 2009.

DETAILS OF SHARE CAPITAL LOCKED IN FOR ONE YEAR

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 10,113,770 equity shares shall be locked in for a period of one year from the date of allotment of Equity shares in this Issue. The securities which are subject to lock-in shall carry inscription 'nontransferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form shall be locked-in by the respective depositories.

Other requirements in respect of lock-in:

- a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.
- c) Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the Issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as applicable.

7. Our Shareholding Pattern

The table below presents our shareholding pattern before the proposed Issue and as adjusted for the Issue:

Category code	Category of Shareholder	No. of Shareholders	Total no. of shares	Total shareholding as a % of total number of shares		Total Post issue Shareholding		Shares Pledged or otherwise encumbered (Pre Issue)		
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	
(A)	Shareholding of Promoter and Promoter Group									
1	Indian									
(a)	Individuals/ Hindu Undivided Family	7	13,215,000	90.12	90.12	13,215,000	61.00	-	-	
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	
(e)	Any Others(Specify)	-	-	-	-	-	-	-	-	
	Sub Total(A)(1)	7	13,215,000	90.12	90.12	13,215,000	61.00	-	-	
2	Foreign									
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	
B	Bodies Corporate	-	-	-	-	-	-	-	-	
C	Institutions	-	-	-	-	-	-	-	-	
D	Any Others(Specify)	-	-	-	-	-	-	-	-	
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	13,215,000	90.12	90.12	13,215,000	61.00	-	-	
(B)	Public shareholding									
1	Institutions									
(a)	Mutual Funds/ UTI	-	-	-	-	8,448,000	39.00	-	-	
(b)	Financial Institutions / Banks	-	-	-	-			-	-	
(c)	Central Government/ State Government(s)	-	-	-	-			-	-	
(d)	Venture Capital Funds	-	-	-	-			-	-	
(e)	Insurance Companies	-	-	-	-			-	-	
(f)	Foreign Institutional Investors	-	-	-	-			-	-	
(g)	Foreign Venture Capital Investors	-	-	-	-			-	-	
(h)	Any Other (specify)	-	-	-	-			-	-	
	Sub-Total (B)(1)	-	-	-	-			-	-	-
B 2	Non-institutions									
(a)	Bodies Corporate	4	1,233,000	8.42	8.42			-	-	
(b)	Individuals									

Category code	Category of Shareholder	No. of Shareholders	Total no. of shares	Total shareholding as a % of total number of shares		Total Post issue Shareholding		Shares Pledged or otherwise encumbered (Pre Issue)	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of (A+B+C)	No. of shares	As a % (A+B+C)
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	2	15,000	0.10	0.10			-	-
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	2	200,000	1.36	1.36			-	-
(c)	Any Other (specify)	-	-	-	-			-	-
	Sub-Total (B)(2)	8	1,448,000	9.88	9.88			-	-
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	8	1,448,000	9.88	9.88	8,448,000	39.00	-	-
	TOTAL (A)+(B)	15	14,663,000	100.00	100.00	21,663,000	100.00	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued								
1	Promoter and Promoter Group	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-
	Sub-Total (C)	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	15	14,663,000	100.00	100.00	21,663,000	100.00	-	-

The entire shareholding of our Company is in physical form.

8. Equity Shares held by Top Ten Shareholders

a. Details of Top ten shareholders of our Company as on the date of filing of this Draft Prospectus with SEBI are as follows:

Sr.No	Name of Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of shares to Pre-Issue Share capital
1	Aditya Ranjan Singh	9,498,000	64.78
2	Akhilesh Ranjan Singh	2,957,000	20.17
3	Manisha Singh	720,000	4.91
4	Jaykal Exports P Ltd	533,000	3.63
5	Gwaerja Merchants (P) Ltd	300,000	2.05
6	Mumba Devi Finance Ltd	200,000	1.36
7	Seawoods Hospitality & Reality (P) Ltd.	200,000	1.36
8	Sarika Thakur	100,000	0.68
9	Shankar Kumar Thakur	100,000	0.68
10.a	Ajay Kumar	10,000	0.07
10.b	Ashok Kumar	10,000	0.07
10.c	Rekha Singh	10,000	0.07
10.d	Chandan Singh	10,000	0.07
	Total	14,648,000	99.90

b. Details of Top ten shareholders of our Company as on ten days prior to the date of filing of this Draft Prospectus with SEBI are as follows:

Sr. No	Name of Shareholder	Number of Equity Shares of face value of ₹ 10 each	% of shares to Pre-Issue Share capital
1	Aditya Ranjan Singh	9,498,000	64.78
2	Akhilesh Ranjan Singh	2,957,000	20.17
3	Manisha Singh	720,000	4.91
4	Jaykal Exports P Ltd	533,000	3.63
5	Gwaerja Merchants (P) Ltd	300,000	2.05
6	Mumba Devi Finance Ltd	200,000	1.36
7	Seawoods Hospitality & Reality (P) Ltd.	200,000	1.36
8	Sarika Thakur	100,000	0.68
9	Shankar Kumar Thakur	100,000	0.68
10.a	Ajay Kumar	10,000	0.07
10.b	Ashok Kumar	10,000	0.07
10.c	Rekha Singh	10,000	0.07
10.d	Chandan Singh	10,000	0.07
	Total	14,648,000	99.90

c. Details of Top ten shareholders of our Company as on two years prior to the date of filing of this Draft Prospectus with SEBI are as follows:

Sr.No	Name of Shareholder	Number of Equity Shares of face value of ₹ 100 each	% of shares to 120,000 outstanding Paid up Share of face value of ₹ 100 each as on September 28, 2009
1	Aditya Ranjan Singh	81,280	67.73
2	Akhilesh Ranjan Singh	17,920	14.93
3	Prashant Kumar Singh	11,350	9.46
4	Manisha Singh	7,100	5.92
5	Jay Pratap Narain Singh	1,000	0.83
6	Anil Kumar	1,000	0.83
7	Chander Kanta Sharma	150	0.13
8	Ajay Kumar Singh	100	0.08
9	Ashok Kumar Singh	100	0.08
	Total	120,000	100.00

9. Our Promoters, Promoter Group, Directors and their relatives have not financed the purchase by any other person of the equity shares of our Company during the period of six months immediately preceding the date of filing of Draft Prospectus with SEBI.

10. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after the Initial Public Offer.

11. We have not made any issue of equity shares at a price lower than the Issue price during the preceding one year except the bonus shares issued as under:

Name of entity	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Consideration
All the Existing Shareholders	31.03.2011	13,196,700	10	Nil	Not Applicable since shares were issued as bonus issue by utilizing the amount lying to the credit of Securities Premium Account and Profit & Loss Account amounting to ₹ 92,227,000 and ₹ 39,740,000 respectively

12. As on the date of the Draft Prospectus, the issued share capital of our Company is fully paid up.
13. The Equity Shares held by our Promoters are not subject to any pledge.
14. Neither we nor our Promoters, Directors and the LM to the Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
15. The LM and their associates are not holding any equity shares in our Company as on the date of filing of Draft Prospectus with the SEBI.
16. This issue is being made through Fixed Price method.
17. An investor cannot make a apply for more than the number of Equity Shares offered through the Issue and not exceeding the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
18. Our Company has not raised any bridge loan against the proceeds of the Issue.
19. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered through this Draft Prospectus have been listed.
20. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the Issue opening date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
21. Except the following, our Company has not issued any shares for consideration other than cash:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Nature of allotment	Particulars	Benefits accrued to our Company
04.06.2007	33,200	100	Subscribers to the Memorandum ¹	On conversion of partner's capital into share capital	Nil

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Nature of allotment	Particulars	Benefits accrued to our Company
31.03.2011	1319670	10	Bonus	Issued to existing shareholders by utilizing the amount lying to the credit of Securities Premium Account and Profit & Loss Account amounting to ₹ 92,227,000 and ₹ 39,740,000 respectively	Nil

22. Our Company has not made any revaluation of its assets and no equity share has been issued out of any revaluation reserve.
23. An over-subscription to the extent of 10% of the Issue shall be retained for purpose of rounding off to the nearer multiple of minimum allotment lot while finalizing the basis of allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post Issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by our Promoters and subject to lock-in shall be suitably increased, so as to ensure that 20% of the post Issue paid-up capital is locked in.
24. Since the entire issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
25. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. We do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
27. We have 15 shareholders on the date of filing of the Draft Prospectus.
28. There has been no allotment of shares in terms of any scheme approved under Section 391-394 of the Companies Act, 1956.
29. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in Para on “*Basis of Allotment*” appearing on Page No. 214 of this Draft Prospectus.

3.5 - OBJECTS OF THE ISSUE

The Objects of the Issue are:

1. Procurement of site construction equipments / machineries for our contractual works,
2. To fund the additional working capital margin and
3. To meet the expenses of the Public Issue

Additionally, the Object of the Issue is to achieve the benefits of listing on the Bombay Stock Exchange and create a public market for the Equity Shares of our Company.

The main object clause and objects incidental or ancillary to the main object clause of the Memorandum of Association of our Company enables our Company to undertake the existing activities and the activities for which the funds are being raised through the present issue. We, further confirm that the activities of our Company carried out until now are in accordance with the object of the Memorandum of Association of our Company.

Requirements of Funds

Sr. No.	Particulars	Amount (₹ in lacs)
1	Procurement of site construction equipments / machineries for our contractual works	1,181.56
2	To fund the additional working capital margin	1,110.00
3	To meet expenses of the Public Issue	111.50
	Total	2403.06

The fund requirements and deployment of funds are based on our management estimates and has not been appraised by any Bank / Financial Institution. These are based on the estimates of our Management. The fund requirement is based on our current business plan. In view of nature of the industry in which we operate, we have to revise our business plan from time to time and consequently our fund requirement and consequent utilization of proceeds from the issue may also change. In case of variations in the actual utilization of funds earmarked for the purposes mentioned above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Means of Finance

The details of the means of finance are provided below:

Sr. No.	Particulars	Amount (₹ in lacs)
1	Proceeds of the Issue (IPO)	2,100.00
2	Internal Accruals	303.06
	Total	2,403.06

For the financial year ended March 31, 2011, the restated cash profit of our Company (i.e. Profit after tax but before depreciation) was ₹ 631.46 lacs and the reserves and surplus as on that date was ₹ 526.54 lacs. In case of variations in the actual utilization of funds earmarked for the purposes mentioned above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this issue.

Details use of Issue Proceeds

1. Procurement of site construction equipments / machineries for our contractual works

Our Company is engaged in executing contractual works in the areas of city gas distribution network, railways infrastructure & other miscellaneous infrastructure projects. In order to meet our growth plans in the sector in which we operate, we propose to make investments in site construction equipments. We believe that owning the said equipments instead of hiring them will enable us to mobilize our resources and render services to our clients in a faster, more efficient and cost competitive manner. Further, it will also add to our technical qualifications which will enable us to procure larger no. of contracts. We have envisaged a capital expenditure of ₹ 1,125.29 lacs for the purchase of the aforesaid equipments / machineries. Further, a provision for contingencies at 5% of the entire capital cost aggregating to ₹ 56.26 lacs has been provided.

The brief details of equipments intended to be purchased from the IPO proceeds are as following:

Sr. No.	Description of the machinery	Name and address of Supplier	Quantity	Total Cost Amt. in ₹ lacs	Date of Quotation
1*	HDD Machine Vermeer Navigator D80X100 Series II with Remote Lockout including accessories	World Wide Machinery Solutions Pvt. Ltd. Opp. Kishangarh Kothi, Jaipur Road, Ajmer-305001 Rajasthan Rate per unit: \$685000	1	308.25	19.09.2011
2	HDD Machine Vermeer Navigator D130X150 Horizontal Directional Drilling Machine including accessories	World Wide Machinery Solutions Pvt. Ltd. Opp. Kishangarh Kothi, Jaipur Road, Ajmer-305001 Rajasthan Rate per unit: ₹ 32500000	1	325.00	17.09.2011
3*	Pipe Bending Machine Darby 16-30" Hydraulic Pipe Bending Machine w/ Air Compressor (HPB 16-30)	Darby Equipment Company 2940, North Toledo Ave., Tulsa OK 74115 Rate per unit: \$206000	1	92.70	31.08.2011
4	Hydraulic Crane Escorts Hydra-12(S.Boom)-12 Ton Cap. Wioth 42 Feet Pick-n-Carry Hydraulic Mobile Crane	Escorts Construction Equipment Limited Plot No. 219, Sec-58, Ballabhgarh, Faridabad - 121004 Rate per unit: ₹ 1050000	4	42.00	23.09.2011
5	Hydraulic Excavator L & T Komatsu PC200-6 crawler mounted Hydraulic Excavator, powered by Komatsu Turbo Charged, Water cooled S6D 102E-1-A diesel engine developing 128HP@2000 rpm & fitted with 5.7 M Boom, 2.41 M	L&T Komatsu Limited Byatarayanapura, Bellary Road, Bangalore 560092 Rate per unit: ₹ 4250000	2	85.00	30.08.2011

Sr. No.	Description of the machinery	Name and address of Supplier	Quantity	Total Cost Amt. in ₹ lacs	Date of Quotation
	Stick, 0.93 cum (SAE) Heavy Duty Bucket, 600mm tracks & standard cabin.				
6	DOZER Komatsu DOZER D65E-12	Larsen & Toubro Limited L&T Chennai House, 10 Club Road, Anna Salai, Chennai 600002 Rate per unit: ₹ 7089124	2	141.78	30.08.2011
7	Back Hoe Loader Escorts DIGMAX-Back Hoe Loader(Loader Bucket Size 1.2cum & Backhoe bucket size0.26cum) (with BS-III Kirloskar Engine, 3M Dump Height and 4.80 M Dig Depth)	Escorts Construction Equipment Limited 713, Modi Corp Building, Hemkunt Tower, Nehru Place, New Delhi 110019 Rate per unit: ₹ 1580000	1	15.80	22.09.2011
	Total			1,010.53	
	Add: Provision for duties, taxes, freight and insurance (as per management estimates)			114.76	
	Total			1,125.29	
	Add: Contingencies (@ 5%)			56.26	
	Total			1,181.56	

* These above machines are proposed to be imported. All imports are under Open General License. The conversion rate has been taken at \$1 = ₹ 45.

Implementation Schedule for procurement of equipment / machineries

Activity	Commencement date	Expected date of Completion
Placement of order for equipments and machineries	April 2012	June 2012
Arrival of equipments and machineries	July 2012	September 2012

2. To Fund The Additional Working Capital Margin

The additional working capital margin requirements for financial year 2012-13, has been assessed by us at ₹ 1,110 lacs. The additional margin requirement of our Company in consonance with its growth plans and expansion of its business. The working capital margin requirement is estimated as under:

The working capital requirement is estimated as under:

(₹ In lacs)

Particulars	2010-11	2012-13		
		Existing Business	Additional	Total Margin
Current Assets				
Inventories	1,462.33	1937.13	1750.00	3687.13
Sundry Debtors	1,922.89	2393.84	1250.00	3643.84
Cash & Bank Balances	748.44	983.30	200.00	1183.30
Other Current assets, Loans & Advances	170.36	200.00	100.00	300.00
Total Current Assets	4,304.01	5514.27	3300.00	8814.27

Particulars	2010-11	2012-13		
		Existing Business	Additional	Total Margin
Current Liabilities and Provisions				
Sundry Creditors	574.38	954.96	666.67	1621.63
Provisions and other current liabilities	369.78	192.58	43.75	236.33
Long Term Liability (due within one year)	44.73	99.21	-	99.21
Total Current Liability	988.89	1246.75	710.42	1957.17
Total Working Capital Gap	3315.12	4267.52	2589.58	6857.10
Finance by:				
Working Capital facilities from Banks	1593.24	2000.00	1479.58	3479.58
Margin for Working Capital*	1721.88	2267.52	-	2267.52
Requirement of Additional Working Capital Margin	-	-	1110.00	1110.00
Proceeds from the Issue	-	-	1110.00	1110.00

*This includes Internal Accruals in the form of Profits, equity share capital & long term loans

The Working capital assessment is made on the basis of following assumptions:

Particulars	Existing Period (in months)	Existing	Estimated
Raw Material	Month's consumption	1.66	1.50
Work in Process	Month's cost of production	1.67	1.50
Sundry Debtors	Month's sales	2.64	2.00
Sundry Creditors	Month's cost of production	0.88	1.00

The Margin % considered for the above calculation is as follows:

Particulars	Existing	Estimated
Debtor	35%	35%
Inventory	25%	25%
Bank Guarantee	10%	10%

3. To Meet The Expenses for the Public Issue

The capital issue expenses of the issue include, among others, fees payable to the LM to the issue, selling commission, Legal counsel Registrar to the Issue, stationery printing and distribution expenses, legal fees, statutory advertisement expenses, NSDL / CDSL connectivity charges, fees payable to SEBI and listing fees etc. The total expenses of the Issue are estimated as follows:

Sr.	Particulars	Amount ₹ in lacs
1	ROC Fees & Stamp duty towards increase in Authorised share capital of the company from ₹ 1500 lacs to ₹ 2500 lacs	6.50
2	Estimated Capital Issue expenses:	
	Capital issue expenses of IPO amounting to ₹ 2100 lacs @ 5% of the issue	105.00
	Total	111.50

Estimated Schedule of Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized a under:

(₹ in lacs)

Particulars	Funds already deployed (till September 24, 2011)	2011-12	2012-13	Total
Procurement of site construction equipments / machineries for our contractual works	Nil	-	1,181.56	1,181.56
Fund the working capital margin	Nil	-	1,110.00	1,110.00
Expenses of the Issue	15.00	[●]	[●]	111.50

Deployment of Funds in the Project

We have incurred ₹ 15.00 lacs upto September 24, 2011 towards objects of the issue which has been certified by Mr. Sanjeev Kumar, Chartered Accountant (Mem. No. 077871), Partner, D. S. Sinha & Company, Statutory Auditors, vide their certificate dated September 26, 2011. The said amount has been financed through internal accruals of the Company. The details about the deployment of funds is as under

(₹ In lacs)

Sr. No.	Application of Funds	Budgeted	Incurred upto September 24, 2011
1	Procurement of equipment & machineries	1,181.56	Nil
2	Working Capital Margin	1,110.00	Nil
3	Expenses of the Issue	111.50	15.00
	Total	2403.06	15.00
	Source of Funds		
1	Share Capital (Public Issue)	2100.00	0.00
2	Internal Accruals	303.06	15.00
	Total	2403.06	15.00

Appraisal

The funds requirement and funding plans are our own estimates and have not been appraised by any Bank / Financial Institution.

Interim Use of Proceeds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Proceeds of the Issue. Pending utilization for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments including money market Mutual Funds, deposits with banks for the necessary duration or for reducing overdrafts. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that, pending utilization of the Issue Proceeds, it shall not use the funds for any investments in the equity markets.

Monitoring of Utilization of Funds

The Issue Size is less than ₹ 500 crore and hence there is no requirement for appointment of an independent monitoring agency in terms of Regulation 16(1) of the SEBI ICDR Regulations. Pursuant to Clause 49 of the listing agreement, the Audit Committee of our Board will monitor the utilization of the proceeds of the Issue.

We shall, on a quarterly basis disclose to the Audit Committee the uses and application of the proceeds of the Issue and further disclose the same a part of the quarterly declaration of financial results. We will disclose the utilization of the proceeds of the Issue under a separate head in our balance sheet till such time the proceeds of the Issue have

been utilised, clearly specifying the purpose for which such proceeds have been utilized. We will also, in our balance sheet till such time the proceeds of the Issue have been utilised, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. The said annual disclosure shall also be certified by the Statutory Auditors of the Company.

No part of the proceeds from the Issue will be paid by us as consideration to our Promoters, our Directors, Key Management Personnel or Promoter Group Entities.

3.6 - BASIC TERMS OF ISSUE

The Equity Shares, now being offered, are subject to the terms and conditions of this Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchanges, RBI, ROC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009 notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Pursuant to the resolution passed by the Board of Directors of our Company at its meeting held on June 22, 2011 the shareholders approval obtained at its Annual General Meeting dated September 19, 2011 it has been decided to make the following offer to the public.

Face Value	Each Equity Share shall have the face value of ₹ 10/- each.
Issue Price	Each Equity Share is being offered at a price of ₹ 30/- each.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 1 (One) and the multiple of 1; subject to a minimum allotment of [●] Equity Shares to the successful applicants.
Terms of Payment	100% of the issue price of ₹ 30/- shall be payable on Application. For details, refer Section titled “ <i>Terms of the Issue</i> ” on Page No. 200 of this Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

MINIMUM SUBSCRIPTION

If we do not receive the minimum subscription of 90% (ninety percent) of the Issue from the Public, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after we become liable to pay the amount, we shall pay interest prescribed under Section 73 of the Companies Act, 1956.

Further, in accordance with clause 26(4) of the SEBI (ICDR) Regulations, 2009, our Company shall ensure that the number of prospective allottees to whom the Equity shares are allotted will not be less than 1,000.

Our Company undertakes that:

- (i) “If the Company does not receive the minimum subscription of ninety per cent of the offer through offer document on the date of closure of the Issue, or if the subscription level falls below ninety percent after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, our Company shall forthwith refund the entire subscription amount received.”
- (ii) “If the Company fails to refund the entire subscription amount within Ten Working Days from the date of the closure of the issue, it is liable to pay the amount with interest to the subscribers at the rate of fifteen percent per annum for the period of delay.”

3.7 - BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Manager on the basis of the Key Business Strengths. The face value of the Equity Shares is ₹ 10 and Issue Price is ₹ 30 per Equity Shares and is 3 (Three) times the face value.

Investors should read the following summary with the risk factors beginning from Page No. 10 of this Draft Prospectus, Section titled “**Our Business**” on Page No. 87 and “Financial Information of the Company” on Page No. 131 of this Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risk factors and you may lose all or part of your investments.

QUALITATIVE FACTORS

We believe that the following business strengths allow us to successfully compete in the Industry;

- Established player in execution of Infrastructure Projects on procurement and contract basis
- Healthy Order Book position
- Long term relationship with our clients
- Experienced Management
- ISO 9001 : 2008

For details in respect of our qualitative factors, please refer to paragraph “Key Business Strengths” appearing on Page No. 91 of this Draft Prospectus.

QUANTITATIVE FACTORS

Basic and Diluted Earnings per Equity Share

Financial Year	EPS (₹)	Weight Used
2008-09	0.83	1
2009-10	2.12	2
2010-11	4.42	3
Weighted Average	3.06	

Source: Audited Financial Statements, as restated

On Consolidated basis: Not Applicable

Note:

1. The weighted average EPS for these financial years has been computed by giving weights of 1, 2 and 3 for the financial years ending March 31 2009, 2010 and 2011 respectively.
2. Earnings Per Share (EPS) calculations are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
3. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in the chapter “**Financial Information of the Company**” beginning on Page no. 140 of this Draft Prospectus.
4. On 31st March 2011, our Company split each equity share of Face value ₹ 100/- into 10 equity shares of ₹ 10/- each (i.e. 1,466,300 Equity shares post-split) and also issued 1,31,96,700 bonus shares in the ratio of 9 new equity shares of ₹ 10/- each fully paid up for 1 equity share of ₹ 10/- each fully paid up held in our company, by capitalising securities premium and profit & loss accounts.

5. Figures for financial years ended March 31, 2009 and 2010 are after considering split of shares from face value of ₹ 100/- to ₹ 10/- each
6. The face value of each equity shares is ₹ 10/-

Price / Earning Ratio (P/E) in relation to the Issue price of ₹ 30/- per share

Particulars	P/E Ratio
Based on Year ended March 31, 2011 Basic and Diluted EPS#	6.79
Based on Weighted Average EPS	9.80
Industry P/E	
Highest – Atlanta Limited*	11.25
Lowest – Jaihind Projects Limited*	4.39
Average	7.82

Source: Audited Financial Statements, as restated

Note: * Based on Audited Standalone Financial Results as on March 31, 2011 as sourced from the respective Company websites and from Bombay Stock Exchange website as on September 23, 2011.

Return on Net worth

1. The Net worth of our Company as at March 31, 2011 and 2009 has been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
2. The Net worth of our Company as at March 31, 2010 and March 31, 2008 has been computed after excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.

Financial Year	Return on Net Worth (%)	Weight Used
2008-09	19.71	1
2009-10	26.72	2
2010-11	28.97	3
Weighted Average	26.70	

Source: Net worth Calculated based on Audited Financial Statements, as restated

Note:

1. The weighted average Return on Net Worth for these financial years has been computed by giving weights of 1, 2 and 3 for the financial years ending March 31 2009, 2010 and 2011 respectively
2. The weighted average Return on Net Worth has been computed on the basis of the Audited Financial Statements, as restated, of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.
3. On 31st March 2011, our Company split each equity share of Face value ₹ 100/- into 10 equity shares of ₹ 10/- each (i.e. 1,466,300 Equity shares post-split) and also issued 1,31,96,700 bonus shares in the ratio of 9 new equity shares of ₹ 10/- each fully paid up for 1 equity shares of ₹ 10/- each fully paid up held in the company, by capitalising securities premium and profit & loss accounts.
4. Figures for financial years ended March 31, 2009 and 2010 are after considering split of shares from face value of ₹ 100/- to ₹ 10/- each

Return on Net Worth (RoNW), On Consolidated Basis: Not Applicable

Minimum Return on Post Issue Net Worth to maintain EPS at ₹ 4.42 (Pre-Issue Basic & Diluted EPS for March 31 2011) is 23.40 %

(₹ In Lacs)

Particulars	Amount
Pre - Issue Net worth as on 31.3.2011 #	1,992.42
Size of the Issue (Including Premium)	2,100.00
<i>Post Issue Net worth</i>	4092.42
Required EPS (Basic & Diluted EPS as on 31.3.2011) #	4.42
No. of Equity Shares (Post Issue, in Lacs)	216.63
<i>Required PAT</i>	957.50
<i>Required Return on Net Worth (Post Issue)</i>	23.40 %

Source: Audited Financial Statements, as restated

Note:

1. The return on net worth has been computed on the basis of the Audited Financial Statements, as restated, of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

Minimum Return on Post Issue Net Worth to maintain EPS at ₹ 3.06 (Pre-Issue Weighted Average Basic & Diluted EPS for March 31, 2011) is 16.20 %

(₹ In Lacs)

Particulars	Amount
Pre - Issue Net worth as on 31.3.2011#	1,992.42
Size of the Issue (Including Premium)	2,100.00
<i>Post Issue Net worth</i>	4092.42
Required EPS (Weighted Average Basic & Diluted EPS as on 31.3.2011)	3.06
No. of Equity Shares (Post Issue, in Lacs)	216.63
<i>Required PAT</i>	662.89
<i>Required Return on Net Worth (Post Issue)</i>	16.20 %

Source: Audited Financial Statements, as restated

Note:

1. The weighted average return on net worth has been computed on the basis of the Audited Financial Statements, as restated, of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

Net Asset Value per Share (Book Value per Share)

Financial Year	Net Worth (₹ in Lacs)	Equity Shares outstanding at the end of the Financial Year (In Lacs)	NAV (₹)
2008-09	423.45	12.00	35.29
2009-10	959.16	13.03	73.61
2010-11	1,992.42	146.63	13.59

Source: Audited Financial Statements, as restated

Note:

1. On 31st March 2011, our Company split each equity share of Face value ₹ 100/- into 10 equity shares of ₹ 10/- each (i.e. 1,466,300 Equity shares post-split) and also issued 1,31,96,700 bonus shares in the ratio of 9 new equity shares of ₹ 10/- each fully paid up for 1 equity shares of ₹ 10/- each fully paid up held in the company, by capitalising securities premium and profit & loss accounts.
2. Figures for financial years ended March 31, 2009 and 2010 are after considering split of shares from face value of ₹ 100/- to ₹ 10/- each.
3. The Net worth of our Company as at March 31, 2011 and 2009 has been computed in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.
4. The Net worth of our Company as at March 31, 2010 and March 31, 2008 has been computed after excluding share application money pending allotment in compliance with Regulation 2 (1) (v) of SEBI (ICDR) Regulations 2009.

Net Asset Value per Share and comparison thereof with Post Issue NAV along with the Issue price

NAV	₹
As at March 31, 2011	13.59
After Issue	18.89
Issue Price	30.00

Comparison with Industry Peers

Currently there is no listed peer group Company in the same line of business as ours. However for the sake of comparison we present below the following companies:

Company Name	Face Value (₹)	Return on Net Worth (%)	NAV (₹)	EPS (₹)	P/E Ratio
Atlanta Limited*	2.00	17.47	31.79	5.46	11.25
Jaihind Projects Limited*	10.00	24.85	143.06	28.90	4.39
Universal Energies Limited**	10.00	28.97	13.59#	4.42	6.79##

Source: *Company websites and Bombay Stock Exchange website.

Note:

- * Based on Audited Standalone Financial Results as on March 31, 2011 as sourced from the respective Company websites and from Bombay Stock Exchange website as on September 23, 2011.

- **Calculated as on March 31, 2011, based on the Audited Financial Statements, as restated.
- # Net Asset Value per Equity Share represents Networth, as restated, divided by shares outstanding at the end of the year for F.Y. ended March 31, 2011. On 31st March 2011, our Company split each equity share of Face value ₹ 100/- into 10 equity shares of ₹ 10/- each (i.e. 1,466,300 Equity shares post-split) and also issued 1,31,96,700 bonus shares in the ratio of 9 new equity shares of ₹ 10/- each fully paid up for 1 equity shares of ₹ 10/- each fully paid up held in the company, by capitalising securities premium and profit & loss account.
- ## P/E Ratio based on Issue Price.
- The restated financial information of the industry peers is not ascertainable, the ratios disclosed in the Draft Prospectus for the purpose of comparison with the accounting ratios of our Company is not based on Audited Financial Statements, as restated, of the industry peers. The comparison of financial ratios of our Company vis-à-vis our peer group is on a standalone basis.

The face value of the shares of our Company is ₹ 10/- per share and the Issue Price of ₹ 30 per share is 3 (Three) times of the face value of the Shares of our Company.

The LM believes that the Issue price of ₹ 30/- is justified in view of the above qualitative and quantitative factors. See the section titled “**Risk Factors**” and “**Financial Statements of the Company**” beginning on Page No. 10 and 131 of this Draft Prospectus, including important profitability and return ratios, as set out in the Auditors Report beginning on Page No. 164 of this Draft Prospectus.

STATEMENT OF TAX BENEFITS

To,

The Board of Directors,
Universal Energies Limited,
607 -609, Somdutta Chamber II
Bhikaji Cama Place
New Delhi – 110066

We hereby report that the enclosed annexure state the possible tax benefits available to M/s **Universal Energies Limited** and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and/or its shareholders upon fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company faces in future, the Company may or may not choose to fulfill.

The benefits discussed below are not exhaustive. The statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each shareholder is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been/would be met with. The contents of this annexure are based on information, explanations and representations obtained from the company and on the basis of our understanding of the business activities and operations of the Company.

For: D.S. Sinha & Company
Chartered Accountants

CA. Sanjeev Kumar
Membership No. 077871

Partner

Date: 20.09.2011

Place: New Delhi

Annexure

Statement of possible tax benefits available to Universal Energies Limited, and to its Shareholders:

As per the existing provisions of the Income Tax Act, 1961 (the Act) and other laws as applicable for the time being in force, the following tax benefits and deductions are and will, inter-alia be available to the Company and its shareholders.

I. Key benefits available to the Company:

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received by the Company on its investment in the shares of any domestic company shall be exempt from tax. Income received in respect of units of a Mutual Fund specified under Section 10(23D) of the Act shall be exempt from tax under Section 10(35) of the Act.

B. Capital Gains:

Capital Assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding. Equity Shares held in a Company or any other securities listed on a recognized stock exchange in India or units of UTI and specified Mutual Fund/Zero Coupon Bonds are considered as long-term capital assets if these are held for a period exceeding 12 months. Capital gains arising on transfer of such long-term capital assets are considered as 'long-term capital gains'. Capital gains arising on transfer of such assets held for a period of 12 months or less are considered as 'short-term capital gains'.

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

For this purpose, "equity oriented fund" means a fund:

- i. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and
- ii. which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

Section 48 of the Act, prescribes the mode of computation of capital gains. It provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, for resident shareholders it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/ improvement, which adjusts the cost of acquisition / improvement by the prescribed cost inflation index. The benefit of indexation is not available in respect of long-term capital gains arising from the transfer of bonds and debentures (other than capital indexed bonds issued by the government).

As per section 112 of the Act, taxable long-term capital gains, if any, on sale of listed securities or units or zero coupon bonds (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of twenty percent (plus applicable surcharge and education cess) after considering indexation benefits in accordance with and subject to the provisions of section 48 of the Act. However, under the proviso to Section 112 (1), if the tax on long-term capital gains arising on transfer of listed securities or units or zero coupon bonds computed at the rate of twenty per cent (plus applicable surcharge on tax and education cess), after availing the benefit of indexation exceeds, the tax on the long-term capital gain computed at the rate of ten per cent (plus applicable surcharge on tax and education cess) without availing the benefit of indexation, then such excess tax is ignored for the purpose of computing the tax payable on the capital gains.

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

Short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gains of the said year. Residual loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains.

Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains only. Residual loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' long-term capital gains.

As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed ₹ 50 Lacs during any financial year.

C. Depreciation / Business Loss:

- i. The Company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purposes of its business as provided in Section 32 of the Act.
- ii. In case of any new plant and machinery (other than ships and aircrafts) that will be acquired and installed by the Company in the business of manufacture or production of any article or thing, the Company will be entitled to additional depreciation equal to 20 % of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.
- iii. Unabsorbed depreciation can be carried forward to future years for set off against subsequent year's income.
- iv. Business losses can be carried forward for eight succeeding assessment years for set off against subsequent business profits.

D. Preliminary Expenses:

The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares, subject to meeting the conditions and limits specified in that section.

E. Security Transaction Tax (STT) allowed as deductible expenditure:

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities' transactions is included in the income computed under the head "Profits and Gains of Business or Profession" as per the provisions of section 36(xv) of the Act.

F. Minimum Alternate Tax:

As per the section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating "book profits" under the provisions of section 115JB of the Act and will

be required to pay Minimum Alternate Tax (“MAT”) at the rate of eighteen and half percent (plus applicable surcharge and education cess) of the book profits determined (if the income-tax payable as per normal provisions of the Act is less than eighteen and half percent of the book profits). Further, in accordance with section 115JAA, MAT credit will be available to the Company for next succeeding ten years subject to fulfillment of certain conditions prescribed in the said section.

II. Key benefits available to the Resident Shareholders of the Company:

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act, received on the shares of the Company shall be exempt from tax. Section 94(7) of the Act provides that losses arising from sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent dividend on such shares claimed as tax exempt by the shareholder.

B. Capital Gains:

Benefits outlined in paragraph I-(B) above, mutatis mutandis are also available to resident shareholders, in respect of capital gains derived from sale of shares of the company. In addition to the same, the following benefits are also available to the resident shareholders:

As per section 54F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net sales consideration from such shares is used for purchase of a residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of a residential house property within a period of three years after the date of transfer, provided that the individual / HUF should not own more than one residential house other than the new residential house on the date of transfer. If residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gain exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Similarly, if the shareholder purchases within a period of two years or constructs within a period of three years after the date of transfer of capital asset, another residential house, then the original exemption will be taxed as capital gains in the year in which the additional residential house is acquired.

C. Security Transaction Tax (STT) allowed as deductible expenditure

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.

D. Minimum Alternate Tax

As per the section 115JB, the Corporate investor will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternate Tax (“MAT”) at the rate of eighteen and half percent (plus applicable surcharge and education cess) of the book profits determined (if the income-tax payable as per normal provisions of the Act is less than eighteen and half percent of the book profits). Further, in accordance with section 115JAA, MAT credit will be available to the Company for next succeeding ten years subject to fulfillment of certain conditions prescribed in the said section.

III. Key benefits available to Non-Resident Indians / Non Resident Shareholders (Other than FIIs and Foreign venture capital investors):

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends (both interim and final) referred to in Section 115-O of the Act received on the shares of the Company shall be exempt from tax. Section 94(7) of the Act provides that losses arising from sale/transfer of shares purchased up to three months prior to the record date and sold within three months after such date will be disallowed to the extent dividend on such shares claimed as tax exempt by the shareholder.

B. Capital Gains:

Benefits outlined in paragraph II(B) above, mutatis mutandis are also available to a non-residents / non-resident Indian shareholder except that under first proviso to Section 48 of the Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation is not available to non-resident shareholders.

C. Special Provisions relating to Certain Income of Non- Resident Indians:

As per Section 115C (e) of the Act, a ‘Non-Resident Indian’ means an individual, being a citizen of India or a person of Indian origin who is not a ‘resident’. As per the Explanation to the said section, a person shall be deemed to be of Indian origin if he, or either of his parents or any of his grandparents, was born in undivided India. Under section 115-I of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIII A of the Act viz.

“Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

- A. As per 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be taxed at the flat rate of ten percent (plus applicable surcharge and education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
- B. As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the Company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets or savings certificates referred to in section 10(4B) of the Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
- C. As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
- D. As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income, for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect.

- E. that the provisions of the Chapter XIIA 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.

D. Tax Treaty benefits:

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

E. Security Transaction Tax (STT) allowed as deductible expenditure:

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.

F. Minimum Alternate Tax:

As per the section 115JB, the Corporate Investor will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternate Tax (“MAT”) at the rate of eighteen and half percent (plus applicable surcharge and education cess) of the book profits determined (if the income tax payable as per normal provisions of the Act is less than eighteen and half percent of the book profits). Further, in accordance with section 115JAA, MAT credit will be available to the Corporate Investor for next ten years subject to fulfillment of certain conditions prescribed in the said section

IV. Key benefits available to Foreign Institutional Investors (FIIs):

A. Dividend Income:

As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O of the Act received on the shares of the Company shall be exempt from tax.

B. Capital Gains:

As per section 10(38) of the Act, long term capital gains arising to the FIIs from the transfer of a long term capital asset being an equity share in the Company where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income	Rate of tax (%)
Long term capital gains	10
Short term capital gains (other than referred to in section 111A)	30
Short term capital gains covered in section 111A	15

The above tax rates will have to be increased by the applicable surcharge and education cess. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation. As per section 54EC of the Act and subject to the conditions and limit specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into

money. The bonds presently specified under this Section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Ltd. (REC). Investment in these bonds cannot exceed ₹ 50 Lacs during any financial year.

C. Security Transaction Tax (STT) allowed as deductible expenditure:

In computing the business income, an amount equal to STT paid in respect of taxable securities transactions entered into in the course of business will be allowed as a deductible expense, if the income arising from such taxable securities transactions is included in the income computed under the head “Profits and Gains of Business or Profession” as per the provisions of section 36(xv) of the Act.

D. Tax Treaty benefits:

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

V. Key benefits to Mutual Funds:

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

VI. Benefits to shareholders of the Company under the Wealth Tax and Gift Tax Acts:

- A. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.
- B. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares of the company is not liable to gift tax. However, as per the provisions of section 56 of the Act, the same will be treated as income in the hands of the donee unless the gift is from a relative as defined in section 56 (2) (vi) of the Act as per conditions mentioned therein.

Notes:

- 1. All the above benefits are as per the current tax laws as amended by the Finance Act, 2011
- 2. All the above benefits are as per the current tax law and will be available only to the sole / first named holder in case the shares are held by joint holders.
- 3. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-resident has financial domicile.
- 4. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her participation in the scheme.
- 5. A shareholder is advised to consider in his / her / its own case the tax implications of an investment in the Equity Shares, particularly in view of the fact that certain recently enacted legislations may not have direct legal precedent or may have a different interpretation on the benefits which an investor can avail.

SECTION IV - ABOUT THE COMPANY

4.1 – INDUSTRY OVERVIEW

The information in this section is derived from industry sources, government publications and CARE Report dated August, 2011. The consent dated September 26, 2011 from CARE to use their report has been received. None of the Company, the LM 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.

Overview of the Indian Economy

India is the fourth largest economy in the world after the United States of America, China and Japan in purchasing power parity terms. (Source: World Development Report, 2009).

The overall growth of gross domestic product (GDP) at factor cost at constant prices, as per Advance Estimates was 8.5 per cent in 2010-11, representing an increase from the revised growth of 8 per cent during 2009-10, according to the monthly economic report released for the month of July 2011 by the Ministry of Finance. The index of industrial production (IIP) rose to 8.8 per cent in June 2011, year-on-year (y-o-y), on back of manufacturing and within that, the capital goods sub-segment. During April-June 2011-12, the IIP growth was registered at 6.8 per cent as compared to 9.6 per cent during 2010-11.

The eight core infrastructure industries grew by 5.2 per cent in June 2011 as compared to the growth of 4.4 per cent in June 2010. In addition, exports in terms of US dollar, increased by 46.4 per cent during June 2011. On the back of such facts, India's GDP is projected to continue to grow at a brisk pace of 8.8 per cent in 2011-12.

The Economic Scenario

India has been ranked at the second place in global foreign direct investments (FDI) in 2010 and is expected to remain among the top five attractive destinations for international investors during 2010-12, according to a report on world investment prospects titled, 'World Investment Prospects Survey 2009-2012' by the United Nations Conference on Trade and Development (UNCTAD).

India's FDI gathered momentum with the inflows growing by 310 per cent in June 2011 to touch US\$ 5.65 billion. It is the highest monthly inflow during the last 11 years. The total FDI stood at US\$ 16.83 billion during January-June 2011, nearly 57 per cent higher than the US\$ 10.74 billion received during the same period last year.

Source: www.ibef.com

City Gas Distribution sector

Introduction and evolution

The City Gas Distribution (CGD) system, as the name suggests is a natural gas distribution infrastructure set up in various cities to cater to consumers like industrial, domestic households, commercial enterprises (like restaurants) and also fuel for vehicles through refuelling stations. Natural gas supplied to industrial, domestic and commercial customers is known as Piped Natural Gas (PNG) whereas gas used to run vehicles is known as Compressed Natural Gas (CNG).

PNG is supplied through extensive network of pipelines. Gas sale to commercial and industrial users is typically achieved through long-term gas sales agreement, whereas residential users are charged on usage basis. Residential

households use gas primarily for domestic cooking or heating purpose. The PNG is increasingly being seen as an attractive alternative to the domestic LPG cylinders.

Commercial customers are majorly proprietary or partnership entities that utilize PNG exclusively for commercial purpose as an alternative of LPG. This set of customers comprises hotels, restaurants, dairies, educational institutions etc. Industrial customers are those manufacturing concerns which use gas as a fuel. These entities use gas in volume. Textile, pharmaceuticals, glass, chemicals, pulp and paper etc. are some of the industries where PNG is widely used as a fuel. The PNG is required for a variety of purposes such as heating, cooling, power production and as a process feedstock. These customers can be further categorized into large scale and small/medium scale entities. The large scale entities have bulk requirement which are mainly supplied at a high pressure through a gas grid made up of steel pipes. Small/medium scale entities' requirement is met through pipes made up of steel and Poly-Ethylene (nascent stage in India) at varied pressure levels depending on requirement. CNG is dispensed through fuel stations to cater to the automobile sector. These fuel stations are either owned by gas supply companies or operated through franchisee model.

Advantages of CNG/PNG

CNG/PNG has several advantages which include lower emission levels, continuous supply, easily accessibility and cost effectiveness.

- **Uninterrupted supply:** Natural gas is supplied through transmission pipelines, which are connected with the natural gas production source. Therefore, CNG/PNG ensures continuous and adequate supply of natural gas, without the necessity of storage.
- **Convenience:** Supply of PNG to commercial or industrial consumers is done through long-term gas sales agreement which is based on volume and pricing of the gas. On the other hand, domestic PNG consumers are charged as per usage which is measured through a meter and accordingly, billing is done. The users, in both the cases, are ensured with continuous supply of gas and they are free from the hassles of re-applying/renewing their existing connection.
- **Lower emission levels:** Natural gas is one of the cleanest burning fossil fuels, and helps improve the quality of air and water. Its combustion results in virtually no atmospheric emissions of sulphur-dioxide and far lower emissions of carbon monoxide, reactive hydrocarbons & carbon dioxide than any other combustive fossil fuels.
- **Safety:** Natural gas is lighter than air, its density with respect to air is 0.64. Therefore upon leakage, it will disperse in air with suitable ventilation. Further, its auto-ignition temperature is 5400C, which is far higher than other comparative fuels. Hence, it does not tend to auto-ignite. Lastly, it is supplied through a network of pipeline with number of isolation valves; hence during leakage the damaged network can be isolated immediately.
- **Economical:** At present PNG has been priced around 10% cheaper than the Domestic LPG. In addition to this the customer can save by avoiding delivery of cylinders. Further, natural gas, upon burning does not form soot or solid particles. Hence, CNG-powered vehicles or PNG systems have lower maintenance cost as compared with other systems.

Policy and Regulations

The Petroleum & Natural Gas Regulatory Board (PNGRB) was set up under the erstwhile PNGRB Act, 2006 to regulate and monitor the downstream sector. The downstream sector includes refining, processing, storage, transportation, distribution, marketing and sale of petroleum products. PNGRB is the nodal agency for all aspects of the natural gas sector and has powers to regulate issues pertaining to pipeline networks such as open access, tariffs, exclusivity and approval for new projects.

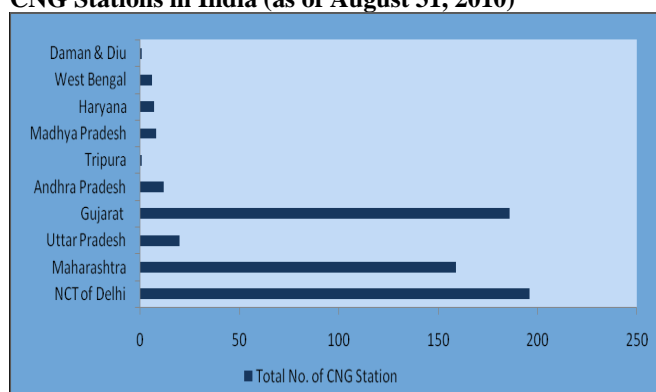
During 2008, PNGRB announced a number of regulations pertaining to transmission pipelines such as determination of pipeline tariff for natural gas pipelines and common carrier or contract carrier regulation. However, the above regulations exclude pipelines laid under CGD system. Sensing the immediate need to lay out a proper regulatory frame-work for CGD sector as well, PNGRB announced following regulations to regulate CGD space.

Current state of CGD sector in India

As on December 31, 2010, India had CGD network in 41 cities with about 596 CNG stations catering to about 1.1 million vehicles. The coverage is expected to grow to 250 cities by the year 2020. As per MoPNG, as of December 31, 2010, the number of PNG connections has almost doubled from about 0.7 million in December 08 to 1.4 million. However, the CGD infrastructure in India is still in a nascent stage even compared to neighbouring countries such as Pakistan and Bangladesh. Laying CGD is a capital intensive business and requires heavy investment in the initial phases of the project. The gestation period for the project is long and revenue starts flowing after at least five years of operation. As per industry estimates, for laying CGD network the required investment falls in the range of ₹300-500 crore per city (with gas demand of about 0.3-0.5 mmscmd) depending on the size of the city.

The Eleventh Five Year Plan emphasized on enhancing the city gas pipeline network and earmarked an outlay of ₹ 90 bn.

CNG Stations in India (as of August 31, 2010)



Source: MoPNG

The current gas requirement in CGD network stands at about 14 mmscmd. Out of the total natural gas supply of 173 mmscmd to various sectors, CGD sector's requirement is only around 8%. In developed countries like US & Western Europe, CGD demand stands at around 40% of the total gas supply. Low availability of gas, especially for non-mandated segments, has constrained the growth of the sector. Hence, there is an immediate need for establishing a vast CGD network with accelerated pace taking the increasing demand of the public into consideration. Moreover, measures should be taken for developing specific safety standards for CGD by setting up a dedicated monitoring authority.

Last year, in response to the PNGRB, the Reserve Bank of India notified the inclusion of "City Gas Distribution Networks" in "Infrastructure Lending" definition. This would help CGD business operators to gain easy access to capital and would further stimulate the growth of the sector.

Intensifying competition in the industrial PNG segment

Industrial consumers offer prospects of both high volume and high pricing, leading to higher profitability for CGD participants. Also, sale of gas to these consumers is typically driven by gas sale agreements with clauses including "take or pay" and minimum duration of supply which ensures volume and revenue stability. In the past, CGD companies have shown more interest in locations with favourable consumer demographics, i.e. existence of large base of industrial and commercial consumers. For example, bidding for cities like Chandigarh and Ghaziabad, with relatively dense industrial consumers, have received good response as compared to smaller cities like Jhansi and Mathura. Development of CGD network focusing only on domestic consumers may not be viable as 1) investment required for developing CGD network for domestic household is relatively higher compared to industrial consumers (due to larger number of consumers, extensive piping and long duration in securing necessary approvals from other authorities) 2) tariff paid by domestic consumers is much lower and also billing happens post usage.

Existing players to have competitive advantage in domestic PNG and CNG segment

The existing players such as Gujarat Gas Corporation Ltd. (GGCL), Mahanagar Gas Corporation Ltd. (MGL) and Indraprastha Gas Ltd. (IGL) to have advantage in domestic PNG and CNG segments compared to new entrants due to various entry barriers such as authorization, exclusivity and relationship with public sector retailers.

The existing players have already been authorized by MoPNG and are currently enjoying three-year marketing exclusivity till December 2011. For entities operating less than three years, the exclusivity period is for five years. At the end of marketing exclusivity period, the entity shall allow third party to access its distribution network on non-discretionary basis.

The marketing exclusivity period of five years may not be enough for new entrants to achieve faster network penetration and capture maximum customer base due to higher gestation period. Even after expiration of marketing exclusivity period, new entrants are not likely to target domestic consumers due to lower per household volumes and higher switching costs.

For CNG business, dispensing of CNG to automobile is mostly done through fuel retail outlet dominated by public sector Oil Marketing Companies (OMCs). For new entrants, developing relationships with these public sector fuel retailers may be a difficult task as the retailers are likely to continue with the existing players.

Outlook - CGD sector

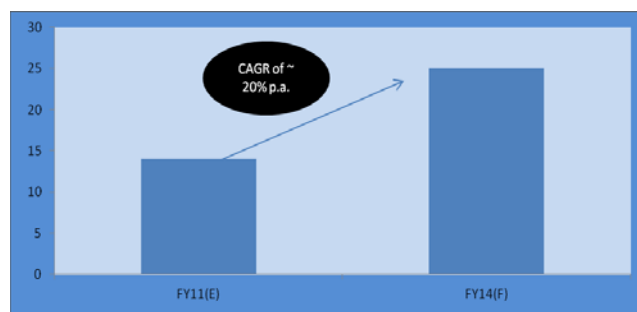
Currently, CGD is confined to limited number of cities like Delhi, Mumbai and some major cities in the state of Gujarat because of constraints in gas supply owing to limited gas linkage and gas infrastructure. However, the discovery of KG-D6 and construction of gas grid is likely to provide much needed impetus to CGD as it is likely to enhance its coverage in large number of cities across the country. CARE Research believes, CGD is likely to show high growth potential going forward on the back of increase in gas availability.

Furthermore, CARE Research expects CGD demand would be driven by its competitive cost advantage over other fuels rather than policy enforcement. Amongst the various consumer segments, competition may intensify in the industrial segment, which would be the biggest demand driver owing to high volumes and pricing. The existing major players like GGCL, MGCL and IGL may continue to dominate in domestic PNG and CNG segment due to various entry barriers such as authorization, exclusivity and relationship with public sector retailers. For newer players in domestic PNG and CNG, untapped locations are better growth avenues as compared to highly penetrated locations.

CARE Research believes, though CGD offers huge potential, lack of gas infrastructure and regulatory imbroglio would limit the growth levels. Furthermore, the debate over authorization process is a set-back for a quick roll-out of CGD and may trigger a debate over exclusivity period going forward. Also, the GUP is not in favor of CGD entities and is likely to garner limited benefits to the segment. Hence, CGD players would have to rely on costlier R-LNG (imports) to satisfy their requirements.

CARE Research demand estimates of 16 mmscmd in FY12 seems to be on a conservative side, because of challenges like regulatory imbroglio over authorization process, lower priority in the gas allocation and uncertainties over construction of transmission infrastructure. However, during FY11-FY14 period, CARE Research estimates CGD off-take to grow at a CAGR of around 20% and reach a level of 26 mmscmd by FY14 from 14 mmscmd in FY11.

Estimated CGD off-take (per annum in mmscmd)



Source: CARE Research

CGD network under implementation

Entity	Cities already covered	Cities under CGD Construction
IGL	Delhi, Noida	Faridabad, Gurgaon
Gujarat Gas	Surat, Ankleswar, Bharooch	
Aavantica	Indore	Gwalior, Ujjain
Green Gas	Lucknow, Agra	
BGL		Kakinada
Adani Eenergy	Ahmedabad, Faridabad	Khurja, Lucknow, Vadodara, Noida, Jaipur, Udaipur
GSPC Gas	Gandhinagar, Nadiad, Godhara, Balsad, Vapi	Bhavnagar, Bhuj
	Navsari, Hazira, Rajkot, Morvi, Surender Nagar	
Harayana City Gas	Gurgaon	Bhivadi, Jhajhar
Gail Gas		Dewas, Kota, Sonipat, Meerut
SaumyaDSM		Mathura
MGL	Mumbai, Thane	
CUGL	Kanpur, Bareilly	
MNGCL	Pune, Chinchwad	
TNGCL	Agartala	
BGL	Vijayvada, Hyderabad	
Sabarmati	Gandhinagar, Mehsana	
GAIL	Vadodara	
HPCL	Ahmedabad	
Charotar Gas	Anand	
VMSS	Vadodara	
SitiEnergy	Moradabad	
AGCL Assam	Duliajan, Dibrugarh, Sibsagar, Hazira, Moran, Naharkatia	
GEECL	Asansol, Durgapur	
GCGCL	Kolkata	
Note:	GCGSCL: Greater Calcutta Gas Supply Corp Ltd IGL: Indraprastha Gas Ltd GEECL: Great Eastern Energy Corporation Ltd MGL: Mahanagar Gas Ltd GSPC: Gujarat State Petroleum Corp MNGL: Maharashtra Natural Gas Ltd HPCL: Hindustan Petroleum Corp Ltd	TNGCL: Tripura Natural Gas Company Ltd AGCL: Assam Gas Company Ltd VMSS: Vadodara Mahanagar Seva Sadan BGL: British Gas Ltd CUGL: Central UP Gas Ltd GAIL: Gas Authority of India Ltd

Source: MoPNG

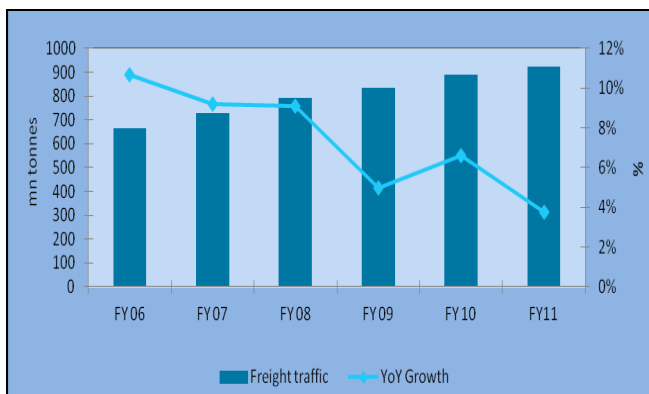
Railways

Overview of the Railway sector

Indian Railways (IR) is the largest rail networks in Asia. With total rail length of about 63,974 km (at the end of FY10) Indian rail is one of the largest rail networks in the world. It has been carrying the freight and passenger traffic for more than 150 years. Over the years, the rise in international trade and domestic cargo has increased the freight movement by rail. With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. The share of railways in total freight movement is about 30% and that in the passenger traffic movement is about 18%. IR operates approximately 11,000 passenger trains a day, around 5,000 freight trains a week and employs nearly 1.4 million people. The freight traffic accounts for roughly 70% of its revenues while the passenger traffic constitutes 30%. As per Ministry of Railways, IR is expected to carry about 993 mn tonnes of freight traffic annually by the end of Eleventh Five Year Plan.

Freight and passenger traffic carried by rail

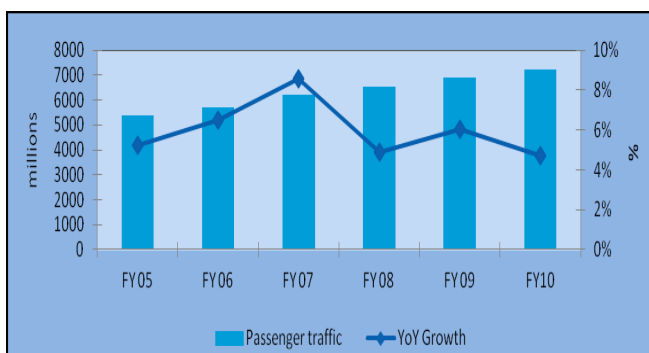
Growth in Freight traffic



Source: Ministry of Railway

The freight traffic carried by the IR grew from a level of 667 mn tonnes in FY06 to a level of 922 mn tonnes in FY11, at a CAGR of 6.7%. In FY11, freight traffic growth on yoy basis slowed down to 3.8% as compared to 6.6% growth registered in FY10. This is mainly attributable to the slowdown in the iron ore freight traffic on account of the ban on iron ore exports imposed by the Karnataka government. During FY11, iron ore freight traffic carried by rail declined by 16.6% on yoy basis.

Growth in Passenger traffic



Source: Ministry of Railway

The passenger traffic carried by IR grew from 5,378 millions in FY05 to 7,246 millions in FY10, registering a CAGR of 6.1%.

Rail - 'Vision 2020'

The Railway Minister Mamata Banerjee presented a document "Indian Railway's Vision 2020" in front of Parliament in December 2009.

The "Vision 2020" has enumerated certain goals to be achieved by IR by 2020:

- Expand route network at the rate of 2,500 km annually in order to be able to add 25,000 km of new lines (including 11,985 km of pending new line projects).
- Gauge conversion & doubling of about 12,000 km of rail lines each.
- Electrification of 14,000 km of rail lines.
- Segregation of passenger and freight services into "Separate Double-line Corridors".
- Raising the speeds of passenger trains from the current 130 kmph to 160-200 kmph on some routes and that of freight train from 60-70 kmph to 100 kmph. Implementing at least four high-speed rail projects to provide bullet train service at 250-350 kmph.
- 2,000-km long high-speed corridors and setting up 50 world-class stations.
- To fulfill the requirement of rolling stock, procurement of 2.8 lakh wagons, 5,334 diesel locomotives, 4,281 locomotives and 50,880 passenger coaches.

The document insists for setting up of Accelerated Rail Development Fund (ARDF) with budgetary commitment to the tune of approximately ₹ 5 lakh crore, spread over the next 8-9 years. This fund will take care of about 36% of the investment requirement for this ambitious plan. The Paper submitted by the Rail Minister also stressed the need to keep aside an amount of about ₹ 1 lakh crore of the ARDF as a one-time outright grant to clear the pending backlog of socially desirable new lines and Gauge Conversion projects. Apart from ARDF, almost 64% of the envisaged investment will have to be raised from internal surpluses, through borrowings and PPP initiatives.

For the government, which is facing high fiscal deficit it would become difficult to provide such funding support and raising the money through borrowings is also difficult for the railways. In this scenario, railways will have to depend a lot on the private investment. Railways, for creating rail infrastructure can attract private players via BOT route. After developing the rail infrastructure, players can be allowed to collect fees from passenger and freight companies.

PPP can be used to establish a win-win partnership with the private sector in a number of areas such as developing world-class stations, setting up of rolling stock manufacturing units, logistics hubs, high-speed corridors, expansion and management of the extensive network of Optical Fibre Cables (OFCs) and big infrastructure projects like new lines and Dedicated Freight Corridors.

Outlook - Railway sector & effective construction investment

Railway carries about 30% of the freight movement in the country and about 18% of the passenger traffic. Growing demand of rail services is surpassing the capacity of railways. Assuming the CAGR of 9%, India's total freight movement is expected to grow from the current 3 bn tonnes to 5.2 bn tonnes in the next 6-7 years. Even with 30% market, cargo freight to be carried by IR will almost double to 1,600 mn tonnes. IR has proposed some projects on priority basis like rail-port connectivity projects, raiiside warehouses, hinterland corridor projects, private sidings, container depots etc. This throws a huge opportunity for the construction industry.

The annual plan for the railways for FY12 is pegged at ₹ 57,630 crore. Total investment in the Railways during the next five years is expected to be more than ₹ 4,000 bn. CARE Research has estimated the effective construction investment from the railways based on the construction component as follows:

(₹ bn)	Proposed investment	Construction component (%)	Effective construction investment
Railways	4,075	78	3,178

Source: Construction Industry Development Council and CARE Research

Under the “Vision 2020”, Indian Railway has planned total investment of whopping ₹ 14 lakh crore till the end of 2020. The following table shows the bifurcation of the investment for Railways Vision 2020:

Bifurcation of the investment for Railway’s Vision 2020

Particulars	Investment in ₹ Crore
Capacity augmentation	4,18,050
Rolling stock	3,91,738
High-speed corridor	2,00,000
Technology Upgradation and safety	1,25,554
Service improvement	95,600
Bottleneck removal	48,000
Others	1,08,900
Total	13,87,842

Source: Ministry of Railways

To achieve the investment target of ₹14 lakh crore, annual budget would have to increase by about 20% every year over the next eight years which will in turn translate into a huge business opportunity for the construction industry.

Construction Industry

Overview of the construction industry

Construction and GDP:

The construction industry has close linkage with the economic growth of the country. Construction as a percentage of GDP has been in the narrow range of 7.9-8.1% in the past few years. With a slowdown in the economic growth in FY09, growth in construction GDP had also declined to 5.4% compared to the growth of 10.7% registered in FY08. However, with the recovery in domestic demand, accommodative policies and stimulus packages announced by the government, macroeconomic environment improved in the next year and construction registered a growth of 7% in FY10. During FY11, both GDP and construction posted a healthy growth rate of 8.5% and 8.1%, respectively.

GDP and Construction at the factor cost (at constant prices)

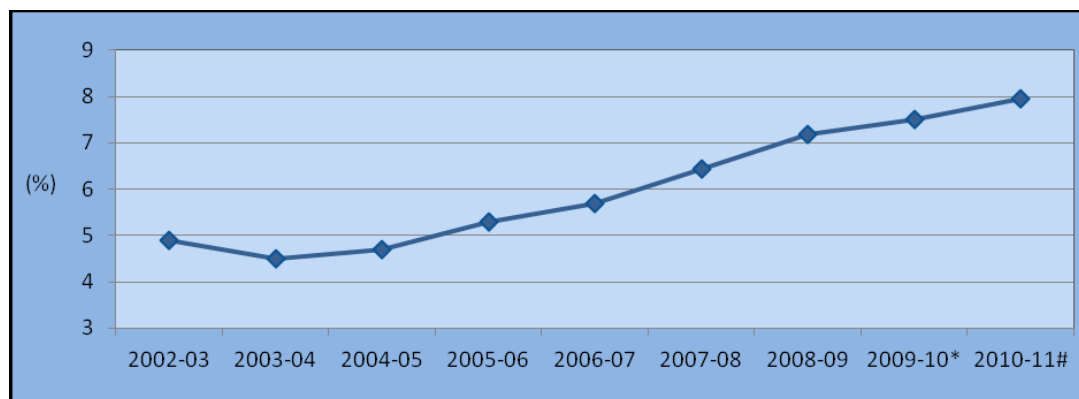
	GDP (₹ Cr)	GDP growth (%)	Construction (₹ Cr)	Proportion of Construction in GDP (%)
FY 06	32,54,216	9.5	2,58,124	7.9
FY 07	35,66,011	9.6	2,84,798	8.0
FY 08	38,98,958	9.3	3,15,389	8.1
FY 09	41,62,509	6.8	3,32,557	8.0
FY 10	44,93,743	8.0	3,55,918	7.9
FY 11	48,77,842	8.5	3,84,629	7.9

Source: Central Statistical Organisation (CSO) and CARE Research

Brief on infrastructure sector

Broadly, construction can be classified into three segments – infrastructure, industrial and real estate. The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, telecom etc. Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by Government of India (GoI) in various sub-segments of infrastructure. GoI has been focusing on improving the infrastructure in the country in the past few years. This is reflected in the rising trend of the infrastructure investment as a percentage of GDP. The following chart shows the trend of investment in infrastructure as a percentage of GDP in the last few years:

Trend of infrastructure investment as a percentage of GDP



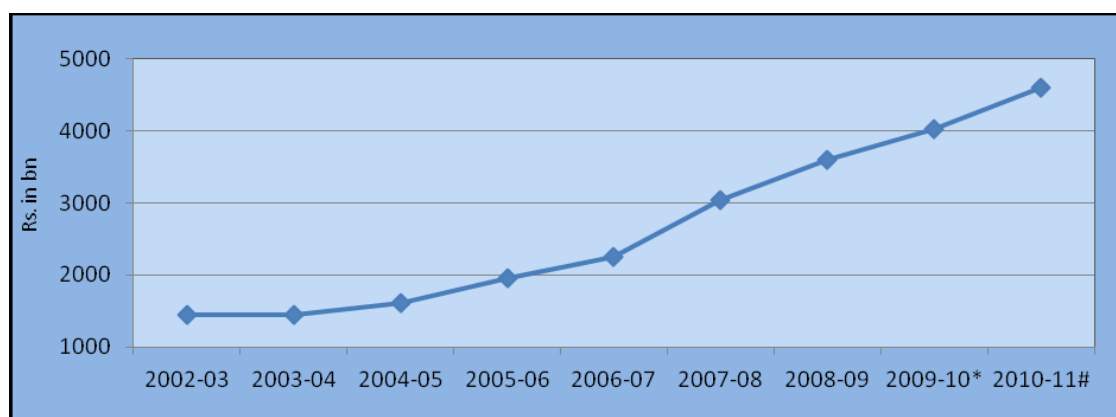
Source: Planning Commission

* revised estimates

budget estimates

Investment in the infrastructure as a percentage of GDP has increased from 4.5% in FY04 to 7.9% in FY11. The following chart shows the trend of absolute investment in the infrastructure sector during the past few years:

Trend of absolute investment in the infrastructure sector



Source: Planning Commission

* revised estimates

budget estimates

Sustained infrastructure focus - Proposals in the budget 2011-12

For the current fiscal, GoI has earmarked about ₹ 2.14 lakh crore towards the rural and urban infrastructure development in the country which is almost 23% higher than the previous year. Government has increased budgetary support towards various critical infrastructure projects like under Bharat Nirman by about ₹ 10,000 crore to ₹ 58,000 crore. The corpus of Rural Infrastructure Development Fund (RIDF) has been raised to ₹ 18,000 crore

for 2011-12 compared to ₹ 16,000 crore in the year 2010-11. Further, to attract investments in the infrastructure sector, GoI has taken following measures:

- To boost infrastructure development, tax-free bonds to the tune of ₹ 30,000 crore are proposed to be raised by Infrastructure Institutions (Indian Railway Finance Corporation - ₹ 10,000 crore, National Highway Authority of India - ₹ 10,000 crore, HUDCO - ₹ 5,000 crore and institutions related to development of Ports - ₹ 5,000).
- Tax sops for investing ₹ 20,000 in long-term infrastructure bonds extended by one year.
- Foreign Institutional Investor (FII) limit for investment in corporate bonds issued by companies in infrastructure sector with residual maturity over five years has been raised up to US\$ 25 bn.
- FIIs allowed to invest in bonds of unlisted infrastructure Special Purpose Vehicles (SPVs) with a minimum lock-in period of three years.

As per GoI, disbursements target of IIFCL is expected to be about ₹ 25,000 crore in FY12. An attempt has been made to attract foreign funds towards infrastructure projects with long tenures which will lead to availability of long-term finance to the infrastructure companies. GoI has continued strong impetus on infrastructure development by allocating a significant portion of the planned allocation towards sectors like roads, power, ports, housing etc which would result in momentum in order inflow for the players in the construction industry. However, increase in excise duty on cement through composite rates which is likely to be passed on to the consumers will increase the input cost for construction companies.

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Road sector

Overview of road sector

India has an extensive road network of 3.3 million kms – the second largest in the world. The country’s roads carry about 65% of the total freight and 80% of the passenger traffic. The following table shows the bifurcation of the types of roads in the country:

Bifurcation of the types of roads in the country

Type	KMS	% of total
National highways	70,934	2.1
State highways	1,31,899	4.0
District roads	4,67,763	14.1
Rural & other roads*	26,50,200	79.8
Total	33,20,796	100.00

Source: National Highway Authority of India (NHAI)

* includes Expressways

National highways serve as the arterial network across the country. Even though they constitute only 2% of all roads, they carry almost 40% of the road traffic. Moreover, only 21% of national highways in the country have four or more lanes. The total length of the expressways in the country is just about 1,000 kms, way below in comparison to a country like China which has the second-largest expressway network in the world with 74,000 kms. India’s road density is 2.75 km per 1,000 people which is abysmally low as compared to the global average of 770 km per 1,000 people.

The Ministry of Road Transport and Highways (MoRTH) is responsible for formulating policies and overseeing the road sector in the country. MoRTH and NHAI manage the national highways. At the state/district level, state governments, Public Works Departments (PWDs) and infrastructure boards have the responsibility of road development. Rural roads are under the purview of the Ministry of Rural Development (MoRD) and local authorities like Panchayat / Zila Parishad, whereas the urban roads come under Municipal Corporations. Road development programmes such as National Highways Development Programme (NHDP) - implemented by NHAI, Pradhan Mantri Gram Sadak Yojna (PMGSY) – implemented by MoRD and other state-level projects are currently underway in the country.

NHDP - Phase-wise status

Under NHDP, seven phases have been identified to develop the road network in the country. Under Phase I & II, NHDP is implementing its two flagship projects, Golden Quadrilateral (GQ- connecting four metros Delhi, Chennai, Kolkata & Mumbai) and North-South & East-West (NS-EW) corridors. NHDP involves a total investment of about ₹ 2,20,000 crore, covering construction & upgradation of more than 48,600 kms of the road length.

Phase	Details of NHDP
I & II	Four-laning of the GQ and NS-EW Corridors.
III	Four-laning of 12,100 kms high-density national highways.
IV	Two-laning of 14,800 kms of highways.
V	Six-laning of the four-lane highways of 6,500 kms comprising GQ and certain other high-density stretches.
VI	Development of 1,000 kms of expressways.
VII	Other highway projects (ring roads, bypasses, service roads etc).

Source: NHAI

Under NHDP, the GQ project is almost complete while on NS-EW corridor, about 78% of the work is complete. The main focus of the Phase III is to improve connectivity between state capitals, high-density regions and tourist destinations.

Status of NHDP as at the end of April 2011

NHDP projects	Total length (Km)	Already completed (Km)	Under implementation (Km)	Balance for award (Km)
GQ	5,846	5,824	22	0
NSEW	7,300	5,683	1,196	421
Phase III	12,109	2,294	5,805	4,010
Phase IV	14,799	0	765	14,034
Phase V	6,500	596	1,918	3,986
Phase VI	1,000	0	0	1,000
Phase VII	700	0	41	659
SARDP	388	0	112	276
Total	48,642	14,397	9,859	24,386

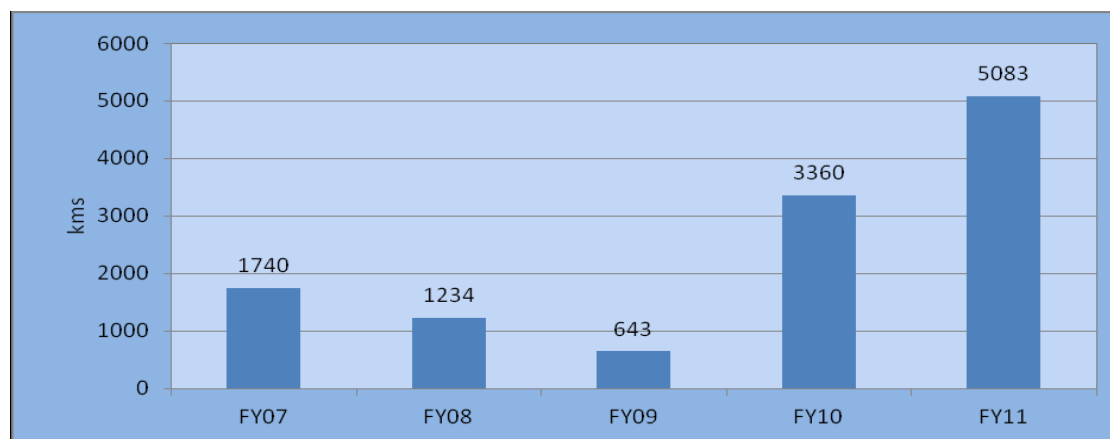
Source: NHAI

Of the total road network to be developed under NHDP, work on about 14,400 kms has been completed while more than 24,386 kms of roadways are yet to be developed across various phases of NHDP.

Phase I and II of NHDP were predominantly implemented through traditional construction contracts and roads were mainly owned by NHAI. Private participation was not much involved during the development of roads under these two phases. However, the government has been encouraging the private sector participation in the past few years by

furnishing ownership of new road projects. Most of the road contracts, Phase II onwards, are awarded on a Build, Operate & Transfer (BOT) basis.

Trend of road projects awarded (in kms)



Source: NHAI

GoI is expected to open the bids for more than 24,000 kms of roads under NHDP in the next 3-4 years. It has set a target of awarding about 7,300 kms of road projects in FY12. GoI has provided a strong budgetary support for road development this year. Allocation to the road sector has been increased by 23% to ₹ 214 bn for year 2011-12.

Measures taken by government

To speed up the process and implementation of the road projects, GoI has taken various measures as follows:

- NHAI has decided to issue the Letter of Award (LoA) to the road developer after acquiring 80% of the land required for the project (which was previously after 50% of the land acquisition) and the rest 20% will be awarded within 90 days of allotment of the project. This will reduce the possibility of the project getting delayed after awarding.
- Concession period for long-term road projects was increased (concession period for long-term road projects is normally 20 years including a three-year construction period) - Cabinet Committee on Economic Affairs has extended a concession period of 10 projects, worth more than ₹ 12,000 crore, from an average of 20 years to 25-30 years.
- NHAI has increased the cost of the projects for which the Detailed Project Report (DPR) was prepared before CY 2007 by 20% and by 10% for the DPRs prepared in or post CY 2007.
- NHAI is empowered to accept a single bid - if it is considered reasonable. This will speed up the process of awarding projects.
- A pre-qualification exercise has been made as an annual activity instead of a project-to-project basis.
- Removal of Clause 3.5.2 of Request For Qualification (RFQ) - previously this clause used to restrict bidding to top 5-6 bidders but removal of this will now ensure a greater level of participation.
- Traffic risk has been partially mitigated by a provision to increase the concession period by 1.5% (subject to a maximum of 20%) for every 1% shortfall in traffic.
- The exit clause has been modified. As per the new clause, the developer or a concessionaire is allowed to sell the entire stake in Special Purpose Vehicles (SPVs) after two years from the commercial operations date (COD) (subject to lenders approval) whereas before the amendment, the concessionaire was supposed to maintain a 26% stake in the project until the end of the concession period. This will limit the risk of the concessionaire.
- Relaxation in termination provisions - if traffic exceeds the designed capacity for a stretch of four years, NHAI would commission a report for capacity augmentation and the concessionaire will be given an opportunity to expand. To make the project viable for the concessionaire, he will be offered an extension of the concession

period (up to five years) to ensure that the concessionaire earns an Internal Rate of Return (IRR) of 16% on the proposed incremental investment.

- Viability Gap Funding (VGF) has been raised up to a maximum of 40% of the project cost (throughout the concession period including the construction phase).

Allowance of real estate development alongside highways can provide an opportunity to earn extra revenue apart from collecting toll. This eventually can lead to toll-free roads as developers can earn revenue from the real estate developed.

Outlay in Infrastructure sector

Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country and in turn the construction industry. GoI has set an ambitious target of increasing the proportion of infrastructure investment to about 9% of GDP by the terminal year of the Eleventh Five Year Plan. The construction industry has the opportunity to capitalise on the massive order flow expected to come from the infrastructure projects.

4.2 - OUR BUSINESS

Our Company is an ISO 9001:2008 certified Public Limited Company engaged in execution of Infrastructure Projects on procurement & contract basis pertaining to laying of down-stream Onshore Gas Pipeline Networks including setting-up of City Gas Distribution Networks for Public Sector Undertakings and Private Companies, Supply and Installation of Channel Sleepers, Construction of foot over-bridges & various pre-laying track works for Indian Railways and Other Miscellaneous Infrastructure Projects i.e. Civil Constructions projects in connection with roads, buildings, agricultural land development etc for private sector undertakings.

Initially, our Company commenced its operations as a Partnership Firm under the name & style of “Unitech” in the year 1999 and was later converted into a Public Limited Company on June 04, 2007 under the provisions of Part IX of the Companies Act, 1956. Consequently, a Certificate of Incorporation was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 04, 2007 under the name of Universal Energies Limited (“UEL”).

UEL under the leadership of Mr. Aditya Ranjan Singh – our Managing Director and Mr. Akhilesh Ranjan Singh – our Whole-time Director has consistently registered growth in the revenue and profitability over the years. With execution of each contract we have developed expertise in our line of operations with valuable contributions from our in-house skilled manpower and modern equipments meant for execution of engineering jobs. Further with the phase of time we have attained the understanding for obtaining various Government permissions and approvals required for executing the project and managing financial arrangements for the works.

Our revenues has grown from ₹ 2,569.15 lacs in the financial year 2007-08 to ₹ 8,736.05 in the financial year 2010-11 at a CAGR of 50.37% and our net profit after tax as restated has grown from ₹ 80.48 lacs to ₹ 577.14 lacs at a CAGR of 92.84% during the same period.

Our company is in the business of executing infrastructure projects on Procurement & Contract basis which includes:

- Laying of down-stream onshore gas pipelines network for IOCL, IGL, GAIL, Sabarmati Gas Ltd., Green Gas Ltd., Indian Oil Tanking Ltd., Reliance Industries Ltd. etc. The Company has developed its expertise in City Gas Distribution Network including laying of pipeline, Setting-up of Gas Stations / Pump Houses and Construction of Storage Tanks. Our Company is one of the qualified contractors in this line of business.
- Supply and installation of channel sleepers, Construction of foot over-bridge & pre-laying track works for Indian Railways. During the last few years the Company has undertaken revamping operations of old railway bridges by replacing the channel sleepers.
- Other Miscellaneous Infrastructure projects i.e. Civil Construction, Road Construction etc for private companies.

Our Major Clients

UEL receives contracts from Public sector undertakings, Government departments and Private corporate houses. A list of our major clients is as under:

Public Sector undertakings	: Bharat Petroleum Corporation Ltd., Green Gas Ltd., Sabarmati Gas Ltd., Indraprastha Gas Ltd., Indian Oil Corporation Ltd., GAIL Gas Ltd.
Government department	: Northern Railway, North Western Railway, North Eastern Railway and North Central Railway
Private Corporate Houses	: Great Eastern Energy Corporation, Ltd., Gammon India Ltd., Reliance Industries Ltd., Reddy Veeranna Constructions, Pvt. Ltd., IOT Infrastructure and Energy Services Ltd., Nafto Gaz India Pvt. Ltd., Simplex Infrastructure Ltd.

Major Milestone in the growth of Universal Energies Limited

1999	“Unitech” constituted as partnership firm to undertake small contractual jobs
2002	Started undertaking contracts of laying down-stream oil & gas distribution pipeline network
2003	Started undertaking contracts for Indian Railways
2007	“Unitech” converted into public limited company in the name of “Universal Energies Limited” under Part IX of the Companies Act, 1956
2008	Successfully completed pilot projects of city gas distribution networks at Jamnagar for Reliance Industries, Asansol for Great Eastern Energy Corporation, Kalol for Sabarmati Gas Ltd., Lucknow for Green Gas Ltd. and Delhi-NCR for Indraprastha Gas Ltd.
2009	Started undertaking turnkey projects of setting up city gas distribution pipeline networks including laying of pipeline, setting-up of gas stations/pump houses and construction of storage tanks.
2010	Successfully laying of MDPE network and GI/Copper installations and laying of carbon steel pipeline for city gas distribution project in Delhi-NCR.
2011	Received contract for filling and cutting, supply and providing blanketing material on embankment including compaction by vibratory roller, extension of minor bridges and other allied works between Lohta-Bhadohi railway stations.

Our Major contracts under execution as on August 31, 2011 are as follows:

							(₹ in lacs)
Sr. No.	Nature of Work	Client	Contract Value	Work Done upto 31.08.11	Work in Hand as on 31-08-2011	Expected Order Completion Month	
1	Laying of MDPE Network and GI/Copper Installations in NCT of Delhi and NCR for City Gas Distribution Project PO No. 6500001491 dated 13.07.2010	Indraprastha Gas Ltd.	307.93	144.32	163.61	March - 2012	
2	Laying of MDPE Network and GI/Copper Installations NCT of Delhi And NCR for City Gas Distribution Project PO No. 6500001551 dated 06.09.2010	Indraprastha Gas Ltd.	281.34	200.73	80.61	March - 2012	
3	Laying of MDPE Network and GI/Copper Installations NCT of Delhi And NCR for City Gas Distribution Project PO No. 6500001592 dated 18.10.2010	Indraprastha Gas Ltd.	322.21	-	322.21	March - 2012	
4	Laying of MDPE Network and GI/Copper Installations NCT of Delhi And NCR for City Gas Distribution Project PO No. 6500001629 dated 09.12.2010	Indraprastha Gas Ltd.	281.34	202.82	78.52	March - 2012	
5	Laying of Pipe Line and Installation of CNG Station at Vijaypur, Dist. Guna, M.P.	GAIL Gas Ltd.	214.12	204.07	10.05	December - 2011	

Sr. No.	Nature of Work	Client	Contract Value	Work Done upto 31.08.11	Work in Hand as on 31-08-2011	Expected Order Completion Month
	RFQ No.: Gail Gas/C003/2010/CNG dated 28.06.2010					
6	Laying of Pipe Line and Associated works for CGD Project at Vadodara City LOA No: Gail Gas/Noida/CGD/WGI/VAD/Laying/98/10/PO-52 dated 01.10.2010	GAIL Gas Ltd.	1,078.94	-	1,078.94	March - 2012
7	Construction of Foot Over-bridge at Sanpur Road, Sarnath and Allahabad City station Contract Agreement No: DRM/W/155 dated 22.10.2010	North Eastern Railway	294.38	262.00	32.38	June - 2012
8	Construction of Foot Over-bridge at Dullahpur platform no. 1 & 2, Suremanpur and extension of foot-over bridge at Aunrihar for platform no. 2 Contract Agreement No: DRM/W/159 dated 27.10.2010	North Eastern Railway	178.00	-	178.00	March - 2012
9	Supply, fabrication, erection / launching of steel girder on running tracks and casting of deck slab, crash barrier, etc. on ROB at LC No. 532 & 502 No: DY.CE/C/AGC/R/CONT-145 dated 18.10.2010	North Central Railway	313.97	185.61	128.36	December - 2011
10	Earth work in embankment in filling and cutting, supply and providing blanketing material on embankment including compaction by vibratory roller, extension of existing minor bridges and other allied works between Lohta and Bhadohi railway stations No: 74-W/3/2/356/WA/LKO dated 21.01.2011	Northern Railway	2,096.18	664.58	1,431.60	September - 2012
11	Laying of MDPE Network and GI/Copper Installations NCT of Delhi And NCR for City Gas Distribution Project PO No. 6500001800 dated 18.05.2011	Indraprastha Gas Ltd.	281.34	126.74	154.60	June - 2012
12	Laying of Underground PE Coated Carbon Steel Pipeline from Bawana to Bijwasan in NCT of Delhi PO No. 6500001813 dated 02.06.2011	Indraprastha Gas Ltd.	642.51	-	642.51	June - 2012

Sr. No.	Nature of Work	Client	Contract Value	Work Done upto 31.08.11	Work in Hand as on 31-08-2011	Expected Order Completion Month
13	Widening & Strengthening of Godda - Sunderpahari - Dharampur More Road Order No: RVCPL/JH/W.O./0110 dated 30.06.2011	Reddy Veeranna Constructions Pvt. Ltd.	1,359.39	269.00	1,090.39	March - 2012
14	Construction of Hospital Block at Safedabad, Barabanki Work order 5 dated 19.08.2011	Bodhisatva Charitable Trust	2,000.00	-	2,000.00	September - 2012
		Total	9,651.65	2,259.87	7,391.78	

SERVICES OFFERED BY OUR COMPANY

The major streams of business offering can be classified under the following categories:

- **Gas Pipelines and allied activities**

This includes laying, installation and testing of down-stream onshore gas pipelines in city gas distribution networks, connecting a city gas network to gas sub-station, inter connecting two or more gas sub stations, setting-up of gas stations / pump houses and construction of storage tanks. The size of the pipes varies from 4” diameter to 24” diameter. Further our company is experienced and capable in executing pipelines of all sizes and variations like MDPE, GI and Steel Pipelines. Our customers in this business stream are mainly the pipe network owning companies both in public and private sector domain.

Further the major thrust of our Company is on execution of projects related to city gas distribution networks. Some of the projects successfully accomplished by our Company are as follows:

- Delhi & NCR for Indraprastha Gas Limited
- Jamnagar, Gujarat for Reliance Industries Limited
- Amod Hazira Pipeline Project for Indian Oil Corporation Limited
- Lucknow, U.P. for Green Gas Limited
- Asansol for Great Eastern Energy Corporation Limited
- Kadi & Mehsana Spur Gas pipeline project for Sabarmati Gas Limited
- Kalol for Sabarmati Gas Limited

- **Railways**

Our Company has been undertaking various contractual works for Northern Railways, North Western Railways, North Eastern Railways and North Central Railways. The works includes supply, fabrication, erection and installation of galvanized steel channel sleepers, crushed stone ballast, steel guarders, construction of foot over bridges and earth work during construction of embankments. Our Company specializes in revamping of old railway bridges and replacing the old channel sleepers, guarders and ballast in the running bridge.

Some of the projects successfully completed by our Company are as follows:

- Renewal of Steel Girders between station Chouth Ka Barwara – Isarda under Jaipur Division of North Western Railways
- Renewal of Steel Girders on Sawai Madhopur – Jaipur Section under Jaipur Division of North Western Railways
- Supply & Installation of Steel Channel Sleepers, Crust Stone ballast under Varanasi Division of North Eastern Railways

- **Miscellaneous Works**

This includes civil constructions, fabrications and other related works in connection with roads, buildings, agricultural land development etc for private sector undertakings.

Our Major Clients for the financial year ended March 31, 2011

Name of the Clients	Value (₹ in Laacs)	As % of total income
Indraprastha Gas Ltd.	1,772.00	20.28
Vensar Constructions Co. Ltd.	1,507.31	17.25
Indian Railway	1,359.98	15.57
Aravali Infrapower Ltd.	1,112.24	12.73
Indian Oil Corporation Ltd.	425.43	4.87
Total	6,176.96	70.71

Our Major Suppliers for the financial year ended March 31, 2011

Name of the Suppliers	Amount (₹ in laacs)	% of purchase
Varun & Co.	1,065.34	37.25
Sujeet Associates	144.87	5.06
Icon Controls Pvt. Ltd.	78.00	2.73
Raychem RPG Ltd.	68.63	2.44
Vikrant Ispaat Udyog	47.34	1.66
Total	1404.18	49.14

KEY BUSINESS STRENGTHS

1. Established player engaged in execution of Infrastructure Projects on procurement & contract basis with clientele including PSUs

We are a established player engaged in execution of Infrastructure Projects on procurement & contract basis with clientele including PSUs. We were awarded our first contract of laying down-stream gas distribution pipeline network in the fiscal 2002. With the passing years we have added to our clientele some of the reputed name which includes Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and other organizations like GAIL Gas Ltd, Indraprastha Gas Ltd. Further our early entrance and continued presence in City Gas Distribution Network has made us eligible for qualifying technical bids.

2. Customer centric approach with the ability to customize

Our customer centric approach has enables us to understand and respond to the requirements of our clients. Our capability to provide customized solutions as per the technical specifications of the clients enables us to expand and innovate our services in line with current and future requirements of our clients. We work closely with our customers from the pre-order phase commencing with preliminary operations and extending upto monitoring the performance of the implemented work to ensure client satisfaction. We continue to lay strong emphasis on our post-execution client service to ensure it is quick and responsive.

3. Healthy Order Book position

As at August 31, 2011, some of the major works orders as reflected by our order book totaled ₹ 7,391.78 lacs. In our line of business, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential revenues. Our strategy is not merely to add works contracts to the order book but to focus on capturing quality contracts with high margins.

4. Experienced and strong management team

We have an experienced management team with established and structured corporate processes. We believe that our management team has a long-term vision. We also believe that their understanding of the line of business in which we operate and flexibility in managing our operating and financial leverage has enabled us to adapt to the changing business scenario in a focused and constructive manner. Our Company reaps the benefits of highly qualified & experienced Directors & managerial personnel. Our Chairman Mr. Kamta Prasad Roy, holds a Master's degree in Electrical Engineering from IIT, Delhi and is a retired Executive Director from GAIL (India) Limited with an overall experience of over 40 years in Fertilizer, Chemicals, Oil and Gas industry. Our another Independent Director Mr. Prabhu Dayal Didwania is a Mechanical Engineer from Banaras Hindu University and he has served Mecon Limited (a PSU promoted by Steel Authority of India Limited) and was instrumental in advising the Government of India in respect of City Gas Network in India. Further, our execution team comprises of technically qualified personnel having vast experience which enables us to implement varied kind of projects with different technical specifications.

5. Long term relationship with our clients

Our continuous focus on providing quality services has resulted in long term relationships with our clients such as Indraprastha Gas Limited, Indian Railways etc. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them.

6. Quality Certifications

Our Company has been certified by ACS Registrars Limited as an ISO 9001:2008 certificate for "erection, commissioning & installation of gas distribution network, civil contracts and maintenance". For further details refer to section titled "*Government Approvals*" on page no. 186 of the Draft Prospectus.

OUR BUSINESS STRATEGY

1. Enhancing our range of services

Our focus is to expand the ambit of our services in City Gas Distribution Network projects. PNGRB has initiated development of City Gas Distribution Network in India and licenses to private players are being issued to cover larger no. of cities. We intend to:

- Undertake laying / execution of city gas distribution projects on labour contract basis from the principal license holders of selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years.
- Undertake turnkey projects for laying/execution of city gas distribution networks in selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years. This shall include engineering, procurement and supply of material along with labour job.
- Undertake joint venture projects with the principal license holders of city gas distribution network in selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years. This may include joint/sub ownership of the city gas distribution network.
- Obtain City Gas Distribution Network license where city gas networks shall reach in next 5-7 years. Our Company has all the technical qualifications for the above license.

2. Continue to strengthen relationships with key clients

We believe that we constantly try to address client's needs around a variety of our services. Our existing client relationships help us to get repeat business from them. This has helped us to maintain a long term business relationship with our clients and ensure their retention. This represents a competitive advantage in gaining new clients and increasing our business in future.

3. Diversification in the Civil Construction business

We intend to increase the ambit of our operations in civil construction sector which will include construction of buildings, roads etc. For procurement of contracts in this space we intend to pitch by way of negotiated tender and/or joint ventures in order to enhance our credentials.

STRENGTH, WEAKNESS, OPPORTUNITY & THREATS

Strengths:

- Our Company is engaged in the same line of business since 2002 which has contributed to our expertise in our line of business.
- Our Promoters, Directors and the Key Managerial Personnel are well experienced which helps us to successfully complete our projects.
- During last few years, our Company has executed different job work contract for Oil Corporation Limited, Reliance Industries Ltd., Indraprastha Gas Ltd., Green Gas Ltd., Indian Oil Tanking Ltd., Indian Railways, etc. in different part of the country.
- Our Company has developed core competence in City Gas Network Distribution and revamping of old railway bridges.
- Our Company is an ISO 9001:2008 certified organisation with strong quality commitments
- Our Company is a profit making unit having sound financials over the past years

Weaknesses:

- Our Company has long working capital cycle. However our debtors are reputed PSUs and Private companies.
- Our Company is dependent on cash accruals from our business and banking facilities for its growth which restricts our source of finance. However, after the proposed public issue and listing, our Company may easily raise finance to meet its business requirements.

Opportunities:

- With the recent changes in GOI policy in respect of oil & gas exploration and its distribution, many new projects are expected which will offers opportunity to our Company to expand its activities.
- With the thrust of the GOI over the development of the infrastructure sector including Railways our Company foresees widening of our existing operations and entrance to the new avenues.

Threats:

- The work sites of our Company are scattered to distant geographical areas which requires extra monitoring.
- Revision in Government policies which may not be in the favour of our business may pose an adverse effect on the growth of our business.
- With the growth in our line of business, entry of new entrants will increase in competition.

Procurement of Works Contracts and Orders – Process & Strategy

Our Company is engaged in execution of Infrastructure projects on contract basis specializes in the field of downstream gas distribution networks and supply & installation of channel sleepers for Indian Railways. The major steps involved in procurement of works contracts and orders are as under.

- Invitation to the Contractors to Pre-Qualify for Bidding process
- Pre-Qualification of Contractors
- Issue of tender (BID) documents to pre-qualified Contractors
- Receipts of tenders & opening of tenders in the presence of Contractors

- Evaluation of tenders
- Award of Contracts

Pre-Qualification of Contractors involves evaluation of contractor on the basis of its experience and other parameters such as financials, average annual turnover, technical knowledge, human resource, plant and equipments and past track records in relation to completion of contracts. Normally, the contract is awarded to the lowest bidder after qualifying the technical criteria's. Our Company has a track record of successfully qualifying for companies like Indian Oil Corporation Limited, Reliance Industries Ltd., Indraprastha Gas Ltd., Green Gas Ltd., Indian Oil Tanking Ltd., Indian Railways etc. The satisfactory completion of awarded contracts over the last number of years has enhanced our eligibility for larger scope of works. Our Company satisfies all the evaluation parameters of pre-qualification process and hence gives us a competitive edge over other contractors.

Methods for award of contracts:

Open Tender:

In this methodology, an open tender is invited from eligible parties for execution of specified works. The company bids in the prospective tenders where after the bidders are scrutinized for technical and financial qualifications. The bids of qualified parties are then negotiated on the price offered for the respective works and the work is allotted to the party with lowest bid.

Limited Tender:

In this methodology, the empanelled contractors are tested for the technical and financial qualifications and price bids are invited from the eligible parties. Pricing for the specified work is negotiated with the bidding parties and award of the contract is finalized based on the negotiations.

Open Work Tender:

In this methodology, repeated orders are placed under a pre negotiated work contracts which falls under the same nature of work. The scrutiny of eligible parties, scope of work and price negotiations is done for the work on yearly basis. Thereafter specific orders are placed to the contractor as per the requirements.

Negotiated Tender:

Under this method normally one contractor is approached and it is based on one-to-one discussion with contractors to negotiate the terms of contract.

Our Company is regularly participating in the tender process and after due assessment of nature of the work the contracts are received through the bidding process. Since contracts are of technical nature, reasonable credentials are required for qualifying for the contracts. Our Company being an established player qualifies for large number of contracts in the field of gas distribution pipeline network and railway sleeper channel on regular basis. Further, in the area of our operations, strict qualifications criteria's are demanded. As such there are limited qualified bidders and thus pricing competition is not very high in this field.

Our Company is approved with certain clients for both limited and open tender processes and we receive invitations for bids pertaining to contractual works on regular basis from our clientele. Further, having rich experience in the field of construction of gas distribution pipeline network, our Company is able to meticulously assess the cost element involved in the proposed assignment and thus bids at competitive prices ensuring reasonable profit margins.

Our company has been receiving regular orders from reputed Companies like Indian Oil Corporation Ltd, Indraprastha Gas Ltd., Sabarmati Gas Ltd., Green Gas Ltd. Gas Authority of India Ltd, Indian Railways etc. A reputed clientele list and past track record of satisfactory completion of projects further strengthens the position of our Company in the line of our business.

The miscellaneous Infrastructure Projects works are awarded on negotiated tender method to us.

Execution Process

On award of a contract, the contract needs to be executed as per the specified implementation schedule. For control and supervision of the work, a separate site office is established with a competent project team headed by senior engineers. The site offices are supplemented with the required machineries & equipments and working capital from the head office where as work labour and other supplementary resources are locally procured. Various sub contractors are also involved for executing certain sub-works in the entire contract. The implementations of contracts are monitored by the management personnel at the head office, which also provides technical and implementation support to the site.

In the line of business in which company operates, the designs are provided by the clients and the projects are executed as per the design specifications. The contract may at times involve supplying of material inputs by the awarding party or the same has to be procured by us as per the specifications of the contract. Majority of the contracts awarded to our Company are labour contracts with partial material inputs from the awarding party.

The works being executed at the sites are subject to regular assessments by the client. On execution of a certain sizeable work as per the satisfaction of the awarding party, running bills are raised as per the agreed terms of the contract and part payments are received there on. On completion of the entire contract, final approval is applied for with the client and the final bills for the balance contract value are raised.

City Gas Pipeline Laying Process:

Pipeline laying projects may span upto hundreds of yards or consist of shorter connections linking a distribution center to a storage facility. Regardless of the length, the installation process must be carefully tackled to meet the implementation schedules and to withstand the seasonal weather conditions.

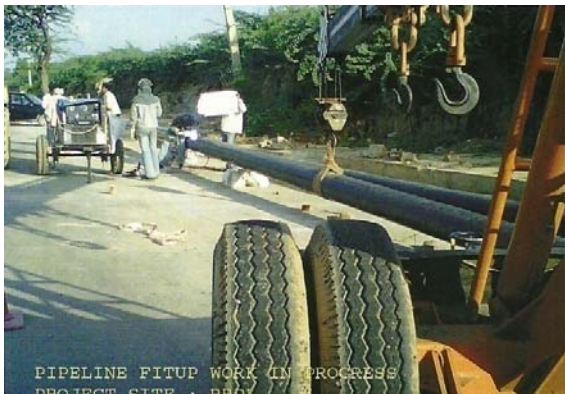
- In order to make the right-of-way into a suitable work area, a clearing and grading crew prepares the corridor so as to ensure that the construction equipments can erected & operate safely thereon.
- The next step involves the mechanical excavation of a ditch, dug to a specified depth for steel pipe placement, this is done by the ditching crew. Occasionally, rock drillings and blasting is required to break the rocks in a controlled manner. During the backfill operation, the pipe will be covered with the material excavated from the ditch.



- After the pipe is delivered to the right-of-way, the contractor "strings" sections of pipes along the ditch that has been delivered previously to a central storage location.



- A bending machine is then used to tailor the shape of the pipe to align to the contours of the geographical terrain or to make changes in the direction of the line.



- The welding crew commences the process of joining the various sections of steel pipes into one continuous pipeline using manual, semiautomatic or automatic welding procedures. Welds are then x-rayed or ultrasonically inspected to assure that the pipe joints have been welded in accordance with project specifications.



- The pipe sections are then cleaned & coated and the ditch bottom is cleared of the rocks and debris or padded with soft dirt. The pipe is then lowered into the ditch by side boom tractors using belts or cradles in a carefully coordinated manner.



- The trench is then backfilled with the material excavated from the ditch. When soil conditions are not suitable to place the pipe directly, specialized equipments designed to pad the pipes and protect them from sharp rocks and abrasions are utilized.
- The final phase of the construction involves replacing topsoil, replanting the right-of way, removing construction material, and restoring the area, as closely as possible, to its original pre-construction conditions.

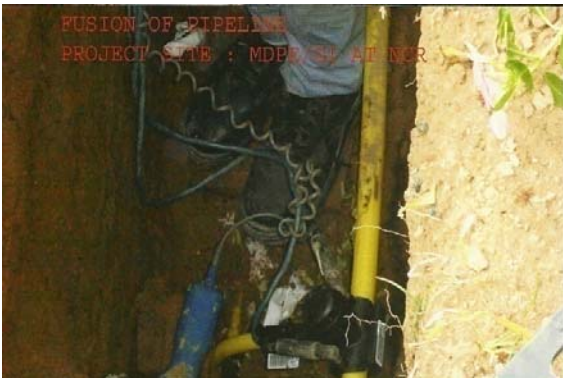


- Completed pipelines must be tested to ensure they will operate suitably at the designated pressures without any leaks. Pressure tests are usually conducted using water know as hydrostatic pressure tests. The test is carefully monitored and once completed, the pipes are cleaned, dried and are ready to be put to service.

- The pipelines are then connected to the Gas Sub Station(s) at the project site for providing the connections to the household consumers.



- Fusion of MDPE pipelines running from supply outlet of Gas sub stations to household for supply of gas.



- Meter regulatory system is installed at the project site to regulate and monitor the supply of Gas.



- Sub distribution of parent connection line into individual connections so as to reach the household consumption point and installation of meter for measuring the consumption of Gas by the individual consumer.



Supply and Installation process of Channel Sleepers:

The process of Supply and Installation of Channel Sleepers commences with the procurement of steel girders from the open market after duly assessing the endurance and quality of the girders. Thereafter the girders are transported to the railway site where fabrication works as per the design and technical specification of the client are carried out. The next process involves revamping of railway over bridges by replacing the old channel sleepers with the fabricated sleepers by the use of specialized equipments and machines so as to carry on the process without hampering the current operations at the railway bridge.



List of Major Machineries owned by Our Company:

List of machineries owned by the company are given hereunder:

Sr. No.	Name of Major Machinery	Machine Make/ Model No.	Date of Purchase	Vendor	Cost (₹ in Lacs)
1	HDD Machine	VERMEER	16/6/2007	Soltech	67.06
2	Diesel Engine Driven Welding Set	ADOR	18/6/2007	Business Link	12.87
3	Diesel Power Screw Compressor	ADOR	25/6/2007	Sahil & Co.	13.75
4	Welding Machine	ADOR	27/8/2007	Khanna Malhotra Enterprises	11.16
5	Welding Machine	ADOR	22/9/2007	Khanna Malhotra Enterprises	16.74
6	HDD Machine	VERMEER	22/12/2007	Shanivi Construction Pvt. Ltd.	50

Sr. No.	Name of Major Machinery	Machine Make/ Model No.	Date of Purchase	Vendor	Cost (₹ in Lacs)
7	Welding Machine	MILLER BIG BLUE	4/8/2008	Super Tech Services Ltd	12.24
8	HDD Machine	VERMEER	5/1/2011	Worldwide Machinery Solutions	200
9	HDD Machine	VERMEER	7/3/2011	Robokisan Engineers Pvt. Ltd.	127.16
10	Soil Compactor & Vibrator	L&T	24/3/2011	L&T Case	19.69
	TOTAL				530.67

The above equipments are used in meeting requirements of recurring jobs undertaken by our Company. In addition to above, in case any particular specialized equipment is required, the same is hired from the market. This is a commonly followed practice in the industry.

Man Power

As on September 23, 2011 our Company has 97 permanent employees. The members of our professional staff have a wide range of prior experience. Further as per our requirement we also employ contract labours. The details of the employees are as under:

Category	No. of Employees		
	Present	Proposed	Total
Administrative staff	31	15	46
Skilled Workers	28	25	53
Semi-Skilled Workers	26	30	56
Unskilled Workers	12	15	27
Total	97	85	182


Our relationship with our employees has been positive and our operations have not been interrupted by any work stoppage, strike, demonstration or other labour disturbances.

INSURANCE DETAILS

Our operations are subject to inherent hazards such as risk of equipment failure, work accidents, fire or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipments. As on the date of this Draft Prospectus, we are insured to cover a variety of risks and has taken insurance cover for them which are namely as follows:

Type of Policy	Items / Risk Covered	Sum Insured (₹ in lacs)
Contractors Plant & Machinery; Burglary policy, Standard Fire and Special Perils	Plant, Equipment & Machineries, Stocks at different works site	2399.69
Vehicle Insurance	Vehicles	47.03
Contractors all risk insurance	Operations at the work site & third party insurance	2336.34
Workmen compensation insurance	Workers	59.52

INTELLECTUAL PROPERTY RIGHTS

Our Company has received Certificate of Registration for our logo  under class 37 of the Trade Marks Act, 1999 vide Trademark No. 1009307 as of the date July 25, 2007 issued by the Registrar of Trade Marks, Mumbai dated May 06, 2011. The said registration is valid for a period of 10 years from the date of application and may then be renewed for a period of 10 years and also at the expiration of each period of 10 years. For details refer to Page 186 under Section “*Government Approvals*” of Draft Prospectus.

OUR PROPERTIES

The following table set out details of properties owned / taken on lease by us:

OWNED PROPERTIES

S. No	Address of Property	Area	Name of the Seller	Consideration	Nature of Property	Use of Property
1.	Plot No 12; Block A, Sector 57, Noida, Uttar Pradesh	800 sq meter	Integrated Caps Private Limited	₹32,000,000	Industrial	The property is yet to be put to any use

The Agreement to Sell was executed on May 20, 2011 between our Company and the seller and the consideration has been paid. The permission for transfer of the above property in favour of our Company has been received from New Okhla Industrial Development Authority on September 27, 2011. The execution and registration of the transfer document in respect of the above property is pending.

LEASED PROPERTIES

S. No.	Address of Property	Name of Lessor	Period of Lease	Area of Land
1.	Flat No. 609, 6 th Floor, Somdutt Chambers – II, No. 9, Bhikaji Cama Place, New Delhi – 110 066.	Mr. Sudhir Kumar Marwaha	From August 01, 2011 to February 09, 2013	377 Sq. Ft.
2.	Flat No. 608, 6 th Floor, Somdutt Chambers – II, No. 9, Bhikaji Cama Place, New Delhi – 110 066.	Mrs. Anju Marwaha	From August 01, 2011 to February 09, 2013	355 Sq. Ft.
3.	Flat No. 607, 6 th Floor, Somdutt Chambers – II, No. 9, Bhikaji Cama Place, New Delhi – 110 066.	Mr. Rahul Bhuchar	From August 01, 2011 to February 09, 2013	395 Sq. Ft.
4.	3 rd Floor, B-4, Shree Krishna Apartment, Premises no. C-3214-F, Chandua, Ward Chetganj, Varanasi.	Mr. Rakesh Kapoor (HUF) - Karta.	From March 01 2011 to February 28, 2011	1300 Sq. Ft.
5.	Khasra No. 261, Westend Marg, Village Saidullajaib, New Delhi – 110030	Mr. Budhvair Singh	From February 01, 2011 to November 30, 2013	6500 Sq. Ft.
6.	54, Sahkari Nagar, Near Avantika, Ghaziabad	Mrs. Kamla	From June 14, 2011 to May 13, 2012	3Rooms
7.	G - 5, C 23, Ramprasta, Ghaziabad	Mr. Satendra Kumar	From August 10, 2011 to July 10, 2012	-

4.3 - REGULATION AND POLICIES

The following description is a summary of various sector-specific laws and regulations in India prescribed by Government of India and various State governments, which are applicable to our Company. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax/value added statutes, various labour laws and other miscellaneous laws such as the Trade Marks Act, 1999 apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

This section provides a brief overview of the regulatory framework governing activities of our Company:

- **Petroleum and Minerals Pipelines (Acquisition of Right of User in Land) Act, 1962 (“Pipelines Act”)**
The Pipelines Act provides the framework governing acquisition of Right of Use in land for laying pipelines for transportation of petroleum and minerals and other matters connected therewith. The Pipelines Act is limited to the acquisition procedure, restrictions on use of land, and compensation payable to persons interested in the land. Right of Use acquisition may be subject to conditions deemed fit by Government of India in the public interest.
- **Petroleum and Natural Gas Regulatory Board Act, 2006 (“PNGRB Act”)**
The PNGRB Act provides for establishment of the PNG Board, and vests it with the authority to, among other things, regulate refining, processing, storage, transportation (including laying of pipelines), distribution, marketing and import, export and sale of petroleum, petroleum products and natural gas, excluding the production of crude oil and natural gas, monitoring prices and taking corrective measures to prevent restrictive trade practices, imposing fees and other charges and regulating technical and safety standards and specifications relating to petroleum, petroleum products and natural gas. The objectives are to protect interests of consumers and entities engaged in specified activities relating to petroleum, petroleum products and natural gas, to ensure uninterrupted and adequate supply of petroleum, petroleum products and natural gas in all parts of India and to promote competitive markets.
- **Guidelines for Laying Petroleum Product Pipelines, 2002 (“Petroleum Guidelines”)**
The Petroleum Product Pipeline Policy, announced by the Government in December 2002, provides a mechanism for common carriage of petroleum products transportation. Pursuant to the policy, any company planning to lay a pipeline originating from a port or a pipeline exceeding 300 km in length originating from a refinery must publish its intention and allow other interested companies to take a capacity in the pipeline on a “take or pay” or other mutually agreed basis. Companies laying new pipelines would be required to provide at least 25 percent extra capacity beyond that needed by itself and interested companies for other users.
- **Policy for Development of Natural Gas Pipelines and City or Local Natural Gas Distribution Networks, 2006 (“Pipeline Policy”)**
The objective of the Pipeline Policy is to facilitate open access for all players to the pipeline network on a nondiscriminatory basis, and promote competition among entities thereby avoiding abuse of the dominant position by any entity. The Pipeline Policy applies to “non-dedicated” pipelines and not to “dedicated” pipelines. The latter are pipelines laid to supply gas to specific consumers originating from regulated pipelines, provided the same are for their own use and not for resale. No non-dedicated gas pipeline or city or local gas distribution network may be laid, built, operated or expanded without authorisation by the PNG Board. If a company’s pipelines come within the definition of dedicated pipelines, it is required to furnish certain details to the PNG Board every six months. If any such pipeline ceases to be a dedicated pipeline, the same may be brought to the notice of the PNG Board, and will require authorisation by the PNG Board under the PNGRB Act. The Pipeline Policy envisages constitution of a Gas Advisory Body (“GAB”) for giving advice to Government of India, to promote and develop the gas pipeline network and city or local gas distribution networks in India.

LABOUR REGULATIONS

Depending on the nature of work and number of workers employed at any unit, the following labour legislations may apply:

- **The Workmen’s Compensation Act, 1923** (“Workmen’s Compensation Act”)

The Workmen’s Compensation Act requires an employer to pay compensation for personal injury, or death caused due such personal injury, to a workman by accident during employment, except in certain cases for instance where such workman was at the time of injury under the influence of drugs or alcohol, or wilfully disobeyed safety rules. On December 1, 2009, the Indian Parliament passed the Workmen’s Compensation Amendment Bill, 2009, which broadens the scope of the Workmen’s Compensation Act to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. The restriction of the application of this law to companies with at least 20 employees has been done away with, and it would now be obligatory for compensation commissioners to decide on a claim within three months of an application being filed. Upon notification, the statute would be known as the Employee Compensation Act, 2010.

- **The Payment of Wages Act, 1936** (the “Payment of Wages Act”)

The Payment of Wages Act applies to persons employed in factories and industrial or other establishments where the monthly wages payable are less than ₹ 10,000. It requires the persons responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made their under.

- **The Minimum Wages Act, 1948** (the “Minimum Wages Act”)

The Minimum Wages Act provides for minimum wages in certain employments. The central and the state governments stipulate the scheduled employment and fix minimum wages, calculated based on the basic requirement of food, clothing, housing required by an average Indian adult.

- **The Employees (Provident Fund and Miscellaneous Provisions) Act, 1952** (the “EPF Act”)

The EPF Act applies to factories employing more than 20 employees and such other establishments and industrial undertakings as notified by the government from time to time. It requires all such establishments to be registered with the relevant state provident fund commissioner. Also, such employers are required to contribute to the employees’ provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance payable to employees. Employees are also required to make equal contribution to the fund. A monthly return is required to be submitted to the relevant state provident fund commissioner in addition to the maintenance of registers by employers.

- **The Payment of Gratuity Act, 1972** (the “Payment of Gratuity Act”)

Under the Payment of Gratuity Act, gratuity refers to a terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a prescribed minimum number of years. The Payment of Gratuity Act applies to all factories and shops and establishments in which 10 or more persons are employed, and requires such establishments to notify the controlling authority within 30 days of opening of the establishment and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made, with any approved insurance fund.

- **The Payment of Bonus Act, 1965** (the “Payment of Bonus Act”)

The Payment of Bonus Act provides for payment of the minimum bonus to factory employees and every other establishment in which 20 or more persons are employed during an accounting year and requires the maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, the set on and set off of allocable surplus and details of bonus due to the employees.

- **The Contract Labour (Regulation and Abolition) Act, 1970** (the “CLRA”)

The CLRA regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced, and is carried out by Labours hired on contractual

basis, compliance with the CLRA including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund.

- **The Employees State Insurance Act, 1948** (the “ESI Act”)

The ESI Act applies to all establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation. The ESI Act requires all employees of the factories and establishments to which it applies to be insured in the manner provided. Further, both employers and employees are required to make contribution to the ESI fund, of which returns are required to be filed with the ESI department.

- **The Shops and Commercial Establishments Acts**

Under the provisions of local shops and establishments legislations applicable in the states in which commercial establishments are located, such establishments are required to be registered. Such legislations regulate the working and employment conditions of workers employed in shops commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, and other rights and obligations of the employers and employees. Such legislations are enforced by the chief inspector of shops and various inspectors under the supervision and control of the labour commissioner acting through the various district deputy / assistant labour commissioners.

TAX RELATED LEGISLATIONS

- **Income-tax Act, 1961**

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 assessee, under the IT Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

- **The Central Sales Tax Act, 1956**

Central Sales tax (“CST”) is levied on the sale of movable goods in the course of inter-state trade or commerce. In India, sales tax is levied both at the union level under the Central Sales Tax Act, 1956 as well as the state level under the respective state legislation. Goods sold within the jurisdiction of the state are charged to Value Added Tax (“VAT”) in accordance with the VAT statute of that state.

CST is payable by a dealer (i.e. a person who carries on the business of buying, selling, supplying or distributing goods) on his sales turnover at the rate prescribed in the VAT statute of the State from where the movement of the goods originate. However, a dealer is entitled to a concessional rate of 2% CST on goods which are sold to another registered dealer who intends to further re-sell them or use them in the manufacture or processing for further sale or for certain other specified purposes, subject to the condition that purchasing dealer issues a statutory Form C to the selling dealer.

- **Value Added Tax/Sales Tax Act**

All the states have in force a separate VAT/Sales Tax statute which prescribes the rates at which VAT/Sales Tax will be levied on taxable goods sold within that state. VAT/Sales Tax is charged on sale of goods in the States under the law enacted by each State in respect thereof. VAT/Sales Tax 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 such tax.

- **Finance Act, 1994**

Service tax is levied on ‘taxable services’ under Chapter V of the Finance Act, 1994, as amended from time to time, wherein tax is levied on certain identified services rendered in India by specified service providers. Currently, for the financial year 2011-12, the service tax is levied at the rate 10.30% (an education cess of 2% and a secondary and higher education cess at the rate 1%). Therefore, the effective rate is 10.3% on gross value of taxable services.

- **The 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 under this Act and obtain an Importer Exporter Code (IEC) number.

MISCELLANEOUS

- **The Registration Act, 1908**

The Registration Act, 1908 was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Act was designed was to ensure information about all deals concerning land and other immovable properties so that correct land records could be maintained. The Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

- **The Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 prescribes the rates for the stamping of documents and instruments by which any right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded. Under this Act, an instrument not 'duly stamped' cannot be accepted as evidence by civil court, an arbitrator or any other authority authorised to receive evidence. However, the document can be accepted as evidence in criminal court.

- **The Indian Contract Act, 1872**

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

- **Trademarks Law**

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor or user to use the mark. A 'mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style and so forth. The Trademarks Act, 1999 (the "Trademarks Act") governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The registration of a trademark is valid for a period of 10 years but can be renewed in accordance with the specified procedure.

4.4 - HISTORY AND CERTAIN CORPORATE MATTERS

Our Company is an ISO 9001:2008 certified public limited company having its registered office at 607 -609, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110 066, India.

Our Company originally commenced its operations as a Partnership Firm under the name & style of “Unitech” in the year 1999 with its founding partners Mr. Akhilesh Ranjan Singh and Mr. Prashant Kumar Singh, under the Deed of Partnership made on April 07, 1999. Later on the Partnership Firm was reconstituted by another Deed of Partnership dated April 01, 2005 with inclusion of Mr. Aditya Ranjan Singh, Mr. Jai Pratap Naraina Singh and Mr. Anil Kumar. The Partnership Firm was again reconstituted by another Deed of Partnership dated April 01, 2006 with inclusion of Mr. Ajay Kumar Singh and Mr. Ashok Kumar Singh.

The partners of the Partnership Firm entered into a Memorandum of Understanding dated April 01, 2007 for conversion of the Partnership Firm into a Public Limited Company. Accordingly, the Partnership Firm was converted into a Public Limited Company in the name of Universal Energies Limited under Part IX of the Companies Act, 1956 on June 04, 2007 and received the Certificate of Incorporation dated June 04, 2007 bearing Corporate Identity Number: U74120DL2007PLC164288 of 2007-2008 issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company obtained the Certificate of Commencement of Business on June 18, 2007 after complying with the conditions of Section 149 (2) (a) to (c) of the Companies Act, 1956.

Under the scheme of conversion all the assets and liabilities of “M/s Unitech” including plant & machinery, furniture and fixture, vehicles, office equipments, stock, bank accounts, fixed deposits, book debts, deposits, advances, lease agreements, licenses & registrations with various Government departments, insurance policies, work orders/contracts in hand, fund based and non fund based limits etc. were transferred to the Company against paid up share capital of the Company. The partners of “M/s Unitech” became the promoters of our Company and subscribers to the share capital of our Company.

Changes in the Registered Office

Our Registered office is situated at 607- 609, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110 066. The changes in the registered office of our Company since incorporation are as under:

Date of Change	From	To	Reason For Change
April 18, 2011	607, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110 066	607 - 609, Somdutta Chamber – II, Bhikaji Cama Place, New Delhi – 110 066	Administrative convenience upon expansion in operations.

Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1999	“Unitech” constituted as partnership firm to undertake small contractual jobs
2002	Started undertaking contracts of laying down-stream oil & gas distribution pipeline network
2003	Started undertaking contracts for Indian Railways
2007	“Unitech” converted into public limited company in the name of “Universal Energies Limited” under Part IX of the Companies Act, 1956
2008	Successfully completed pilot projects of city gas distribution networks at Jamnagar for Reliance Industries, Asansol for Great Eastern Energy Corporation, Kalol for Sabarmati Gas Ltd., Lucknow for Green Gas Ltd. and Delhi-NCR for Indraprastha Gas Ltd.
2009	Started undertaking turnkey projects of setting up city gas distribution pipeline networks including laying of pipeline, setting-up of gas stations/pump houses and construction of storage tanks.

Year	Key Events / Milestone / Achievements
2010	Received ISO 9001:2008 quality assurance standard certification from ACS registrars Ltd.
2010	Successfully laying of MDPE network and GI/Copper installations and laying of carbon steel pipeline for city gas distribution project in Delhi-NCR.
2011	Received contract for filling and cutting, supply and providing blanketing material on embankment including compaction by vibratory roller, extension of minor bridges and other allied works between Lohta-Bhadohi railway stations.

Main Objects of our Company

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To Engage in all aspects and dimensions of gas pipe laying, fixing regulating and to maintain, manage, lease, hire or otherwise deal in all kinds of civil, engineering, structural works as well as activities for holding, transporting, receiving, compressing exploring, purifying, supplying or otherwise dealing with natural gases and Oil, other gaseous material, gas pipe lines and conveyors.
2. To acquire and provide technical know-how and render consultancy or other services in respect of gas pipe laying, fixing, regulating and to maintain, manage, lease, hire or otherwise deal in all kinds of civil, engineering, structural, and works as well as activities for holding, transporting, receiving, compressing, exploring, purifying, supplying or otherwise dealing with gases and oil, other gaseous material, gas pipe lines and conveyors.
3. To service, repair, trade, market, lease, act as agent and consultant for, and otherwise deal in all manner in plants, machineries, spares, cylinders, containers, gadgets, appliances, fitting & fixtures, accessories, meters, pipe fittings, apparatus and all other kinds and types of goods required for carrying on all kinds, aspects as well as dimensions of business with respect to gases and oil, other gaseous material, gas pipe lines and conveyors.
4. To buy, sell, import, export, manufacture, explore, transport or distribute the Oil and Gas and any other natural resource of the similar nature.
5. To undertake the projects related to development of Oil, Gas, Hydro-carbon or any other infrastructure sector.

Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

S.No.	Particulars	Date of Meeting	Type of Meeting
1	Increase in Authorised Share Capital from ₹10, 000,000 divided into 100,000 Equity Shares of ₹ 100 each to ₹ 15,000,000 divided into 150,000 Equity Shares of ₹ 100 each.	March 25, 2009	Extra-Ordinary General Meeting
2	Increase in Authorised Share Capital from ₹15,000,000 divided into 150,000 Equity Shares of ₹ 100 each to ₹ 50,000,000 divided into 500,000 Equity Shares of ₹ 100 each	March 16, 2011	Extra-Ordinary General Meeting
3	Sub – division of 500,000 Equity Shares having Face Value of ₹ 100 each to Face Value of ₹ 10 each resulting into 5,000,000 Equity Shares.	March 31, 2011	Extra-Ordinary General Meeting
4	Increase in Authorised Share Capital from ₹ 50,000,000 divided into 5,000,000 Equity Shares of ₹ 10 each to ₹ 150,000,000 divided into	March 31, 2011	Extra-Ordinary General Meeting

	15,000,000 Equity Shares of ₹ 10 each		
5	Increase in Authorised Share Capital from ₹ 150,000,000 divided into 15,000,000 Equity Shares of ₹ 10 each to ₹ 250,000,000 divided into 25,000,000 Equity Shares of ₹ 10 each	September 19, 2011	Annual General Meeting

Details of Subsidiary and Holding company of our Company

Our Company does not have any Subsidiary and Holding company as on the date of filing of this Draft Prospectus.

Injunctions or Restraining Orders

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

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets etc: Nil

Currently there is no listed peer group Company in the same line of business as ours. Hence the standing of our Company in the industry is not determinable. However for the sake of comparison, please refer to page 62 of the Draft Prospectus under the section “Basis for Issue Price”.

Number of Shareholders of our Company:

Our Company has 15 (Fifteen) shareholders as on the date of filing of this Draft Prospectus.

Changes in the activities of the Company, Universal Energies Limited, during the last five years

There has been no change in the business activities of our Company during the last five years from the date of this Draft Prospectus. For details relating to the business and operations of our Company, please refer section “*Our Business*” on page 87 of the Draft Prospectus.

Shareholders Agreement

There are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Guarantee, if any, given to third parties by the Promoters offering their shares in the proposed offer for sale:
Not Applicable

OTHER AGREEMENTS

Non Compete Agreement

Our Company has not entered into any Non-compete Agreement as on the date of filing this Draft Prospectus.

Joint Venture

Our Company, during the year 2010-11 has executed a Joint Venture with Reddy Veeranna Construction Pvt. Ltd. in the name of UEL-RVCPL JV vide Joint Venture Agreement dated August 17, 2010 for contract works under tender(s) issued by Indian Railways for “Lohta - Bhadohi Section: Earthwork in embankment in filling & cutting, supply and providing blanketing material on embankment, including compaction by vibratory roller, extension of existing minor bridges and other allied works between Lohta and Bhadohi Railway stations i.e. between km 777.940 to 817.100 in connection with doubling of Lohta – Bhadohi section of Lucknow division”.

The said Joint Venture is valid till the completion of contract.

Capital sharing ratios:

The investment required for the work under this joint venture shall be brought in by the parties as agreed between them from time to time as per the Joint Venture agreement.

Profit and Loss sharing ratios:

The share in profit/loss of the said JV shall be as under:

Entities	Profit / Loss %
Universal Energies Ltd.	51%
Reddy Veeranna Construction Pvt. Ltd.	49%

Abstract of financials of the JV firm for the year ended March 31, 2011 is as under.

Particulars	(₹ In lacs)	
	Amount	
Capital account – Universal Energies Ltd.	53.39	
Current Assets	54.21	
Indirect Income (Interest on Bank FD)	1.23	
Indirect Expenses	0.41	
Net Profit	0.82	

Till 31.03.2011, there has been no activity in the above Joint Venture firm.

Strategic Partners

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

Financial Partners

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

4.5 - OUR MANAGEMENT

As per the Articles of Association, our Company cannot have less than 3 Directors and more than 12 directors. The Board of Directors comprising of 6 (Six) Directors currently manages our Company.

Mr. Kamta Prasad Roy is the Chairman of our Company who is a Non-Executive - Independent Director. Mr. Aditya Ranjan Singh - Managing Director, along with Mr. Akhilesh Ranjan Singh - Whole-Time Director are suitably supported by team of professionals and technically qualified executives who carry out the day to day affairs of the business of our Company. All Executive Directors of our Company are under the direct control & superintendence of the Board of Directors.

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

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held in UEL & % of Shareholding (Pre Issue)	Date of expiration of current term of Office	Other Directorships / Partnership
1	Mr. Kamta Prasad Roy S/o Shree Krishna Roy Age: 64 Years Designation: Chairman, Non-Executive - Independent Director Address: Address: E-87, Sector-39, G.B. Nagar, Noida, 201301, Uttar Pradesh Experience: 41 Years Occupation: Retired form Service Qualifications: Master of Technology from IIT, Delhi and Bachelor of Science (Electrical) from Birla Institute of Technology, Ranchi DIN: 03208181	01.09.2010 Appointed as Chairman w.e.f. 30.09.2010	Nil	Director liable to retire by rotation.	Nil
2	Mr. Aditya Ranjan Singh S/o Kameshwar Prasad Singh Age: 39Years Designation: Managing Director Address: V-5 B, First Floor, Green Park Extension, New Delhi - 110016, India Experience: 12 Years Occupation: Business Qualifications: B.A. from Banaras Hindu University DIN: 00017716	04.06.2007 Appointed as Managing Director w.e.f. 01.04.2011	9,498,000 & 64.78%	31.03.2016 Director not liable to retire by rotation.	<u>Directorship:</u> 1. Global Gascon and Minerals Limited 2. E Positive Entertainment Private Limited
3	Mr. Akhilesh Ranjan Singh S/o Kameshwar Prasad Singh Age: 41Years Designation: Whole-Time Director Address: Siddharth Apartment, Flat No 13, Shastri Nagar, Sigra Varanasi - 221002 Uttar Pradesh, India Experience: 17 Years	04.06.2007 Appointed as Whole-Time Director w.e.f. 01.04.2011	2,957,000 & 20.17%	31.03.2016 Director liable to retire by rotation.	<u>Directorship:</u> Global Gascon and Minerals Limited

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualifications & DIN	Date of Appointment	No. of Equity Shares held in UEL & % of Shareholding (Pre Issue)	Date of expiration of current term of Office	Other Directorships / Partnership
	Occupation: Business Qualifications: Diploma in Civil Engineering from Madhya Pradesh Board of Technical Education DIN: 00274033				
4	Mr. Shankar Kumar Thakur S/o Indra Narayan Thakur Age: 42 Years Designation: Whole-time Director Address: O-3, Saurav Vihar, Hari Nagar Extn., Jaitpur, Delhi - 110044 Experience: 18 Years Occupation: Service Qualifications: B. Com from Lalit Narayan Mithila University DIN: 03499027	30.03.2011 Appointed as Whole-Time Director w.e.f. 30.03.2011	100,000 & 0.68%	29.03.2013 Director liable to retire by rotation.	Nil
5	Mr. Vinay Kumar Singh S/o Harish Chandra Singh Age: 41 Years Designation: Non-Executive - Independent Director Address: 6, Amravati Colony Sarvodaya Nagar, Lucknow, 226010, Uttar Pradesh Experience: 16 Years Occupation: Consultant Qualifications: B.A. from Lucknow University DIN: 02175917	15.06.2007	Nil	Director liable to retire by rotation.	Nil
6	Mr. Prabhu Dayal Didwania S/o Gaya Prasad Didwania Age: 61 Years Designation: Non-Executive - Independent Director Address: Plot no. F-30, flat no. 612-a, Mahagun Manor Sector -50, Gautam Budh Nagar, Noida - 201301, Uttar Pradesh Experience: 40 Years Occupation: Retired form Service Qualifications: B.Sc Mechanical from Banaras Hindu University; Graduate ship in Industrial Engineering form Indian Institute of Industrial Engineering Bombay DIN: 03531641	24.05.2011	Nil	Director liable to retire by rotation.	Nil

BRIEF PROFILES OF OUR DIRECTORS

Mr. Kamta Prasad Roy, Chairman, Non-Executive - Independent Director

Mr. Kamta Prasad Roy, aged 64 years, holds degree of Master of Technology from IIT, Delhi and Bachelor of Science (Electrical) from Birla Institute of Technology, Ranchi. He is a retired Executive Director – Business Development from GAIL (India) Limited, where he last served for a period of more than 22 years. In GAIL his areas of operations included Gas sourcing (Domestic/International), LNG sourcing, City Gas opportunities, exploration and production, petro chemical project, natural gas pipelines, joint venture both domestic and abroad. He has a total experience of over 40 years in Fertilizer, Chemicals, Oil and Gas industry. Before joining GAIL he was also associated with Petronet LNG Limited & Fertilizer Corporation of India. Our Company benefits from his rich experience and expertise in our line of business and operates under his Chairmanship.

Mr. Aditya Ranjan Singh, Promoter & Managing Director

Mr. Aditya Ranjan Singh, aged 39 years, is a Bachelor of Arts from Banaras Hindu University with an overall experience of 12 years in the field of administration and business development. He is one of the Promoters of our Company and is a Director of our Company since its incorporation. He was one of the partner's of the firm "Unitech" whose conversion resulted into incorporation of UEL. Under his strong project management skills and ability to foster between groups and individuals our Company has grown both in the terms of revenue & profitability. He is responsible for managing the gas distribution business segment of our Company and also looks after public relations, general administration and overall affairs of our Company. He has also on the board of Global Gascon & Minerals Limited and E Positive Entertainment Pvt. Ltd.

Mr. Akhilesh Ranjan Singh, Promoter & Whole - Time Director

Mr. Akhilesh Ranjan Singh, aged 41 years, is one of the founder partners of the Firm "Unitech" which was later on converted into UEL. He has been a Director of our Company since its incorporation. He holds a Diploma in Civil Engineering from Madhya Pradesh Board of Technical Education. He has over 17 years of experience in infrastructure sector in India including Railways, Buildings, Oil & Gas. He is responsible for managing overall supervision and execution of projects related to Indian Railways and supervises the implementation of projects at the execution sites. He has also on the board of Global Gascon & Minerals Limited.

Mr. Shankar Kumar Thakur, Whole - Time Director

Mr. Shankar Kumar Thakur, aged 42 years, is a Bachelor of Commerce from Lalit Narayan Mithila University and has an overall experience of more than 18 years of working in the finance and accounts divisions of various companies. Currently he serves our Company in the capacity of Head – Finance & Accounting and looks after MIS reporting, finalization of books & Accounts, monitoring of various banking credit facilities and other financial activities of our Company.

Mr. Vinay Kumar Singh, Non-Executive - Independent Director

Mr. Vinay Kumar Singh, aged 41 years, has an overall business experience of 16 years. He is Bachelor of Arts from Lucknow University. He started his career in business in the year 1995 and presently engaged in providing business consultancy to Engineering Companies.

Mr. Prabhu Dayal Didwania, Non-Executive - Independent Director

Mr. Prabhu Dayal Didwania, aged 61 years, is a B.Sc Mechanical from Banaras Hindu University and holds a Graduate ship in Industrial Engineering from Indian Institute of Industrial Engineering Bombay. He has a wide experience of over 40 years and has served Mecon Limited (a PSU promoted by SAIL Ltd.) in its engineering consultancy division from where he retired in the capacity of Executive Director. He has also worked for SAIL & Balrampur Chini Mills Limited. During his service he played an instrumental role in providing consultancy to the

Government of India for City Gas Distribution Network. He provides guidance to our Company in our areas of operations.

Nature of any family relationship between any of our Directors

None of the Directors in our Board are related to each other except that Mr. Aditya Ranjan Singh and Mr. Akhilesh Ranjan Singh are brothers.

We also confirm that:

- We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which our Directors were selected as Directors or members of senior management.
- The terms of appointment with our Managing Director/Whole Time Director(s) do not provide for any benefit upon termination of employment except the retirement benefits as applicable by law.
- None of our Directors is / was a Director in any listed company, during the last five years from the date of filing of Draft Prospectus, whose shares have been / were suspended from being traded on the Bombay Stock Exchange Limited and / or National Stock Exchange of India Limited.
- Further, none of our Directors is / was a Director of any listed company which has been / was delisted from any Recognised Stock Exchange.

Details of Borrowing Powers of Directors

Our Company has passed the resolution in the Extra Ordinary General Meeting of the members held on September 01, 2011 authorizing the Directors of the Company to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of ₹ 100.00 Crores (Rupees Hundred Crores only).

Compensation of our Managing Director / Whole - time Directors

The compensation payable to our Managing Director/ Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 198, 269, 309 and 311 read with Schedule XIII, and all other applicable provisions, if any, of the Companies Act, 1956.

The following compensation has been approved for Managing Director and Whole time Directors:

1. Mr. Aditya Ranjan Singh, Managing Director

He was appointed as the Managing Director of our Company w.e.f April 01, 2011 for a period of 5(five) years, in the Extra Ordinary General Meeting of the member of our Company held on March 24, 2011 on following terms of remuneration:

Consolidated Salary & Commission	₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand) per month
Perquisites	Gratuity: Gratuity payable as per applicable laws.
Amount of compensation paid during the financial year ended 2011	₹ 30,00,000/- (Rupees Thirty lacs)
Benefits in kind granted during the financial year ended 2011	Nil
Contingent or deferred compensation accrued for the financial year ended 2011	Nil

2. Mr. Akhilesh Ranjan Singh, Whole - Time Director

He was appointed as the Whole – Time Director of our Company w.e.f April 01, 2011 for a period of 5(five) years, in the Extra Ordinary General Meeting of the member of our Company held on March 24, 2011 on following terms of remuneration:

Consolidated Salary & Commission	₹ 1,50,000/- (Rupees One lacs fifty thousand) per month
Perquisites	Gratuity: Gratuity payable as per applicable laws.
Amount of compensation paid during the financial year ended 2011	₹ 12,00,000/- (Rupees Twelve lacs)
Benefits in kind granted during the financial year ended 2011	Nil
Contingent or deferred compensation accrued for the financial year ended 2011	Nil

3. Mr. Shankar Kumar Thakur, Whole - Time Director

He was appointed as the Whole – Time Director of our Company w.e.f March 30, 2011 for a period of 2(two) years, in the Extra Ordinary General Meeting of the member of our Company held on March 30, 2011 on following terms of remuneration:

Consolidated Salary & Commission	₹ 1,00,000/- (Rupees One lacs) per month
Perquisites	Gratuity: Gratuity payable as per applicable laws.
Amount of compensation paid during the financial year ended 2011	Nil
Benefits in kind granted during the financial year ended 2011	Nil
Contingent or deferred compensation accrued for the financial year ended 2011	Nil

No portion of the compensation as mentioned above for Managing Director and Whole time Directors was paid pursuant to a bonus or profit sharing Plan.

SITTING FEE

The Articles of Association of our Company provides for payment of fees to all its Directors for attending the meeting of the Board or Committee thereof, up to such amount not exceeding ₹5000/- (₹ Five Thousand). However as on date our Company is not paying any sitting fee to any of its Director for attending any meeting of Board or its Committee thereof.

Compensation paid and benefits in kind granted to Directors during the financial year 2010-11

Following is the detail of compensation paid and benefits in kind granted to the Board of Directors of the Company during the financial year 2010-11.

Particulars	(₹ in lakhs)				
	Salary	Sitting Fees	P.F.	Others	Total
Mr. Kamta Prasad Roy	-	-	-	-	-
Mr. Aditya Ranjan Singh	30.00	-	-	-	30.00
Mr. Akhilesh Ranjan Singh	12.00	-	-	-	12.00
Mr. Shankar Kumar Thakur	-	-	-	-	-
Mr. Vinay Kumar Singh	-	-	-	-	-
Mr. Prabhu Dayal Didwania	-	-	-	-	-

INTEREST OF DIRECTORS

All the Directors of our Company may be deemed to be interested to the extent of remuneration and/or reimbursement of expenses payable to them as per the applicable laws, and the Articles of Association and to the extent of fees, if any, payable to them for attending meetings of the Board or Committee thereof.

The Directors may also be regarded as interested in the Equity Shares and dividend payable thereon, if any, held by or that may be subscribed by and allotted/transferred to them or the companies, firms and trust, in which they are interested as Directors, Members, partners and/or trustees. All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships.

The Managing Director and Executive Directors of our Company are interested to the extent of remuneration paid to them for services rendered as officer or employee of our Company. Further, the Directors are also interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Draft Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

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

CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

Sr. No.	Name	Nature of Change	Date of Change	Reasons for Change
1	Mr. Jay Pratap Narayn Singh	Resignation	12.02.2010	Resignation from the Directorship of the Company
2	Mr. Jay Pratap Narayn Singh	Appointment	26.02.2010	To broad base the Board
3	Mr. Jay Pratap Narayn Singh	Resignation	31.03.2010	Resignation from the Directorship of the Company
4	Mr. Kamta Prasad Roy	Appointment	01.09.2010	To broad base the Board
5	Mr. Anil Kumar Gupta	Appointment	18.01.2011	To broad base the Board
6	Mr. Anil Kumar Gupta	Resignation	10.03.2011	Resignation from the Directorship of the Company
7	Mr. Manoj Kumar Singh	Resignation	25.03.2011	Resignation from the Directorship of the Company
8	Mr. Shankar Kumar Thakur	Appointment	30.03.2011	To broad base the Board
9	Mr. Anil Kumar	Resignation	31.03.2011	Resignation from the Directorship of the Company
10	Mr. Upendra Singh	Resignation	24.05.2011	Resignation from the Directorship of the Company
11	Mr. Prabhu Dayal Didwania	Appointment	24.05.2011	To broad base the Board

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

Our Company has taken necessary steps to implement the provisions of the Corporate Governance in the spirit of listing of its equity shares on the Stock Exchange. Our Company has complied with the requirements of Corporate Governance contained in the Equity Listing Agreement, particularly those relating to composition of Board of Directors and constitution of Committees. Our Company has already constituted the following committees:

- a. Audit Committee
- b. Remuneration Committee
- c. Shareholders / Investors Grievance Committee

CORPORATE GOVERNANCE

The provisions of the Listing Agreement to be entered into with BSE with respect to corporate governance and the SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the Stock Exchanges and our Company shall comply with the same. Our Company undertakes to adopt the Corporate Governance Code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges on listing (Clause 49). The requirements pertaining to broad basing of the Board of Directors and the constitution of the committees such as the Audit Committee, Shareholder/ Investor Grievance Committee have already been complied with. The Board of Directors consists of 6 directors of which 3 are independent directors (as defined under Clause 49), which constitutes 50% of the Board of Directors. This is in compliance with the requirements of Clause 49. In terms of the Clause 49, our Company has already appointed Independent Directors and constituted the following committees:

1. Audit Committee

Our Company had formed the Audit Committee vide Resolution of the Board of Director dated 07.06.2011. The constituted Audit Committee comprises following members and the committee shall meet at least 4 times a year:

Name of the Director	Status in Committee	Nature of Directorship
Mr. K P Roy	Chairman	Independent Director
Mr. Prabhu Dayal Didwania	Member	Independent Director
Mr. Shankar Kumar Thakur	Member	Whole Time Director

Mr. K P Roy, an independent director shall act as a Chairman of the committee.

The Company Secretary of our Company shall act as a Secretary to the Audit Committee.

The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts.

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

A. Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee:

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two members at each meeting. Meeting of the Audit Committee shall be called by at least seven day's notice in advance.

C. Role and Powers

The Role of Audit Committee together with its powers shall be as under:

- a. Reviewing with the management, the annual Audited Financial Statements before submissions to the Board for approval, focusing primarily on:-
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.

- Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by Management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the Audited Financial Statements, as restated, arising out of audit findings.
 - the going concern assumption.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
- b. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
 - c. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, the fixation of audit fees and approval of payment for any other services rendered by them.
 - d. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 - e. 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, frequency of internal audit.
 - f. Discussions with internal auditors any significant findings and follow up thereon.
 - g. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - h. Discussions 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.
 - i. Reviewing, with the management, the quarterly, half-yearly and annual Audited Financial Statements before submissions to the Board for approval.
 - j. Reviewing, with the management, the statement of uses/ application of funds raised through an issue, the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, the report submitted by the monitoring agency, and making appropriate recommendations to the Board to take up steps in this matter.
 - k. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividend) and creditors.
 - l. The Audit Committee shall mandatorily review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of significant related party transactions (as defined by the audit committee), Submitted by management;
 - iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - iv. Internal audit reports relating to internal control weaknesses; and
 - v. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee
 - m. It shall have authority to investigate into any matter specified under section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of our Company and external professional advice, if necessary.
 - n. It shall have authority to invite such of the executives, as it considers appropriate to be present at the meetings of the Committee. The Finance Manager, head of internal audit and statutory auditor shall be the permanent invitees for the meetings of the audit committee.
 - o. Reviewing our Company's financial and risk management policies.
 - p. It shall ensure compliance of internal control systems.
 - q. The recommendation of the Audit Committee shall be placed before the Board. However, where such recommendations are not accepted by the Board, the reasons for the same shall be recorded in the minutes of the Board meeting or communicated to the shareholders.
 - r. It shall have power to seek information from any employee, obtain outside legal or other professional advice. It can also secure attendance of outsiders with relevant expertise, if it considers necessary.

- s. Approval of appointment of Finance Manager or any other person heading the finance function after assessing the qualifications, experience and background etc. of the candidate.
- t. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.

2. Remuneration Committee

Our Company had formed the Remuneration Committee vide Resolution of the Board of Directors dated 31.12.2009 and the committee was re-constituted on 07.06.2011. The re-constituted Remuneration Committee comprises following Chairman and the members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. K P Roy	Chairman	Independent Director
Mr. Prabhu Dayal Didwania	Member	Independent Director
Mr. Vinay kumar Singh	Member	Independent Director

Mr. K P Roy, an independent director shall act as a Chairman of the committee.

Role and functions of Remuneration Committee:

A. Tenure:

The Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings:

The committee shall meet as and when the need arise for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Remuneration Committee shall be called by at least seven day's notice in advance.

C. Terms of Reference:

The terms of reference of the Remuneration Committee shall be as under:

- a) Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- b) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- c) Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- d) Decide the amount of Commission payable to the Whole-time Directors.
- e) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- f) To formulate and administer the Employee Stock Option Scheme.

3. Shareholders' / Investors Grievance Committee

Our Company had formed the Shareholders / Investors Grievance Committee vide Resolution of the Board of Director dated 07.06.2011. The constituted Shareholders / Investors Grievance Committee comprises following the Chairman and members:

Shareholders /Investors Grievance Committee

Name of the Director	Status in Committee	Nature of Directorship
Mr. Vinay kumar Singh	Chairman	Independent Director
Mr. Prabhu Dayal Didwania	Member	Independent Director
Mr. K P Roy	Member	Independent Director

Mr. Vinay Kumar Singh, an independent director shall act as a Chairman of the committee.

Role and Responsibilities of Shareholders /Investors Grievance Committee

A. Tenure:

The Shareholders/ Investor Grievance Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings:

The committee shall meet at least two times a year. However, it may meet as and when the need arise for review of Shareholders / Investors Grievances. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

C. Terms of Reference:

The terms of reference of the Shareholders / Investors Grievance Committee shall be as under:

1. Review and approve transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized.
2. Review the process and mechanism of redressal of Shareholders /Investors grievance and suggest measures of improving the system of redressal of Shareholders /Investors grievances.
3. Review and resolve the investors complaints about transfer of shares, non-receipt of share certificate(s), non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
4. Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
5. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 1992 as amended from time to time.
6. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting,

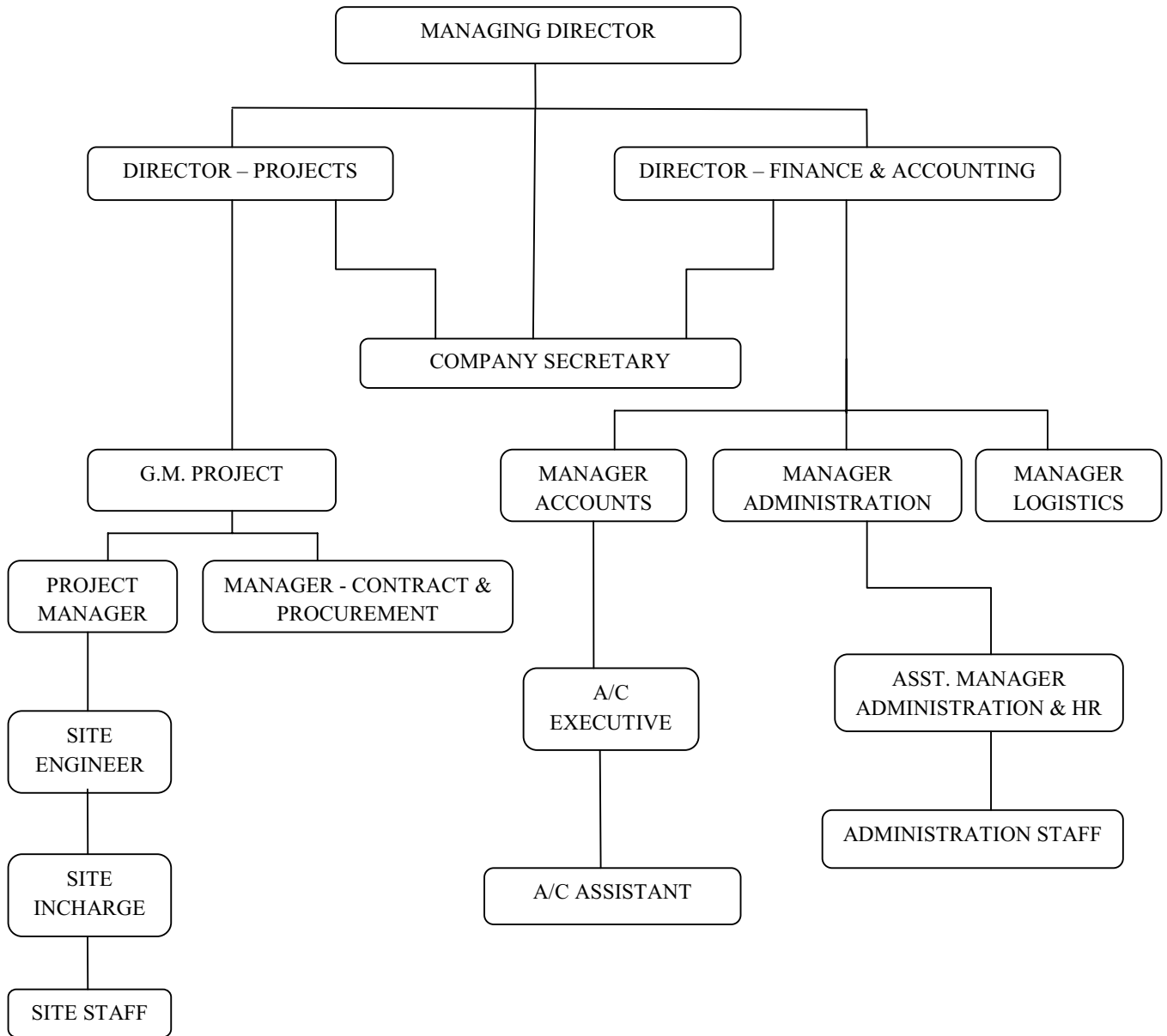
Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

The provisions of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchanges. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 1992 on listing of Equity Shares on stock exchanges. Further, Board of Directors have approved and adopted the policy on insider trading in view of the proposed public issue.

Ms. Monika Srivastava, Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

Our Organisation Chart

The following chart depicts our Management Organization Structure:



Key Managerial Personnel

Our Company is supported by a well-laid team of experts and professionals having good exposure to various operational aspects of our line of business. A brief about the key managerial personnel of our Company is given below:

Name, Designation, Qualification	Age (Years)	Date of joining	Compensation paid for the F.Y ended 2011.	Overall experience (in years)	Previous employment
Mr. Jay Amar Designation: General Manager (Projects) Educational Qualification: Diploma in Civil Engineering.	44 years	April 01, 2010	₹ 600,000	20 (Twenty)	M/s Jay Bee Drilling Pvt. Ltd.
Mr. Subhash Chandra Designation: General Manager (Projects) Educational Qualification: B.E. (Civil)	40 years	January 01, 2009	₹ 600,000	11 (Eleven)	M/s Germanischer Lloyd.
Mr. D Rama Rao Designation: Project Manager Educational Qualification: M. Tech (Pipeline Engineering), B.E (Mechanical)	27 years	April 07, 2011	-	2 (Two)	M/s Shayar Constructions Co.
Ms. Monika Srivastava Designation: Company Secretary & Compliance Officer Educational Qualification: A.C.S, M.A (Economics)	29 years	May 01, 2011	-	3 (Three)	M/s. Shamken Cotsyn Limited.
Mrs. Kashmiri Nath Designation: Manager (HR and Admin) Educational Qualification: B.Sc. (Zoology)	36 years	May 14, 2010	₹ 222,194	10 (Ten)	M/s Golden Tips Tea Co. (P) Ltd.
Mr. Ajay Kumar Choubey Designation: Manager (Contracts and Procurement) Educational Qualification: M.A. (Psychology)	41 years	June 04, 2007	₹ 216,000	9 (Nine)	Mideast Pipelines Products

We confirm that:

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of the above mentioned Key Managerial Personnel are related to each other.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2011.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus.
- h. Presently, we do not have ESOP/ESPS scheme for our employees

BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

Mr. Jay Amar, General Manager (Projects)

Mr. Jay Amar, aged 44 years, is serving our Company in the capacity of General Manager (Project) since April 01, 2010. He holds a Diploma in Civil Engineering from Maharaja Sayajirao University of Baroda. He has an overall experience of 20 years in the field of upstream and downstream Oil & Gas projects. Before joining our company he was working with M/s JayBee Drilling Pvt. Ltd. His gross compensation during the financial year ended March 31, 2011 was ₹ 600,000.

Mr. Subhash Chandra, General Manager (Projects)

Mr. Subhash Chandra, aged 40 years, is serving our Company in the capacity of General Manager (Project) since January 01, 2009. He holds a degree of Bachelor of Engineering (Civil) from North Maharashtra University. Before joining our company he was working with M/s Germanischer Lloyd. He has an overall experience of 11 years. His gross compensation during the financial year 2010-11 was ₹ 600,000.

Mr. D. Rama Rao, Projects Manager

Mr. D. Rama Rao, aged 27 years, is a Master of Technology in Pipeline Engineering from the University of Petroleum & Studies and holds a degree of Bachelor of Engineering (Mechanical) from Anna University. He has an experience of 2 years. He joined our company on April 07, 2011. Prior to joining our Company he was working with M/s Shayar Constructions Co.

Ms. Monika Srivastava, Company secretary/Compliance officer

Ms. Monika Srivastava, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She joined our Company on May 01, 2011. She is an associate member of the Institute of Company Secretaries of India. She has an expert knowledge in the secretarial and legal areas. Prior to joining our Company she was working with M/s Shamken Cotsyn Limited.

Mrs. Kashmiri Nath, Manager (HR & Admin)

Mrs. Kashmiri Nath, aged 36 years, is serving our Company in the capacity of Manager (HR & Admin). She holds a degree of Bachelor in Science (Zoology) from Guwahati University. She has an overall experience of 10 years. She joined our company on May 14, 2010 and prior to that, she was working for M/s Golden Tips Tea Co. (P) Ltd. For the financial year ended March 31, 2011, her gross compensation was ₹222,194.

Mr. Ajay Kumar Choubey- Manager (Contracts & Procurement)

Mr. Ajay Kumar Choubey, aged 41 years, holds a degree of Master of Arts (Psychology) from Magadh University. Currently he is serving our Company in the capacity of Manager (Contracts & Procurement). He joined our Company on June 4, 2007. He has an overall experience of 9 years. His gross compensation during the financial year 2010-11 was ₹ 216,000.

Changes in the key managerial personnel in last three years

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

Name	Designation	Date of Appointment/ Cessation	Reasons
Mrs. Maneesha Singh	Sr. Manager (HR & Admin)	June 30, 2011	Resignation
Mrs. Rekha Singh	Sr. Manager (HR & Admin)	April 01, 2010 / June 25, 2011	Appointment / Resignation
Mr. Ajay Kumar Choubey	Manager (Contracts & Procurement)	June 04, 2007	Appointment
Mr. Subhas Chandra	General Manager (Projects)	January 01, 2009	Appointment
Mr. Jay Amar	General Manager (Projects)	April 01, 2010	Appointment
Mrs. Kashmiri Nath	Manager (HR and Admin)	May 14, 2010	Appointment
Mr. D. Ramarao	Project Manager	April 07, 2011	Appointment
Mr. Deepak A Londhe	General manager (Projects)	February 07, 2011 / May 09, 2011	Appointment / Resignation
Ms. Monika Srivastava	Company Secretary & Compliance Officer	May 01, 2011	Appointment

Interest of Key Managerial Personnel in Our Company


The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.


Except as stated otherwise in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

Other benefits to our Key Managerial Personnel

Except as stated in this Draft Prospectus there are no other benefits payable to our Key Managerial Personnel

4.6 - OUR PROMOTERS

	Mr. Aditya Ranjan Singh - Managing Director	
	Qualification	Bachelor of Arts from Banaras Hindu University
	Age	39 Years
	Address	V-5 B, First Floor, Green Park Extension, New Delhi - 110016, India
	Experience	12 years
	Occupation	Business
	Permanent Account Number	AYQPS7126M
	Passport Number	J4934966
	Name of Bank & Bank Account Details	Punjab National Bank, 22 Sardar Patel Nagar, Chanakyapuri, Delhi Bank Account No: 1736000100093518
	Driving License Number	Not Available
	Voter Identification Card Number	YR10056002
	Other Interests	<u>Directorships in other companies</u> 1. Global Gascon and Minerals Limited 2. E Positive Entertainment Private Limited

	Mr. Akhilesh Ranjan Singh - Whole-Time Director	
	Qualification	Diploma in Civil Engineering from Madhya Pradesh Board of Technical Education.
	Age	41 Years
	Address	Siddharth Apartment, Flat No 13, Shastri Nagar, Sigra Varanasi - 221002, Uttar Pradesh, India
	Experience	17 years
	Occupation	Business
	Permanent Account Number	AUJPS5905P
	Passport Number	F4918197
	Name of Bank & Bank Account Details	HDFC Bank, S-4, Green Park Extn., New Delhi- 110016 Bank Account No: 13451050004004
	Driving License Number	20568/91/ Varanasi
	Voter Identification Card Number	Nil
	Other Interests	<u>Directorships in other companies</u> 1) Global Gascon and Minerals Ltd.

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of all the above Promoters have been submitted to Bombay Stock Exchange Limited at the time of filing of this Draft Prospectus with them

Common Pursuits

Our Promoters have promoted our Promoter Group / Group Company, Global Gascon & Minerals Limited which are engaged in the line of business similar to our Company. As on the date of this Draft Prospectus, Global Gascon & Minerals Limited is engaged in fabrication, civil & other contractual works for private parties. Further there are no non-compete agreements between our Company and the above company. We cannot assure that our Promoters will not favor the interests of the said Company over our interest or that the said company will not expand their

businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For details of our Promoter Group and Group Company refer to Section titled “*Our Promoter Group and Group Companies / Entities*” on page 126 of the Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest of Promoters

Our Promoters viz. Mr. Aditya Ranjan Singh and Mr. Akhilesh Ranjan Singh are interested to the extent of their shareholding in our Company. Further, Mr. Aditya Ranjan Singh - Managing Director and Mr. Akhilesh Ranjan Singh – Whole – Time Director are also the Executive Directors of our Company may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them.

Interest in the property of our Company

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Prospectus with RoC.

Related Party Transactions

For the transactions with our Promoter Group entities, please refer to section titled “**Related Party Transactions**” on Page No. 160 of this Draft Prospectus.

Except as stated in “**Related Party Transactions**” beginning on Page No. 160 of the Draft Prospectus, and as stated therein, our Promoters or any of the Promoter Group Entities do not have any other interest in our business.

Payment or Benefit to Promoters of Our Company

For details of payments or benefits paid to our Promoters, please refer to the paragraph “Compensation of our Managing Director / Whole - time Directors” in the chapter titled “*Our Management*” on Page No. 110. Also refer Annexure-XI on “**Related Party Transactions**” on Page No. 160 forming part of “*Financial Information of the Company*” and Paragraph on “**Interest of Promoters**” on Page No. 125 of this Draft Prospectus.

Other ventures of our Promoters

Save and except as disclosed in the section titled “*Our Promoters*” and “*Our Promoter Group and Group Companies / Entities*” beginning on page 124 & 126 respectively of this Draft Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

Litigation details pertaining to our Promoters

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 183 of this Draft Prospectus.

4.7 - OUR PROMOTER GROUP AND GROUP COMPANIES / ENTITIES

a. In addition to the Promoters named above, the following natural persons are part of our Promoter Group in terms of Regulation 2(1)(zb) of SEBI ICDR Regulations:

Relationship	Mr. Aditya Ranjan Singh	Mr. Akhilesh Ranjan Singh
Father	Mr. Kameshwar Prasad Singh	Mr. Kameshwar Prasad Singh
Mother	Mrs. Sarawati Devi	Mrs. Sarawati Devi
Spouse	Mrs. Manisha Singh	Mrs. Rekha Singh
Brother	Mr. Amrit Ranjan Singh Mr. Anand Ranjan Singh Mr. Akhilesh Ranjan Singh	Mr. Amrit Ranjan Singh Mr. Anand Ranjan Singh Mr. Aditya Ranjan Singh
Sister	Mrs. Annu Baby Singh Mrs. Sarita Singh Mrs. Chandan Singh	Mrs. Annu Baby Singh Mrs. Sarita Singh Mrs. Chandan Singh
Sister Spouse's	Mr. Ajay Kumar Singh Mr. Ashok Kumar Singh Mr. Harsh Kumar Singh	Mr. Ajay Kumar Singh Mr. Ashok Kumar Singh Mr. Harsh Kumar Singh
Children	Mr. Suryansh Singh	Mr. Ratnesh Singh Ms. Pritisha Singh
Spouse's Father	Mr. Jitendra Narayan Singh	Mr. Kunj Bihari Singh
Spouse's Mother	Mrs. Kamleswari Singh	-
Spouse's Brother	Mr. Mahindra Singh	Mr. Jaikishan Singh Mr. Harikishan Singh
Spouse's Sister	-	-

b. Our Promoter Group as defined under Regulation 2 (zb) of the SEBI (ICDR) Regulations, 2009 includes following entities:

- i. Global Gascon and Minerals Limited
- ii. UEL – RVCPL JV (Association of Person)

c. OUR GROUP COMPANIES

1. Global Gascon and Minerals Limited

Main objects :	<ol style="list-style-type: none"> 1. To engage in all aspect and dimensions of gas pipe lying, fixing, regulation and to maintain, manage, lease, hire or otherwise deal in all kinds of civil, engineering, structural and works as well as activities for holding, receiving, compressing, exploring, purifying, supplying or otherwise dealing with gas, other gaseous material, gas pipe lines and conveyors. 2. To acquire and provide technical know – how and render consultancy or other services in respect of gas pipe lying, fixing, regulating and to maintain, manage, as well as activities for holding, transporting, receiving, compressing, exploring, purifying, supply or otherwise dealing with gas, other dealing with gas, other gaseous material, gas pipe lines and conveyors. 3. To Service, repair, trade, produce, market, lease, act as agent and consultant for, and otherwise deal in all manner in plants, machineries, spares, cylinders, containers, gadgets, appliances, accessories, meters, pipe fittings, apparatus and all other kinds and type of goods required for carrying on all kinds, aspects as well as dimensions of business with respect of gas, other gaseous material, gas pipelines and conveyors.
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	4. To perform Import, export or otherwise dealing in ferrous and Non – ferrous metal scrap, Mineral ores and Chemical Products.		
Date of Incorporation	February 02, 2006		
CIN	U11201DL2006PLC145750		
PAN Card no.	AACCG5210B		
Registered Office Address	607, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India.		
Promoters	Mr. Aditya Ranjan Singh, Mr. Anil Kumar, Mrs. Nirmala Singh, Mr. Shrikant, Mr. Jay Pratap Narayan Singh, Mr. Ashok Kumar Singh and Mr. Akhilesh Ranjan Singh		
Board of Directors	Mr. Aditya Ranjan Singh, Mr. Jaypratap Narayan Singh and Mr. Akhilesh Ranjan Singh		
	<i>(₹ in Lakhs, except per share data)</i>		
Audited Financial Information	For The Year Ended		
	31st March, 2011	31st March, 2010	31st March, 2009
Sales / Job Work	186.71	34.31	0.00
Profit after Tax / (Loss)	8.09	0.76	(0.32)
Equity Capital	7.00	7.00	7.00
Reserve & Surplus (excluding Revaluation Reserve)	7.51	(0.58)	(1.33)
Earning Per Share (EPS) (₹)			
Earning Per Share (Basic / Diluted) of face value of ₹ 100 each	115.57	10.79	(4.56)
Net Asset Value per share of face value of ₹ 100 each	207.30	91.73	75.08

Shareholding Pattern:

The shareholding pattern of Global Gascon and Minerals Limited as on the date of the Draft Prospectus is as follows:

Name of the Equity Shareholder	No. of Equity Shares held	%age of Shareholding
Aditya Ranjan Singh	1000.00	14.29%
Anil Kumar	1000.00	14.29%
Nirmala Singh	1000.00	14.29%
Shrikant	1000.00	14.29%
Jay Pratap Narayan Singh	1000.00	14.29%
Ashok Kumar Singh	1000.00	14.29%
Akhilesh Ranjan Singh	1000.00	14.29%
Total	7000.00	100.00%

Nature and extent of interest of our Promoters

Name	Number of Shares held in Global Gascon and Minerals Limited	%age of Shareholding
Aditya Ranjan Singh	1000.00	14.29%
Akhilesh Ranjan Singh	1000.00	14.29%

The Promoters of our Company are interested to the extent of the shareholding in Global Gascon and Minerals Limited.

2. UEL – RVCPL JV, (Association of Persons)

The UEL – RVCPL JV comprises of Universal Energies Limited and Reddy Veeranna Constructions Pvt. Ltd. The UEL – RVCPL JV was formed vide agreement dated August 17, 2010 for the contract works of under tender(s) issued by Railways for “Lohta - Bhadohi Section: Earthwork in embankment in filling & cutting, supply and providing blanketing material on embankment, including compaction by vibratory roller, extension of existing minor bridges and other allied works between Lohta and Bhadohi Railway stations i.e. between km 777.940 to 817.100 in connection with doubling of Lohta – Bhadohi section of Lucknow division”. The said Joint Venture is valid till the completion of contract.

Capital sharing ratios:

The investment required for the work under this joint venture shall be brought in by the parties as agreed between them from time to time as per the Joint Venture agreement.

Profit and Loss sharing ratios:

The share in profit/loss of the said JV shall be as under:

Entities	Profit / Loss %
Universal Energies Ltd.	51%
Reddy Veeranna Construction Pvt. Ltd.	49%

Abstract of financials of the JV firm for the year ended 31.03.2011 is as under.

Particulars	(₹ In lacs)	
	Amount	
Capital account – Universal Energies Ltd.	53.39	
Current Assets	54.21	
Indirect Income (Interest on Bank FD)	1.23	
Indirect Expenses	0.41	
Net Profit	0.82	

Till 31.03.2011, there has been no activity in the above Joint Venture firm.

Declarations

None of the above mentioned Group Company / entities is restrained by any SEBI Order. None of the Group Companies / entities has ever become defunct.

None of the above mentioned Group Company / entities are listed at any Stock Exchange and have not made any public issue or right issue in the preceding three years.

None of the Group Company / entities has become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and nor under winding up or liquidation.

None of the Promoter Group Companies have been struck off from Registrar of Companies

Litigations

For details on litigations and disputes pending against the Group Company, if any, please refer to the section titled “*Outstanding Litigations and Material Developments*” on page 183 of the Draft Prospectus.

Companies / Ventures with which the Promoter have disassociated themselves in the last three years

The name of the following Group Company / Venture with which our Promoter has disassociated during the last 3 years is:

Name	Reason
Global Alliance (Partnership Firm)	No ongoing Business activities of the firm

Global Alliance was a partnership firm formed in October 04, 2004 and the same was dissolved on w.e.f. 31.03.2011.

Undertaking / confirmations

Our Promoters and Group Company /entities confirm that they have not been declared as a wilful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group or Group Companies or persons in control of the Promoters has been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

Common Pursuits/Conflict of Interest

One of our Group Company viz. Global Gascon & Minerals Limited has principle business similar to our line of business. To this extent there may be a potential conflict of interest in the Group Companies. Except for this there are no common pursuits amongst the Group Companies.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

For details relating to sales or purchases between our Company and any of our Group entities exceeding 10% of the sales or purchases of our Company see the chapter titled “*Financial Statements - Related Party Disclosures*” on page 160 of the Draft Prospectus.

4.8 - DIVIDEND POLICY

Dividends other than interim dividends will be declared at the Annual General Meeting of shareholders based on the recommendations of the Board of Directors. The Articles of Association provide that the dividend declared by the shareholders at the Annual General Meeting shall not exceed the amount recommended by the Board of Directors. The Board may, at its discretion, recommend dividends to be paid to the Company's shareholders.

Generally, the factors that may be considered by the Board of Directors before making any recommendations for Dividends include, but not limited to, Company's future expansion plans and capital requirements, profits earned during the financial year, cost of raising funds, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of the Company in time. Our Company was incorporated on 4th July 2007.

Dividend at the rate of 20 paisa per share has been declared and paid for the Financial Year 2010-2011 at the Annual General Meeting held on 19th September 2011. The Company believes in paying dividend to the investors. However, any future declaration of dividends is subject to the availability of profits and other financial and economic considerations.

SECTION V – FINANCIAL INFORMATION OF THE COMPANY

5.1 – FINANCIAL STATEMENTS OF THE COMPANY

AUDITOR’S REPORT ON RESTATED FINANCIAL STATEMENTS

To,

The Board of Directors,

Universal Energies Limited,

607 -609, Somdutta Chamber II

Bhikaji Cama Place

New Delhi - 110066

Dear Sir,

We have examined the restated financial accounts of M/s. Universal Energies Limited (Formerly known as “Unitech” a partnership firm), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the Act);
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the Regulation) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- iii) The instructions received from the Company, requesting to examine the financial information referred to above and proposed to be included in the Draft Offer Document / Offer Document of the Company in connection with its proposed initial public offer of equity shares.

Financial Information of the Company:

- 1 We have examined the attached Restated Statement of Assets and Liabilities of the Company (Including Partnership Firm, for the relevant period) as at March 31, 2007, 2008, 2009, 2010 and 2011 (**Annexure-I**) and the accompanying Restated Statement of Profit and Losses of the Company (Including Partnership Firm for 01/04/2006 to 31/03/2007 & 01/04/2007 to 03/06/2007) for the period(s) ended March 31, 2007, 2008, 2009, 2010 and 2011 (**Annexure-II**) and the significant accounting policies and notes to accounts (**Annexure-VI**) together referred to as ‘Summary Statements’ as prepared by the Company and approved by the Board of Directors. These statements reflect the assets and liabilities and profit and losses for each of the relevant periods as extracted from the Financial Statements audited by us, after making therein the disclosures and adjustments (**Clause 21 of Annexure VI – Notes to Accounts**) required to be made in accordance with the provisions of Schedule VIII Part A (IX) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
2. Based on the examination of these Summary Statements, we confirm that the restated profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate.
3. The Company paid dividend on equity shares as follows:

Year ended on	Rate of Dividend
31 st March 2007	Nil
31 st March 2008	Nil

Year ended on	Rate of Dividend
31 st March 2009	Nil
31 st March 2010	Nil
31 st March 2011	2%

4. We have examined the following regrouped/ rearranged financial information relating to the Company, proposed to be included in the Draft Offer Document / Offer Document, as approved by the Board of Directors of the Company and attached to this report:
- i) Statement of adjusted cash flow (**Annexure-III**)
 - ii) Statement of secured loans taken by the Company (**Annexure-IV**);
 - iii) Statement of unsecured loans taken by the Company (**Annexure-V**);
 - iv) Statement of principal terms and conditions of secured loans and assets charged as security (**Annexure-VI(A)**);
 - v) Statement of unsecured loans taken from Directors/Promoters/Promoter-group (**Annexure-VI(B)**)
 - vi) Statement of current assets, loans and advances (**Annexure-VII**);
 - vii) Statement of other income (**Annexure-VIII**);
 - viii) Statement of current liability & provisions (**Annexure-IX**);
 - ix) Statement of Investments (**Annexure-X**)
 - x) Related party's disclosures under Accounting Standard-18 (**Annexure-XI**);
 - xi) Statement of Share capital, reserves and surplus (**Annexure-XII**)
 - xii) Statement of Capitalization as at March 31, 2011 (pre-issue) and as adjusted for this issue (post issue) subject to reliance being placed on management representation in respect of post issue figures contained in the Statement of Capitalization (**Annexure-XIII**);
 - xiii) Summary of accounting ratios based on adjusted profits/losses, relating to earnings per share, net assets value per share and return on net worth (**Annexure-XIV**);
 - xiv) Statement of Deferred tax asset/liabilities (**Annexure-XV**);
 - xv) Statement of Tax Shelter (**Annexure-XVI**)
5. This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed 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: D.S. Sinha & Company
Chartered Accountants

(CA Sanjeev Kumar)
 Membership No. 077871
 FRN No: 005515C
Partner
 Date: September 20, 2011
 Place: New Delhi

ANNEXURE-I

AUDITED SUMMARY STATEMENT OF ASSETS AND LIABILITIES (AS RESTATED)

(₹ In Lacs)

	Particulars	As at				
		31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A	Fixed Assets:					
	Gross Block	817.35	573.63	551.18	256.21	55.49
	Less: Depreciation	158.89	121.34	69.85	23.17	9.54
	Net Block	658.46	452.29	481.33	233.05	45.95
	Capital Work in Progress	400.48	200.00	-	-	-
	Total	A 1,058.93	652.29	481.33	233.05	45.95
B	Investments:	B 53.39	-	-	-	-
C	Current Assets, Loans & Advances:					
	Inventories	1,462.33	491.61	196.79	292.65	229.83
	Sundry Debtors	1,922.89	1,093.77	806.75	356.21	374.32
	Cash & Bank Balances	748.44	280.53	208.60	129.64	97.99
	Other Current assets, Loans & Advances	170.36	163.57	132.60	181.60	96.38
	Total	C 4,304.01	2,029.47	1,344.74	960.09	798.52
D	Deferred Tax Assets / (Liability)	D (12.03)	(5.37)	(5.60)	(4.14)	-
	Total Assets (I=A+B+C+D)	5,404.31	2,676.39	1,820.47	1,188.99	844.47
E	Loan Funds					
	Secured Loans	2,009.97	748.01	636.16	212.52	100.41
	Unsecured Loans	457.75	291.74	367.16	258.49	89.66
	Total Loan Funds	E 2,467.73	1,039.75	1,003.32	471.01	190.07
F	Current Liabilities & Provisions					
	Current Liabilities	758.59	574.41	384.28	472.28	506.83
	Provisions	185.57	65.07	9.42	4.77	2.06
	Total Current Liabilities & Provisions	F 944.17	639.48	393.70	477.05	508.89
G	Share Application Money	G -	38.00	-	101.36	-
	Total Liabilities (II=E+F+G)	3,411.89	1,717.23	1,397.02	1,049.42	698.96
H	Net Worth (I- II):	1,992.42	959.16	423.45	139.57	145.51
I	Net Worth Represented by:					
	Share Capital	1,466.30	130.30	120.00	100.00	145.51
	Reserves & Surplus	526.54	829.70	304.71	41.25	-
	Less: Miscellaneous Expenses not w/off	0.42	0.84	1.26	1.68	-
	Net Worth	1,992.42	959.16	423.45	139.57	145.51

Note:

- The above statement should be read with the significant accounting policies and notes to the restated summary statement of assets and liabilities, profit and loss account and cash flows statement as appearing in Annexure III.
- The status of the company upto 03rd June 2007 was partnership, accordingly share capital disclosed for the year ending 31st March 2007 represents total of balance in Partner's Capital Account as on that date.
- Up to F.Y. 2006-07 & 1/4/2007 to 03/06/2007, the company's status was that of a partnership firm under the name and style of "Unitech" and in the books of the our erstwhile partnership firm, depreciation was charged following the WDV method at the rates as per Income Tax Rules, 1962 as there was no other option available to the partnership firm in this regard. However, during the F.Y. 2007-08, when our partnership firm was converted into a corporate entity under Part IX of the Companies Act, 1956, our company had two options for charging depreciation viz. (i) on the basis of Straight Line Method and (ii) on WDV Method and under both the methods, rates for charging depreciation are varied as provided under the Companies Act, 1956 itself. The Company

opted for the WDV method as per the Companies Act, 1956 (the method which was used by the erstwhile partnership firm) and the same WDV method is continued till today in the books of accounts of the Company. Thus, there was no change in the method of charging the depreciation and hence, no further accounting treatment was made in the books of accounts and consequently in the Auditors Report given on the Financial Statements as Re-stated. However, after incorporation of the Company, it has continued charging depreciation under WDV method, at the rates applicable as per Companies Act, 1956. It has resulted in the change of depreciation rates only under WDV Method and in compliance with AS - 6, the balance unamortized value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

Except the change in the rate of depreciation as stated aforesaid there is no change in the policy of the concern post conversion into the company with regard to charging of depreciation and consequently, no inconsistent policy was followed in this respect. Therefore, in view of above, there is no deviation to the provisions of AS-6 as well as Provisions of SEBI (ICDR) Regulations 2009 which requires re-computation of the financial statement due to incorrect accounting policy.

4. The financials of the erstwhile firm M/s Unitech, which was converted into a public limited Company on June 04, 2007 under Part IX of the Companies Act, 1956 have been restated in accordance with the provisions of Schedule VI of the Companies Act, 1956 after complying the accounting standards of the Institute of Chartered Accountants of India and provide a true and fair view of the firm's accounts merged with the F.Y. 2007-08."

ANNEXURE-II
AUDITED STATEMENT OF PROFITS AND LOSS ACCOUNT (AS RESTATED)

(₹ In lacs)

Particulars	Year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
INCOMES:					
Income from contractual works	8,517.00	3,200.56	2,646.23	2,132.63	1,525.18
Sales for contractual works	219.05	1,874.99	795.68	436.52	710.61
Other Income	39.95	9.91	7.76	3.13	7.50
Increase / (Decrease) in Inventories	970.72	294.83	(95.86)	62.82	31.78
TOTAL INCOME	9,746.71	5,380.28	3,353.81	2,635.10	2,275.07
EXPENDITURES:					
Purchases	2,860.13	2,881.12	1,123.83	760.13	1,187.03
Direct Expenses	4,934.51	1,565.51	1,589.82	1,387.64	733.80
Payments to & Provision for Employees	140.73	85.57	63.37	48.71	71.77
Administrative Expenses	554.69	226.87	251.74	207.20	139.89
Selling & Distribution Expenses	14.50	0.85	1.01	5.08	1.51
Interest and other finance charges	300.46	173.44	138.89	69.61	27.40
Depreciation	54.32	51.49	46.68	28.24	9.54
Total:	8,859.33	4,984.85	3,215.35	2,506.63	2,170.95
Net Profit before tax & extra-ordinary items:	887.39	395.43	138.46	128.47	104.12
Provision for Tax					
- Current Tax	293.65	135.71	48.43	39.59	-
- Fringe Benefit Tax	-	-	3.83	2.62	1.56
- Deferred Tax Liability / (Asset)	6.78	(0.24)	1.05	4.14	-
Net Profit before extra-ordinary items & after tax:	586.96	259.95	85.15	82.12	102.56
Short / (Excess) Provision of Income tax of earlier years	-	-	-	-	21.19
Prior Period Item (net of tax)	-	-	-	2.62	-
Net Profit after tax and extra-ordinary items (as per audited financial statements) :	A 586.96	259.95	85.15	79.49	81.37
Adjustments on account of restatements (refer clause 21 of annexure VI - Notes to Accounts)	B (9.82)	(3.67)	(1.69)	0.98	(14.03)
Net Profit as restated (A+B):	577.14	256.29	83.46	80.48	67.34
Surplus/(deficit) available for appropriation	577.14	256.29	83.46	80.48	67.34
Appropriations:					
- Transferred to General Reserve	-	-	-	-	-
- Transferred/adjustment in Capital Account of partnership firm	-	-	-	39.23	-
- Capitalisation of reserve on account of bonus issue	397.40	-	-	-	-
- Proposed Dividend	29.33	-	-	-	-
- Tax on Dividend	4.87	-	-	-	-
Total Appropriations:	431.60	-	-	39.23	-
Balance Profit after Appropriation	145.54	256.29	83.46	41.25	67.34
Balance brought forward from previous year:	381.00	124.71	41.25	-	-
Accumulated Profit/ (Loss) carried to Balance Sheet	526.54	381.00	124.71	41.25	-

Note:

- The above statement should be read with the significant accounting policies and notes to the restated summary statement of assets and liabilities, profit and loss account and cash flows statement as appearing in Annexure III.

2. Up to the F.Y. 2006-07 & 1/4/2007 to 03/06/2007, the status of the Company was that of a partnership firm under the name and style of "Unitech". The conversion of firm into company took place during the F.Y.2007-08 under the provisions of part IX of the Companies Act, 1956. When the status was partnership firm, the depreciation had been provided at the rates applicable as per Income Tax Rules, 1962. However, after incorporation of company, the depreciation has been provided at the rates applicable as per Companies Act, 1956. It has resulted into change of depreciation rates under WDV Method. In compliance with AS - 6, the balance unamortised value of fixed assets is being charged to depreciation in the remaining useful life of the fixed assets.

ANNEXURE-III
AUDITED STATEMENT OF CASH FLOW STATEMENT (AS RESTATED)

(₹ In lacs)

Particulars	Year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
1. Cash Flow From Operating Activities:					
Net Profit before tax and extraordinary item	887.39	395.43	138.46	128.47	104.12
<i>Adjustments for:</i>					
Depreciation	54.32	51.49	46.68	28.24	9.54
Earlier year expenditure	-	-	-	(2.62)	(21.19)
Preliminary expenses W/o (provided)	0.42	0.42	0.42	0.42	-
Interest Paid	300.46	173.44	138.89	69.61	27.40
(Profit)/Loss on sale of Fixed Assets	(23.87)	-	-	-	-
Interest Received/ Other Non Operative Receipts	(16.07)	(9.91)	(7.76)	(3.12)	(6.89)
Operating Profit before Working Capital Changes	1,202.64	610.87	316.69	221.00	112.97
<i>Adjustments for:</i>					
Inventories	(970.72)	(294.83)	95.86	(62.82)	(31.78)
Debtors	(829.13)	(287.01)	(450.55)	18.12	(6.31)
Loans & Advances	(6.79)	(30.97)	48.99	(76.38)	(11.56)
Trade Payables	199.66	190.13	(88.00)	(34.55)	41.87
Cash Generated from Operation	(404.34)	188.20	(76.99)	65.37	105.20
Taxes Paid	(232.76)	(83.72)	(48.90)	(41.13)	(34.72)
Net Cash from Operating Activities	(637.10)	104.49	(125.89)	24.23	70.48
2. Cash Flow From Investing Activities:					
Fixed Assets Purchased	(672.10)	(222.45)	(294.96)	(215.34)	(29.58)
Sale of Fixed Assets	235.00	-	-	-	-
Dividend Received	-	-	-	-	-
Interest Received	16.07	9.91	7.76	3.12	6.89
Investments Purchased	(53.39)	-	-	-	-
Profit / (Loss) on Sale of Shares	-	-	-	-	-
Net Cash from Investing Activities	(474.42)	(212.55)	(287.20)	(212.22)	(22.69)
3. Cash Flow From Financing Activities:					
Proceeds from Secured Loans	1,261.96	111.85	423.64	112.11	40.67
Proceeds of Share Application Money	(38.00)	38.00	(101.36)	10.41	-
Proceeds from Unsecured loans	166.02	(75.43)	108.67	168.83	8.75
Proceeds from issue of shares	938.60	10.30	20.00	-	0.73
Proceeds from securities premium	(448.70)	268.70	180.00	-	-
Increase in Miscellaneous Expenditure	-	-	-	(2.10)	-
Interest paid	(300.46)	(173.44)	(138.89)	(69.61)	(27.40)
Net Cash from Financing Activities	1,579.42	179.99	492.06	219.63	22.75
Net Increase/ (Decrease) in Cash & Cash Equivalents	467.91	71.93	78.96	31.65	70.54
Cash & Cash Equivalents at the beginning of the year	280.53	208.60	129.64	97.99	27.45
Cash & Cash Equivalents at the end of the year	748.44	280.53	208.60	129.64	97.99

Note:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by ICAI.
2. Figures in Brackets represents outflow.
3. The above statement should be read with Significant Accounting Policies and Notes on Restatements as in Annexure- VI as per our report of even date

ANNEXURE IV
DETAILS OF SECURED LOANS FUNDS

(₹ In lacs)

PARTICULARS	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Secured Loans					
Working Capital Loans from Bank :					
Bank Overdraft (Kashi Gramin Bank)	-	-	-	-	7.69
Demand Loan (Punjab National Bank)	-	23.55	20.80	13.94	-
Cash Credit (Punjab National Bank)	-	-	-	125.38	83.88
Cash Credit (HDFC Bank Ltd.)	-	345.50	214.37	-	-
Cash Credit (IDBI Bank Ltd.)	596.02	-	-	-	-
Cash Credit (Axis Bank Ltd.)	997.18	-	-	-	-
(includes Cheques in transit)					
Term Loans Bank/Financial Institution:					
Term Loan (Punjab National Bank)	-	-	-	73.20	8.84
Term Loan (HDFC Bank Ltd.)	19.48	52.68	79.48	-	-
Term Loan (Reliance Capital Ltd.)	-	312.67	321.52	-	-
Term Loan (Srei Equip. Fin. P. Ltd.)	154.25	-	-	-	-
Term Loan (SIDBI)	201.66	-	-	-	-
Vehicle Loan:					
HDFC Bank Ltd.	38.38	13.61	-	-	-
ICICI Bank Ltd.	2.99	-	-	-	-
TOTAL	2,009.97	748.01	636.16	212.52	100.41
Notes: The particular of Security given against each loan is given in Annexure -VI (A).					

ANNEXURE V
DETAILS OF UNSECURED LOANS FUNDS

(₹ In lacs)

	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A From Schedule Bank					
ABN Amro Bank	19.52	28.10	23.94	5.01	-
Barclays Bank	18.74	26.87	33.53	17.25	-
HDFC Bank Ltd.	29.36	7.22	13.91	19.57	-
Kotak Mahindra Bank Ltd.	51.83	44.73	29.04	11.96	5.92
Standard Chartered Bank	17.08	23.88	29.51	25.54	10.29
ICICI Bank Ltd.	-	-	1.85	4.54	7.13
Yes Bank Ltd.	-	-	-	27.37	-
Total (A)	136.53	130.79	131.78	111.23	23.34
B From Bodies Corporate					
Abhiyaan Group	7.00	7.00	7.00	7.00	-
Dinesh Overseas Pvt. Ltd.	14.00	14.00	14.00	14.00	14.00
Exfin (India) Mineral Ore Co. Pvt. Ltd.	2.25	2.25	2.25	2.25	2.25
Jaykal Trading Pvt. Ltd.	-	-	-	32.05	25.58
Nav Jyoti Overseas Pvt. Ltd.	15.00	15.00	15.00	-	-
Loan From Others	-	-	-	-	6.00
Total (B)	38.25	38.25	38.25	55.30	47.83
C From NBFC					
Cholamandalam Dbs Finance	-	-	-	12.86	-
Bajaj Auto Finance Ltd.	24.55	13.91	20.41	-	-
India Bulls Financial Services Ltd.	24.58	31.76	20.07	45.81	18.49
Magma Fincorp Ltd.	24.38	-	-	-	-
Reliance Capital Ltd.	7.24	15.33	21.89	28.71	-
Religare Finvest Ltd.	27.24	48.45	36.09	-	-
TATA Capital	30.93	13.25	-	-	-
NSIC LTD.	144.05	-	-	-	-
Total (C)	282.97	122.70	98.47	87.39	18.49
D From Shareholders					
Ajay Kumar Singh	-	-	2.16	-	-
Total (D)	-	-	2.16	-	-
E From Directors/Promoters/Promoter group					
Akhilesh Ranjan Singh	-	-	1.96	4.56	-
Aditya Ranjan Singh	-	-	60.70	-	-
Anil Kumar	-	-	13.36	-	-
Jay Pratap Narayan Singh	-	-	20.49	-	-
Total (E)	-	-	96.51	4.56	-
Total (A+B+C+D+E)	457.75	291.74	367.16	258.49	89.66

Notes:

- 1) Terms and conditions of unsecured loan taken from Director/Promoters is given in Annexure -VI (B).
- 2) Unsecured Loan from Schedule Bank and NBFC are repaid as per repayment schedule. However the above amount is inclusive of interest due.
- 3) Unsecured Loan from Body Corporate are payable on demand. The interest is payable on demand.

Significant Accounting Policies and Notes to Accounts:

I. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

These Financial statements have been prepared and comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211 (3C) of the Companies Act, 1956, the relevant provision of the Companies Act, 1956 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (The "ICDR Regulations") and the related clarification thereto issued by the Securities and Exchange Board of India.

For the financial year ended on 31st March 2007 and 2008, figures of partnership period i.e. 01.04.2006 to 31.03.2007 and 01.04.2007 to 03.06.2007 has been converted as per the requirements of Schedule VI of the Companies Act and being added with the figures for the remaining period of the year. While doing so, depreciation has been provided on written down value method at the rates prescribed under Income Tax Rules, in the period of operation of partnership firm.

2. Use of Estimates:

The preparation of financial statements inconformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, revenue and expenses and the disclosure relating to contingent liabilities. The management believes that the estimates used for preparation of financial statements are prudent and reasonable. Actual results, if they differ from those estimates, are recognized prospectively in the current and future periods.

3. Revenue Recognition:

a) As per Accounting Standard – 9 (AS-9) issued by the Institute of Chartered Accountants of India, all the income / revenue has been recognized on Accrual basis :

All income from contractual works / sales for contractual works are booked on accrual basis, on gross value i.e. including Service Tax and VAT and all the debit/credit note in this regard has been taken care off.

b) Further as per Accounting Standard – 7 (AS-7) issued by the Institute of Chartered Accountants of India, the revenue of construction contracts (fixed price in the present case) is recognized on the basis of running bills of work certified by the customers and the uncertified amount is recorded as WIP on cost basis until the same is billed and accepted by the customer. Cost for executing the contracts has been recorded as and when incurred.

c) Other/Miscellaneous receipts are recognized when the amount and its collectivity is certain.

4. Fixed Assets and Depreciation:

As prescribed in the Accounting Standard – 10 (AS-10) issued by Institute of Chartered Accountants of India, the company has accounted for all the fixed assets on historical cost basis and the same has been stated at cost (Gross Block) less accumulated depreciation. Cost includes all direct expenses, which are considered necessary to put the said asset in use for business purposes. Accordingly the necessary entries have been passed in the books of accounts to make them present in the Balance Sheet on historical cost.

The company has followed the written down value method as prescribed in the Accounting Standard – 6 (AS-6) issued by Institute of Chartered Accountants of India, and the rates of depreciation as prescribed in Schedule XIV read with the provision contained in section 205(2) of the Companies Act, 1956 based on the no. of days for which assets are used during the year however in case any assets is sold, discarded, demolished or destroyed the depreciation is charged up to the date of its existence i.e. on pro-rata basis. Assets costing up to ₹ 5,000.00 are fully depreciated in the year of purchase. Depreciation for the partnership period has been provided on written down value method at the rates prescribed in income Tax Rules.

5. Inventories:

Inventories of Raw Material and WIP are valued at cost or net realizable value whichever is less. The cost includes cost of goods consumed at purchase price only and VAT on value has been considered separately for Sales Tax purposes. The cost of WIP includes value of goods, cost of labour applied and overheads directly attributable to such WIP. There is no change in the system of valuation of inventory during the reporting years.

6. Investment:

The company has made an investment in a Joint Venture during the financial year 2010-11 and the same has been valued at cost, as per the Provisions of AS 13 issued by the Institute of Chartered Accountants of India.

7. Borrowing Cost:

As per provisions of AS-16 issued by Institute Of chartered Accountants of India, borrowing cost related to acquisition/construction of fixed asset is capitalized till the time that asset is put to use. All other borrowing costs are charged to profit & loss account on accrual basis.

8. Preliminary Expenses:

Preliminary expenses are charged to profit & loss account over 5 years equally as per Income Tax Act, 1961.

9. Taxation:

- a) Provision for current tax are made as per the provisions of Section 28 of the Income Tax Act, 1961 after taking into consideration that certain expenditure becoming allowable on payment basis, being made before filing of return of income.
- b) The Company has adopted the Accounting Standard-22 (AS-22) issued by the Institute of the Chartered Accountants Of India, which is mandatory in nature and accordingly the Deferred Tax Liability has been recognized and provided for in the books of accounts.

Deferred tax liability/ assets are measured at the rates that have been enacted or substantively enacted by the balance sheet date.

10. Employees' Benefits:

As per the Provisions of As -15 (Revised) issued by Institute of Chartered Accountants of India, Employers contribution to the Provident Fund And ESIC has been charged to Profit & Loss Account, as and when due. Provision of Bonus has been made for the year ended on 31st March 2011, for ₹ 1,88,688/-, the amount of minimum Bonus Payable by the company. Provision for Gratuity has been made on the basis of Actuarial Valuation for the year ended on 31st March 2008, 2009, 2010 and 2011. However no such provision has been made for the year ended on 31st March 2007, the period pertaining to partnership status. No provision has been made for Leave Encashment, as the management has no policy for payment of leave encashment.

11. Foreign Currency Transactions:

As per provisions of AS-11 issued by Institute Of chartered Accountants of India the transactions denominated in foreign currencies are recorded on the rate prevailing on the date of transaction and the same has been valued at the Closing Rate at the end of the year. The exchange differences resulting on such translation and on settlement of transactions are charged to profit & loss account.

12. Earnings Per Share:

The earnings considered in ascertaining the company's earnings per share comprise the net profit or loss for the year attributable to the equity shareholders. Basic earnings per share computed using the weighted average number of shares outstanding during the year. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential dilutive equity shares and their corresponding effect on the net profit for the equity share holders.

13. Cash Flow Statement:

Cash Flow Statement has been prepared under Indirect Method as per AS-3, issued by Institute of Chartered Accountants of India. Cash and cash equivalent for the purpose of statement of cash flow comprise cash at bank, cash in hand and fixed deposits kept with the banks.

14. Segment Reporting:

As per the information and explanations offered by the management, the company has only one reportable line of activity i.e. Infrastructure Works on Contractual Basis. All the activities of the company revolve around the main business.

15. Provisions:

A provision is required when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted at present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed and each balance sheet date and adjusted to reflect the current best estimates.

16. Contingent Liability and Contingent Assets:

In compliance to Accounting Standard – 29 (AS-29) issued by the Institute of Chartered Accountants of India and which is mandatory in nature, all those liabilities, if any, which are contingent in nature and can be ascertained on the happening or non- happening of certain events, not wholly within the control of the enterprise. The same has been suitably disclosed by way of notes on account.

II. NOTES TO ACCOUNTS:

1. Contingent Liabilities:

The following contingent Liabilities have not provided for in respect of:

- Letter of Credit for ₹ 262.61 lacs (Previous Year ₹ 138.23 lacs).
- Bank Guarantees for ₹ 1055.94 lacs (Previous Year ₹ 587.28 lacs).
- The following litigations are filed against the company to counter the litigations filed by others are pending as on date:

Sl. No.	Name of Party/Department	Nature	Amount involved (₹ In Lacs)	Pending before
1.	M/s. Associate Electrodes	Case for recovery of dues	2.10	Tis Hazari court, Delhi
2.	Mr. Bake Lal	Case for payment of wages	1.97	Labour Commissioner, Panipat
3.	Mr. Ram Mehar	Case for payment of wages	0.29	Labour Commissioner, Panipat
4.	Mr. Ishwar Singh	Case for payment of wages	0.44	Labour Commissioner, Panipat
5.	M/s. Gypsum Structural India (P) Ltd.	Case for recovery of dues	13.07	Patiala House Court, Delhi

Sl. No.	Name of Party/Department	Nature	Amount involved (₹ In Lacs)	Pending before
6.	M/s. Shiv Hare Road Lines	Case for recovery of dues	3.96	Gwalior Bench of High Court of M.P.
	Total		21.83	

2. Installments of Term Loan payable within one year are ₹249.09 lacs (Previous Year ₹ 186.37 lacs).
3. The company has not received any intimation from its suppliers being registered under Micro, Small and Medium Enterprises Development Act, 2006. Hence, the disclosure relating to amount unpaid as at the end of the year together with interest paid/payable under this Act have not been disclosed separately.
4. Closing Stocks as raw material and work in progress have been valued as per the Accounting Policies of the Company.
5. In the opinion of the Directors, Loans & Advances, Sundry Debtors and other Current Assets, if realized in the ordinary course of business, have the value at which they are stated in the Balance Sheet.
6. The company recognizes sales including service tax & VAT for financials 2007 to 2011. For the year 2006-07, when the company was a partnership firm, the revenue recognition was done excluding of service tax & VAT. In order to maintain the uniformity in the accounting of revenue, Service tax and VAT amounting to ₹ 68.59 lacs for the financial year 2006-07 has been added to Income from contractual works and correspondingly the same has also been added to administrative expenses. As such there is no impact on the profit of the company.
7. The Company has given advances for purchase of goods and execution of works to certain suppliers, contractors and others towards expenses etc., which are in the general course of business and not in the nature of loans or advances attracting provisions of Section 295/372A of the Companies Act, 1956.
8. At the year-end financial year 2010-11, there were unsecured Loans aggregating to ₹ 457.75 lacs were left unpaid in the books of the Company. The loans appearing during the year in the books were borrowed from banks, financial institutions, NBFCs and corporate bodies. These advances did not fall within the meaning of the expression "Deposit" as defined in rule 3(B) of the Companies (Acceptance of Deposits) Rules, 1975.
9. Purchase includes trading goods purchases as well as the purchase of raw material for the execution of contracts.
10. Related party transactions are already reported as per AS-18 of the ICAI, in the Annexure XI of the enclosed financial statements.
11. The Company has not paid any amount as Gratuity, since the incorporation. The provision for gratuity has been made on the basis of actuarial valuation report received from actuary. The following summarizes the component of expenses recognized in profit & loss account and present value of obligation in balance sheet as at 31st March 2011:

		(₹ In lacs)			
	Particulars	Mar'11	Mar'10	Mar'09	Mar'08
a	Reconciliation of opening and closing balances Of Defined Benefit obligation				
	Defined benefit obligation at beginning of the Year	7.09	3.42	2.15	Nil
	Past service cost	1.33	-	-	-
	Current service cost	4.76	3.44	2.28	2.15
	Interest cost	0.57	0.27	0.17	-

	Actuarial (gain)/ loss	(2.04)	(0.43)	(1.18)	-
	Benefits paid	-	-	-	-
	Defined benefit obligation at the end of the Year	11.70	7.09	3.42	2.15
b	Reconciliation of opening and closing balances Of fair value of plan assets				
	Fair value of plan asset at beginning of the Year	-	-	-	-
	Expected return on plan asset	-	-	-	-
	Actuarial (Gain)/ Loss	-	-	-	-
	Employer contribution	-	-	-	-
	Benefits paid	-	-	-	-
	Fair value of plan asset at year end	-	-	-	-
	Actual return on plan assets	-	-	-	-
c	Reconciliation of fair value of assets and Obligation				
	Fair value of plan asset as at year end	-	-	-	-
	Fair value of obligation as at year end	11.70	7.09	3.42	2.15
	Amount recognized in balance sheet	11.70	7.09	3.42	2.15
d	Expenses recognized during the year				
	Current service cost	4.76	3.44	2.28	2.15
	Past service cost	1.33	-	-	-
	Interest cost	0.57	0.27	0.17	-
	Expected return on plan asset	-	-	-	-
	Actuarial (Gain)/ loss	(2.04)	(0.43)	(1.18)	-
	Net cost	4.62	3.67	1.28	2.15
e	Actuarial assumptions:				
	Mortality table	LIC 1994-96	LIC 1994-96	LIC 1994-96	LIC 1994-96
	Discount rate	8.00	8.00	8.00	8.00
	Expected rate of return on plan asset	0.00	0.00	0.00	0.00
	Rate of escalation in salary	5.50	5.50	5.50	5.50

Gratuity provision has not been made for FY ended March 31, 2007 since the company was a partnership firm.

Leaves lying in credit of the employees are not paid as the Company follows practice of granting leaves as and when demanded by the employees. These leaves are non-accumulating and the un-availed leaves automatically lapse at the year-end. Hence, no provision for the same has been made.

12. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under:

Calculation of Deferred Tax liability/Assets of previous year and preceding four years:

	(₹ In lacs)				
Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
<u>Timing Differences on account of:</u>					
Deferred Tax Liability:					
Opening Balance	(5.37)	(5.60)	(4.14)	Nil	-
Add: Depreciation on Assets	(6.66)	0.24	(1.46)	(4.14)	-
Deferred Tax Assets					
Deferred Tax Liability (Net)	(12.03)	(5.37)	(5.60)	(4.14)	-

13. Remuneration to Executive and Non-Executive Directors:

(₹ In lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Salary & Allowances	45.60	48.72	16.80	13.86	10.80
Commission	-	-	-	-	-
Sitting Fees	-	-	-	-	-
Total	45.60	48.72	16.80	13.86	10.80

14. Auditors' Remuneration:

(₹ In lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
a. Statutory Audit Fees	0.33	0.22	0.22	0.22	-
b. Tax Audit Fees	0.22	0.11	0.11	0.11	0.33
c. In Other Capacity	0.50	-	-	-	-
Total	1.05	0.33	0.33	0.33	0.33

15. Earnings Per Share :

Earnings per Share have been calculated as under:

Sl. No.	Particulars	2010-11	2009-10	2008-09	2007-08
A	Number of Shares at the beginning of the year	13,03,000 *	12,00,000*	10,00,000 *	Nil
	Shares issued during the year:				
	- Allotment	16,33,000*	1,03,000*	2,00,000*	10,00,000*
	- Bonus Issue	1,31,96,700	Nil	Nil	Nil
B	Total Number of equity shares outstanding at the end of the year	1,46,63,000	13,03,000*	12,00,000*	10,00,000*
C	Weighted average number of shares out of Share Application Money	Nil	Nil	Nil	Nil
D	Weighted average number of equity shares outstanding during the year				
	-Allotted Shares	13,05,684*	12,11,070*	10,01,096*	3,37,490*
	- Bonus Shares	1,17,51,160	1,08,99,630**	90,09,863**	30,37,414**
E	Net profit after tax available for equity shareholders as restated (₹ In lacs)	577.14	256.28	83.47	80.48
F	Basic earnings per share (₹)	4.42	2.12	0.83	2.38
G	Diluted earnings per share (₹)	4.42	2.12	0.83	2.38

(*) The effect of split of shares done in the year 2010-11 has been given in the prior years.

(**) Further, the effect of bonus shares issued in the year 2010-11 has been provided in the earlier years in order to make the EPS comparable.

16. Additional information pursuant to provisions of paragraphs 3 & 4 of Schedule VI of the Companies Act, 1956.

(A) Particulars of Capacity:

As the company is not a manufacturing company, particulars regarding capacity are not applicable.

(B) The Ministry of Corporate Affairs, Government of India vide notification no S.O 301 E dated 8th February, 2011 has exempted to disclose quantitative details required under paras 3(i)(a) and 3(ii)(a) of Part II, Schedule

VI to the Companies Act, 1956. The Board of Directors has passed necessary resolution in this regard and accordingly, the value of those goods which form less than 10% of the total value of turnover, consumption of raw material has not been shown separately.

(C) Details of inventory:

(₹ In Lacs)

Particulars	Mar'11	Mar'10	Mar'09	Mar'08	Mar'07
Opening Stock	491.61	196.78	292.64	229.83	198.05
Add: Purchase	2860.12	2881.12	112.38	760.13	1187.03
Less: Sale/ Consumption	1889.41	2586.29	208.24	697.32	1155.25
Closing Stock	1462.32	491.61	196.78	292.64	229.83

(D) Details regarding Imported and Indigenous materials consumed during the year:

(Value In lacs)

Particulars	Imported		Indigenous	
	% to total Consumption	Value	% to total consumption	Value
Raw Material, Stores & Spares–				
2010-11	-	-	100	1889.41
2009-10	-	-	100	2586.29
2008-09	1.57	3.26	98.43	204.98
2007-08	5.78	40.33	94.22	656.99
2006-07	7.26	83.85	92.74	1071.40

(E) C.I.F. Value of Imports:

(₹ In lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Raw Material	-	-	3.26	40.33	83.85
Capital Goods	-	-	-	7.65	0.36
Total	-	-	3.26	47.98	84.21

(F) Earnings in Foreign Exchange:

(₹ In lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Export of Goods on FOB basis	-	-	-	-	-
Others	-	-	-	-	-

(G) Expenditure (Other than Import) in Foreign Currency:

(₹ In lacs)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07
Interest	-	-	-	-	-
Other Matters :					
Overseas Consignee Expenses	-	-	-	-	-

17. During the year 2010-11, the company has executed a Joint Venture with Reddy Veeranna Construction Pvt. Ltd. in the name of UEL-RVCPL JV vide Joint Venture Agreement dated 17.08.2010 for contract works under tender(s) issued by Railways. The said Joint Venture is valid till the completion of contract.

The share in profit/loss of the said JV shall be as under:

Universal Energies Ltd.	51%
Reddy Veeranna Construction Pvt. Ltd.	49%

Abstract of financials of the JV firm for the year ended 31.03.2011 is as under.

(₹ In lacs)

Particulars	Amount
Capital account – Universal Energies Ltd.	53.39
Current Assets	54.21
Indirect Income (Interest on Bank FD)	1.23
Indirect Expenses	0.41
Net Profit	0.82

Till 31.03.2011, there has been no activity in the above Joint Venture firm.

18. Figures have been rearranged and regrouped wherever practicable and considered necessary.
19. For the financial year ended on 31st March 2007 and 2008, figures of partnership period i.e. 01.04.2006 to 31.03.2007 and 01.04.2007 to 03.06.2007 has been converted as per the requirements of Schedule VI of the Companies Act and being added with the figures for the remaining period of the year. While doing so, depreciation has been provided on written down value method at the rates prescribed under Income Tax Rules, in the period of operation of partnership firm.
20. The figures are restated in ₹ lacs and necessary rounding off of figures has been made.

21. MATERIAL ADJUSTMENTS:

Appropriate adjustments have been made in the restated financial information, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI.

Statement of Adjustments/ Impact of prior period items/ deferred tax assets and liabilities in the financial statements:

Particulars		(₹ In lacs)				
		Mar-11	Mar-10	Mar-09	Mar-08	Mar-07
Net Profits after tax and extraordinary items as per audited accounts but before Adjustments:	A	586.96	259.95	85.15	79.49	81.37
Adjustment on Account of :						
Less: Short Provision of Deferred Tax Liability				(0.41)		
Add: Excess Provision of Deferred Tax Liability		0.12	-		-	-
Add: Prior Period Items					2.62	
Add: Provision for income tax for earlier years					0.51	21.19
Add: Excess provision of Gratuity		10.86				
Less: Short provision of Gratuity			(3.67)	(1.28)	(2.15)	-
Less: Provision for Income Tax						(35.22)
Less: Short Provision of expenses.		(20.80)	-	-	-	-
Total	B	(9.82)	(3.67)	(1.69)	0.98	(14.03)
Net Profit as Restated (A+B)		577.14	256.28	83.47	80.48	67.34

ANNEXURE - VI (A)
DETAILS OF SECURITY AGAINST SECURED LOAN
(Rupees in lacs)

Sl. No	Name of Lender	Facility Granted & Loan Documentation	Amount Sanctioned	Amount Outstanding as at March 31, 2011	Rate of Interest (%)	Repayment Schedule	Security
1	IDBI Bank Ltd.	Cash Credit (Including Interchangeability with Bank Guarantee up to ₹ 100 Lacs)	600.00	596.02	BPLR + 0.25 % p.a.	Payable on Demand	Primary : First Pari Passu charge by way of hypothecation of debtors and other current assets (both present and future).
		Bank Guarantee	400.00	397.41	Commission @ 1.5% p.a.	NA	Cash Margin @ 10% in the form of FDR
Collateral Charges: 1) Exclusive charge by way of Equitable Mortgage of Residential Property situated at V-5B, Green park Extn., New Delhi in the name of Shri Aditya Ranjan Singh having Market Value of ₹ 299.88 lacs as on 25th May' 2010. 2) Negative lien residential property situated at Khasra No. 71, Block-B, Badarpur Extn., Badarpur, New Delhi-44 in the name of Shri B. D. Tripathi having Market Value of ₹ 94.99 lacs as on 25th May' 2010. 3) Exclusive charge by way of lien on Fixed Deposit of ₹ 25 lacs. 4) ESCROW of future receivable from Indian Oil Corporation Ltd., Indraprastha Gas Ltd. and Indian Railways thru ESCROW A/c.							
2	Axis Bank Ltd.	Cash Credit	1,000.00	997.18	Bas Rate + 3.50 % p.a.	Payable on Demand	Primary : First Pari Passu hypothecation charge with IDBI Bank on current assets (both present and future).
		Bank Guarantee	1,500.00	658.53	Commission @ 1.5% p.a.	NA	Cash Margin @ 10% in the form of FDR

Sl. No	Name of Lender	Facility Granted & Loan Documentation	Amount Sanctioned	Amount Outstanding as at March 31, 2011	Rate of Interest (%)	Repayment Schedule	Security
		Letter of Credit (Sub Limit of BG)	(700.00)	262.61	Commission @ 1.5% p.a.	NA	Cash Margin @ 10% in the form of FDR Collateral Charges: 1) Exclusive EM of Residential Property at 90/72, Malviya Nagar, New Delhi in the name of Shri Rakesh Sharma & Shri Anil Sharma. 2) Exclusive EM of Residential Property at P-60, Nehru Enclave, Gomi Nagar, Lucknow, U.P. in the name of Shri Shrikant Srivastava. 3) Exclusive EM of Residential Property at D-1/518/D at Sector-D under Ward Vidyawati Devi, Kanpur Road Yojana, Lucknow, U.P. in the name of Shri Ravikant Srivastava.
3	Small Industries Development Bank of India	Subordinated Debt	200.00	201.66	14% p.a.	Repayable in 48 monthly installments commencing after 36 months of moratorium from the date of disbursement i.e. Feb-2011. 1st 47 installments shall be of ₹ 4.16 lacs each and 48th installment shall be of ₹ 4.48 lacs	Residual charge on the movable assets (including current assets)

Sl. No	Name of Lender	Facility Granted & Loan Documentation	Amount Sanctioned	Amount Outstanding as at March 31, 2011	Rate of Interest (%)	Repayment Schedule	Security
4	Srei Equipment Finance Pvt. Ltd.	Equipment Loan (Term Loan)	160.00	154.25	12.53% p.a.	Payable in 48 Equitable Monthly installments of ₹ 4,32,500 starting from February-2011	Hypothecation of Machine financed
5	HDFC Bank	Equipment Loan (Term Loan)	5.96	0.81	14.00% p.a.	Payable in 36 Equitable Monthly installments of ₹ 20,860 starting from September-2008	Hypothecation of Equipment financed
			7.13	0.97	14.00% p.a.	Payable in 36 Equitable Monthly installments of ₹ 24,955 starting from September-2008	Hypothecation of Equipment financed
			7.13	0.97	14.00% p.a.	Payable in 36 Equitable Monthly installments of ₹ 24,955 starting from September-2008	Hypothecation of Equipment financed
			16.73	16.73	12.51% p.a.	Payable in 48 Equitable Monthly installments	Hypothecation of Equipment financed

Sl. No	Name of Lender	Facility Granted & Loan Documentation	Amount Sanctioned	Amount Outstanding as at March 31, 2011	Rate of Interest (%)	Repayment Schedule	Security
						of ₹ 45,221 starting from May-2011	

6. DETAILS OF VEHICLE LOAN

VEHICLE LOAN - I		
a) Repayment Schedule : HDFC Bank		
Year	Yearly Installment (Principal Component)	Total Amount Outstanding (Rupees in lacs)
2009-10	1.13	8.37
2010-11	2.14	6.23
2011-12	2.44	3.79
2012-13	2.78	1.01
2013-14	1.01	-
TOTAL	9.50	

- b) Rate of Interest: 13% p.a.
c) Secured against Hypothecation of vehicle: Innova Car
d) Purpose: Auto loan for Innova Car

VEHICLE LOAN - II
a) Repayment Schedule : HDFC Bank
(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2009-10	0.38	3.55
2010-11	1.21	2.34
2011-12	1.35	0.99
2012-13	0.99	-
TOTAL	3.93	

- b) Rate of Interest:** 11% p.a.
c) Secured against Hypothecation of vehicle: Swift Car
d) Purpose: Auto loan for Swift Car

VEHICLE LOAN - III
a) Repayment Schedule : HDFC Bank
(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2010-11	0.56	1.16
2011-12	0.57	0.59
2012-13	0.59	-
TOTAL	1.72	

- b) Rate of Interest:** 11% p.a.
c) Secured against Hypothecation of vehicle: Omni Car
d) Purpose: Auto loan for Omni Car

VEHICLE LOAN - IV
a) Repayment Schedule : HDFC Bank
(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2010-11	1.35	8.96
2011-12	1.80	7.16
2012-13	2.00	5.16
2013-14	2.23	2.93
2014-15	2.49	0.44
2015-16	0.44	-
TOTAL	10.31	

- b) Rate of Interest:** 11% p.a.
c) Secured against Hypothecation of vehicle: Innova Car
d) Purpose: Auto loan for Innova Car

VEHICLE LOAN – V
a) Repayment Schedule : HDFC Bank

(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2010-11	0.11	8.84
2011-12	1.40	7.44
2012-13	1.59	5.85
2013-14	1.82	4.03
2014-15	2.08	1.95
2015-16	1.95	-
TOTAL	8.95	

- b) Rate of Interest:** 13.25% p.a.
c) Secured against Hypothecation of vehicle: Scorpio Car
d) Purpose: Auto loan for Scorpio Car

VEHICLE LOAN - VI
a) Repayment Schedule : HDFC Bank

(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2010-11	0.14	10.84
2011-12	1.76	9.08
2012-13	1.98	7.10
2013-14	2.24	4.86
2014-15	2.52	2.34
2015-16	2.34	-
TOTAL	10.98	

- b) Rate of Interest** 12% p.a.
c) Secured against Hypothecation of vehicle Innova Car
d) Purpose : Auto loan for Innova Car

VEHICLE LOAN - VII
a) Repayment Schedule : ICICI Bank

(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2010-11	0.16	1.50
2011-12	0.53	0.97
2012-13	0.60	0.37
2013-14	0.37	-
2014-15		
TOTAL	1.66	

- b) Rate of Interest:** 12% p.a.
c) Secured against Hypothecation of vehicle: Omni Car
d) Purpose: Auto loan for Omni Car

VEHICLE LOAN - VIII

a) Repayment Schedule : ICICI Bank

(Rupees in lacs)

Year	Yearly Installment (Principal Component)	Total Amount Outstanding
2010-11	0.16	1.50
2011-12	0.53	0.97
2012-13	0.60	0.37
2013-14	0.37	-
2014-15		
TOTAL	1.66	

b) Rate of Interest: 12% p.a.

c) Secured against Hypothecation of vehicle: Omni Car

d) Purpose: Auto loan for Omni Car

ANNEXURE- VI (B)
DETAILS OF UNSECURED LOANS TAKEN FROM DIRECTORS/PROMOTERS/PROMOTER GROUP

1 AKHILESH RANJAN SINGH					
Rate of Interest- 0.00 %					
(Rupees in Lacs)					
Particulars	As at				
	March 31,2011	March 31,2010	March 31,2009	March 31,2008	March 31,2007
Opening Balance	-	1.96	4.56	-	-
Amount Received/credited	-	-	-	5.65	-
Amount repaid/adjusted	-	1.96	2.60	1.09	-
Outstanding Amount	-	-	1.96	4.56	-

2 ADITYA RANJAN SINGH					
Rate of Interest- 18.50 %					
(Rupees in Lacs)					
Particulars	As at				
	March 31,2011	March 31,2010	March 31,2009	March 31,2008	March 31,2007
Opening Balance	-	60.70	-	-	-
Amount Received/credited	-	4.10	60.70	-	-
Amount repaid/adjusted	-	64.80	-	-	-
Outstanding Amount	-	-	60.70	-	-

3 ANIL KUMAR					
Rate of Interest- 0.00 %					
(Rupees in Lacs)					
Particulars	As at				
	March 31,2011	March 31,2010	March 31,2009	March 31,2008	March 31,2007
Opening Balance	-	13.36	-	-	-
Amount Received/credited	-	-	13.36	-	-
Amount repaid/adjusted	-	13.36	-	-	-
Outstanding Amount	-	-	13.36	-	-

4 JAY PRATAP NARAYAN SINGH					
Rate of Interest- 0.00 %					
(Rupees in Lacs)					
Particulars	As at				
	March 31,2011	March 31,2010	March 31,2009	March 31,2008	March 31,2007
Opening Balance	-	20.49	-	-	-
Amount Received/credited	-	-	20.49	-	-
Amount repaid/adjusted	-	20.49	-	-	-
Outstanding Amount	-	-	20.49	-	-

Terms and Conditions:

In respect of all the aforesaid unsecured loans, the principal amounts are repayable on demand and there is no repayment schedule. The Interest accrues on annual basis and is payable on demand.

Note: The above amount outstanding includes interest.

ANNEXURE VII

DETAILS OF CURRENT ASSETS AND LOANS AND ADVANCES

(₹ In lacs)

Particulars	As at 31-Mar- 11	As at 31-Mar- 10	As at 31-Mar- 09	As at 31-Mar- 08	As at 31-Mar- 07
Inventories					
a) Raw Materials	377.83	250.61	49.97	58.53	50.56
b) Work in Progress	1,084.50	241.00	146.82	234.12	179.27
[At lower of Cost or Net Realisable Value]					
(Valued and Certified by Management)					
Sub-total (A)	1,462.33	491.61	196.79	292.65	229.83
Sundry Debtors					
Unsecured considered good					
Promoter & Promoter group	-	-	-	-	-
Others:					
Exceeding six months	158.96	482.37	322.91	4.01	57.39
Other Debts	1,763.93	611.40	483.84	352.20	316.93
Sub-total (B)	1,922.89	1,093.77	806.75	356.21	374.32
Cash and bank balances					
Cash in Hand (As Certified by the Management)	98.95	78.40	62.85	32.18	11.86
Balance with scheduled banks in:					
-Current accounts	433.94	39.23	7.63	26.71	28.13
Fixed Deposit with Banks (Including Interest Accrued)	215.55	162.90	138.12	70.74	58.00
Sub-total (C)	748.44	280.53	208.60	129.64	97.99
Loans and advances					
(Unsecured, considered good)					
Promoter & Promoter group:					
Advances (recoverable in cash or kind or value to be received thereof)	38.66	33.66	30.41	30.16	0.03
Others:					
Advances (recoverable in cash or kind or value to be received thereof)	104.08	99.16	85.90	138.08	89.75
Duties & Taxes	12.97	20.31	9.14	6.27	1.41
Prepaid Expenses	5.78	2.69	0.36	0.53	0.86
Security Deposits	8.86	7.74	6.79	6.55	4.32
Sub-total (D)	170.36	163.57	132.60	181.60	96.38
Total (A)+(B)+(C)+(D)	4,304.01	2,029.47	1,344.74	960.09	798.52

ANNEXURE -VIII

DETAILS OF OTHER INCOME

(₹ In lacs)

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Recurring Income:					
Interest on Bank Deposits	11.08	9.91	7.76	3.12	6.89
Non-Recurring Income:					
Insurance Claim	1.55	-	-	-	-
Profit on sale of flat	23.87	-	-	-	-
Miscellaneous Receipts	3.44	0.00	-	0.01	0.61
Total	39.95	9.91	7.76	3.13	7.50

ANNEXURE – IX

DETAILS OF CURRENT LIABILITIES AND PROVISIONS

(₹ In lacs)

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
A) Current Liabilities					
Sundry Creditors	574.38	445.23	261.67	415.72	418.63
Duties & Taxes	157.98	88.57	96.70	38.60	28.42
Security Deposit	-	-	-	-	48.80
Other Liabilities	26.23	40.62	25.92	17.95	10.97
Sub-total (A)	758.59	574.41	384.28	472.28	506.83
Provisions :					
Income Tax / FBT / DDT	123.74	57.98	6.00	2.62	2.06
Other Provisions	61.83	7.09	3.42	2.15	-
Sub-total (B)	185.57	65.07	9.42	4.77	2.06
Total (A) + (B)	944.17	639.48	393.70	477.05	508.89

DETAILS OF INVESTMENTS

Particulars	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at	Units	As at
	Nos	31-Mar-11	Nos	31-Mar-10	Nos	31-Mar-09	Nos	31-Mar-08	Nos	31-Mar-07	Nos	31-Mar-06	Nos	31-Mar-06
Investments-At Cost														
(Other Than Trade, Long Term)														
Long Term Investment														
UEL - RVCPL JV (Investment In Joint Venture)	NA	53.38	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(Valued At Cost)														
Sub-Total (A)	NA	53.38	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Value as on 31st March		-		-		-		-		-		-		-
Sub-Total (B)		-		-		-		-		-		-		-
Total (A)+(B)		53.38		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

STATEMENT OF RELATED PARTY TRANSACTION

a) Names of the related parties with whom transactions were carried out during the years and description of relationship:

1) ASSOCIATE CONCERNS

Global Alliance
Global Gascon & Minerals Ltd

2) KEY MANAGEMENT PERSONNELS

Akhilesh Ranjan Singh	Whole-time director
Aditya Ranjan Singh	Whole-time director
Anil Kumar	Whole-time director
J.P.N. Singh	Whole-time director
Manisha Singh	Spouse of Director
Anand Singh	Director's Brother
Ashok Kr. Singh	Sister's Husband & Shareholder
Prashant Kr. Singh	Shareholder

1. Transactions with Associate Companies

(₹ In lacs)

Sr. No	Nature of Transactions	Year ended				
		31 st March, 2011	31 st March, 2010	31 st March, 2009	31 st March, 2008	31 st March, 2007
A	Transaction During the Year					
	Purchases/ Sub-Contracting					
	Global Alliance	Nil	Nil	Nil	17.00	Nil
B	Closing Balance					
	Global Alliance	Nil	Nil	Nil	9.97	2.83

2. Transactions with key management personnel

(₹ In Lacs)

Sr. No	Nature of Transactions	Year ended				
		31 st March, 2011	31 st March, 2010	31 st March, 2009	31 st March, 2008	31 st March, 2007
A	Transaction During the Year					
	Remuneration					
	Aditya Ranjan Singh	30.00	30.00	6.00	4.95	2.40
	Akhilesh Ranjan Singh	12.00	12.00	3.60	2.97	2.40
	Anil Kumar	3.60	3.60	3.60	2.97	2.40
	J.P.N. Singh	-	3.12	3.60	2.97	2.40
	Ajay Kumar Singh	-	-	-	-	0.60
	Ashok Kr. Singh	-	-	-	-	0.60
	Manisha Singh	6.00	6.00	6.00	6.00	6.00
	Rekha Singh	6.00	-	-	-	-
	Rent Paid	NIL	NIL	NIL	NIL	NIL
	Loans and Advances received					

Sr. No	Nature of Transactions	Year ended				
		31 st March, 2011	31 st March, 2010	31 st March, 2009	31 st March, 2008	31 st March, 2007
	Akhilesh Ranjan Singh	-	-	-	5.65	NIL
	Aditya Ranjan Singh	-	-	145.00	-	NIL
	Anil Kumar	-	-	13.37	-	NIL
	J.P.N. Singh	-	-	20.49	-	NIL
	Advances given					
	Prashant Kr. Singh	5.00	3.25	0.25	23.90	NIL
	Ashok Kr. Singh	-	-	-	6.27	NIL
	Sale of Assets					
	Anand Singh	235.00	NIL	NIL	NIL	NIL
	Interest Paid					
	Aditya Ranjan Singh	Nil	4.56	7.11	NIL	NIL
B	Closing Balance					
	For Loan Liability/Advance (including interest, if any)					
	Akhilesh Ranjan Singh	Nil	Nil	1.96	4.57	-
	Aditya Ranjan Singh	Nil	Nil	60.70	-	-
	Anil Kumar	Nil	Nil	13.37	-	-
	J.P.N. Singh	Nil	Nil	20.49	-	-
	For Expenses (Cr)					
	For Advance given					
	Prashant Kr. Singh	32.40	27.40	24.15	23.90	-
	Ashok Kr. Singh	6.27	6.27	6.27	6.27	-

ANNEXURE - XII
DETAILS OF SHARE CAPITAL, RESERVES AND SURPLUS

(₹ In lacs)

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Share Capital					
Authorised Share Capital					
Equity shares of ₹10 each	15,000,000	1,500,000	1,500,000	1,000,000	-
Share Capital	1,500.00	150.00	150.00	100.00	-
Issued Share Capital					
Equity Shares of ₹ 10 each fully paid up	14,663,000	1,303,000	1,200,000	1,000,000	-
Share Capital (in ₹)	1,466.30	130.30	120.00	100.00	-
Subscribed and paid-up Share Capital					
Equity Share Capital					
Equity Shares of ₹ 10 each fully paid up	14,663,000	1,303,000	1,200,000	1,000,000	-
Share Capital (in ₹)	1,466.30	130.30	120.00	100.00	145.51
Total	1,466.30	130.30	120.00	100.00	145.51
Reserves and Surplus					
Securities Premium	-	448.70	180.00	-	-
Profit and Loss account	526.54	381.00	124.71	41.25	-
Total	526.54	829.70	304.71	41.25	-

Note:

Face value of shares in the Year 2008 to 2010 has been considered after split of shares from ₹ 100 to ₹ 10 each

CAPITALISATION STATEMENT

(₹ In lacs)

Particulars	Pre-Issue	Post-Issue*
	As on 31 March 2011	
Debt		
Short Term Debt	1,775.50	
Long Term Debt	692.23	
Total Debt	2,467.73	
Shareholders' Fund (Equity)		
Share Capital	1,466.30	
Reserves & Surplus	526.54	
Less: Miscellaneous Expenses not w/off	0.42	
Total Shareholders' Fund (Equity)	1,992.42	
Total Capitalisation		
Long Term Debt/Equity	0.35	
Total Debt/Equity	1.24	

(*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.

Notes:

1. Short term Debts represent which are due within 12 months but excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above.
3. The figures disclosed above are based on re stated statement of Assets and Liabilities of the Company as at 31.03.11.

MANDATORY ACCOUNTING RATIOS
(₹ In lacs)

Particulars	As at				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Face Value per equity Share(₹)	10	10	10	10	NA
Earnings/ (losses) Per Share (in ₹)					
- Basic Earnings/ (losses) Per Share [a/b]	4.42	2.12	0.83	2.38	NA
- Diluted Earnings/ (losses) Per Share [a/c]	4.42	2.12	0.83	2.38	NA
(ii) Return on Net Worth (in %) [a/e]	28.97	26.72	19.71	57.66	46.28
(iii) Net Assets Value per Share (in ₹) [e/d]	13.59	73.61	35.29	13.96	NA
(a) Net profit available for appropriation (as restated)	577.14	256.29	83.46	80.48	67.34
(b) Weighted average numbers of equity shares for calculating Basic EPS.	13,056,844	12,110,700	10,010,959	3,374,904	NA
(c) Weighted average numbers of shares for calculating Diluted EPS.	13,056,844	12,110,700	10,010,959	3,374,904	NA
(d) No. of equity shares outstanding at the end of the year. (Figures for FY 2008-2010 are after considering split of shares from face value of ₹ 100 to ₹ 10 each)	14,663,000	1,303,000	1,200,000	1,000,000	NA
(e) Net Worth as at the end of the period/year	1,992.42	959.16	423.45	139.57	145.51

Notes:

1. The above ratios are calculated as under:

- a) Earning per share =
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Weighted average number of equity shares outstanding during the year}}$$
- b) Return on Net Worth(%) =
$$\frac{\text{Net Profit available for appropriation (as restated)}}{\text{Net worth as at the year end}}$$
- c) Net Asset Value Per Equity Share =
$$\frac{\text{Net Worth as at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the Year}}$$

2. Net Worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account;
3. The status of the company prior to 04th June 2007 was that of Partnership firm. Hence EPS and NAV per share have not been computed for 31st March 2007.
4. Net worth as on 31/03/2007 has been considered to be balance in the partner's capital account.
5. On 31st March 2011, the Company has splitted its share of ₹ 100/- into 10 shares of ₹ 10/- each and issued 1,31,96,700 bonus shares in the ratio of 9 new equity shares of ₹10/- each fully paid up for 1 equity shares of ₹10/- each fully paid up held in the company, by capitalising securities premium (₹ 922.27 lacs) and profit & loss balance (₹ 397.40 lacs). The same has been considered for calculating weighted average no. of equity shares for earlier year
6. Earnings Per Share (EPS) calculation are in accordance with the Accounting Standard 20 "Earnings Per Share" prescribed under the Companies (Accounting Standards) Rules, 2006.
7. The figures disclosed above are based on the restated financial information of the Company.

STATEMENT OF DEFERRED TAX ASSETS / (LIABILITIES)
(₹ In lacs)

Particulars	For the year ended				
	31 st March, 2011	31 st March, 2010	31 st March, 2009	31 st March, 2008	31 st March, 2007
Opening Balance of Deferred Tax Asset / (Liability)	(5.37)	(5.60)	(4.14)	-	-
DTA / (DTL) on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	(6.66)	0.24	(1.46)	(4.14)	-
Closing Balance of Deferred Tax Asset / (Liability)	(12.03)	(5.37)	(5.60)	(4.14)	-

Note:

Since the company was a partnership firm in the financial year 2006-07, deferred tax has not been recognised in the books of the accounts for that year.

STATEMENT OF TAX SHELTER

(₹ In lacs)

Particulars	For the Year ended				
	31-Mar-11	31-Mar-10	31-Mar-09	31-Mar-08	31-Mar-07
Restated Profit before tax	877.45	391.76	137.18	128.95	104.12
MAT rate including surcharge	19.93%	16.99%	11.33%	11.33%	N.A.
Normal Tax rate including surcharge	33.22%	33.99%	33.99%	33.99%	33.33%
Normal Tax on above	291.48	133.16	46.63	43.80	34.70
Adjustments:					
<i>Permanent Differences:</i>					
Prior Period Expenses	-	-	-	(2.62)	-
Disallowable expense under Income Tax Act	2.53	1.03	4.08		
Deduction Chapter VIA	(1.00)	(0.50)	-	-	-
Provision for Gratuity	15.48	-	-	-	-
Excess provision of Gratuity	(10.86)	-	-	-	-
Short provision of Gratuity	-	3.67	1.28	2.15	-
<i>Temporary Difference:</i>					
Short Provision of expenses.	20.80	-	-	-	-
Difference between book depreciation & tax depreciation	(20.42)	0.70	(3.08)	(13.41)	-
Total Adjustments	6.53	4.89	2.28	(13.88)	-
Tax expense/(saving) thereon	2.17	1.66	0.77	(4.72)	-
<i>Total Tax Payable:</i>					
Tax Payable for the current year	293.65	134.82	47.40	39.08	34.70
Tax & Interest thereon payable under assessment of earlier years	-	0.89	1.03	-	0.52
Tax Provision as per Profit and Loss Account	293.65	135.71	48.43	39.08	35.22

FINANCIAL INDEBTEDNESS

The principal terms of loans and assets charged as security as on September 15, 2011

A. Loan from Banks / Financial Institutions

(₹ In lakhs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
Secured Loan							
Axis Bank Ltd.	Working Capital – Fund based (Cash Credit)	1400	Base Rate+ 3.25%	Primary : First Pari Passu hypothecation charge with IDBI Bank on current assets (both present and future) Collateral: 1) Exclusive EM of Residential Property at 90/72, Malviya Nagar, New Delhi in the name of Mr Rakesh Sharma & Mr. Anil Sharma	On Demand	Nil	1388.07
	Working Capital – Non Fund based (Bank Guarantee)	2700	Commission – 1.25% p.a.		On Demand	Nil	1465.92
	Working Capital – Non Fund based (Letter of Credit - Sub Limit of Bank Guarantee)	(1200)	Commission – 1.25% p.a.	2) Exclusive EM of Residential Property at P-60, Nehru Enclave, Gomti Nagar, Lucknow, U.P. in the name of Mr. Shrikant Srivastava 3) Exclusive EM of Residential Property at D-1/518/D at Sector-D under Ward Vidyawati Devi, Kanpur Road Yojana, Lucknow, U.P. in the name of Mr. Ravikant Srivastava 4) Extension of Exclusive first equitable mortgage charge on Industrial plot No. 12, Block A, Sector 57, Noida Complex, NOIDA 5) Exclusive first charge on unencumbered fixed assets of the company (Present and Future)	On Demand	Nil	(699.51)
	Term Loan – Property Loan	275	Base Rate+ 3.25%	Primary : Exclusive first equitable mortgage charge on Industrial plot No. 12, Block A, Sector 57, Noida Complex, NOIDA Collateral: As above sl. No. 1,2,3 & 5 Second charge on entire current assets of the company	Principal payable in 60 equal monthly installments starting from the month following the month of first disbursement i.e. September,	Nil	200.00

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
IDBI Bank Ltd.	Working Capital – Fund based (Cash Credit)	600	BPLR+0.25%	Primary : First Pari Passu by way of hypothecation of debtors and other current assets (both present and future) Collateral: 1) Exclusive EM of Residential Property at V-5B, Green Park Extn., New Delhi in the name of Mr. Aditya Ranjan singh 2) Negative Lien Residential Property at Khasra No. 71, Block B, Badarpur Extn., Badarpur, New Delhi in the name of Mr. B. D. Tripathi 3) Exclusive charge by way of lien of fixed deposit of ₹ 25 lakh 4) ESCROW of future receivable from Indian Oil Corporation Ltd., Indraprastha Gas Ltd. and Indian Railways thru ESCROW A/c with IDBI.	2011	Nil	599.91
	Working Capital – Non Fund based (Bank Guarantee)	400	Commission – 1.50% p.a.		On Demand	Nil	369.28
Small Industries Development Bank of India	Subordinated Debt	200	14% p.a.	Residual charge on the movable assets (including current assets)	Repayable in 48 monthly installments 1st 47 installments shall be of ₹ 4.16 lacs each and 48th installment shall be of ₹ 4.48 lacs	36 Month from the date of disbursement i.e. Feb-2011	200.00
Srei Equipment Finance Pvt. Ltd.	Term Loan - Equipment Loan	160	12.53% p.a.	Hypothecation of Machine financed	Payable in 48 Equitable Monthly installments (including principal & interest) of ₹ 4,32,500 starting from February-2011	Nil	136.93
HDFC Bank	Term Loan - Equipment Loan	16.73	12.51% p.a.	Hypothecation of Machine financed	Payable in 48 Equitable Monthly installments	Nil	15.32

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
					(including principal & interest) of ₹ 45,221 starting from May-2011		
	Term Loan - Equipment Loan	6.02	12.51% p.a.	Hypothecation of Machine financed	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 20,616 starting from May-2011	Nil	5.44

B. Equipment / Vehicle Loans

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
HDFC Bank	Vehicle	9.50	13% p.a.	Hypothecation of Vehicle financed	Payable in 48 Equitable Monthly installments (including principal & interest) of ₹ 25,973 starting from September-2009	Nil	5.05
	Vehicle	3.93	11% p.a.	Hypothecation of Vehicle financed	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 12,867 starting from December-2009	Nil	1.68
	Vehicle	1.72	11% p.a.	Hypothecation of Vehicle financed	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 5,632 starting from March-2010	Nil	0.88
	Vehicle	10.31	11% p.a.	Hypothecation of Vehicle financed	Payable in 60 Equitable Monthly installments (including principal & interest) of ₹ 22,415 starting from June-2010	Nil	8.09
	Vehicle	8.95	13.25% p.a.	Hypothecation of Vehicle financed	Payable in 60 Equitable Monthly installments (including principal & interest) of ₹ 20,725 starting from March-2011	Nil	8.16
	Vehicle	10.98	12% p.a.	Hypothecation of Vehicle financed	Payable in 60 Equitable Monthly installments (including principal & interest) of ₹ 24,730 starting from March-2011	Nil	9.99
	Vehicle	5.00	12.75% p.a.	Hypothecation of Vehicle	Payable in 36 Equitable Monthly installments (including principal &	Nil	4.53

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
				financed	interest) of ₹ 16,785 starting from June-2011		
	Vehicle	5.58	13% p.a.	Hypothecation of Vehicle financed	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 18,810 starting from August-2011	Nil	5.32
ICICI Bank	Vehicle	1.72	12% p.a.	Hypothecation of Vehicle financed	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 5,657 starting from November-2010	Nil	1.24
	Vehicle	1.72	12% p.a.	Hypothecation of Vehicle financed	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 5,657 starting from November-2010	Nil	1.24

C. Unsecured Loans

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
ABN Amro Bank	Business Loan	30.00	19.00%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 1,09,969 starting from January-2010	Nil	14.56
Barclays Bank	Business Loan	35.00	20.00%	Nil	Payable in 48 Equitable Monthly installments (including principal & interest) of ₹ 1,06,506 starting from January-2009	Nil	14.03
HDFC Bank	Business Loan	30.00	17.00%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 1,06,958 starting from March-2011	Nil	25.29
Kotak Mahindra Bank	Business Loan	60.00	19.00%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 2,18,422 starting from October-2010	Nil	43.32
Standard Chartered Bank	Business Loan	30.00	19.00%	Nil	Payable in 48 Equitable Monthly installments (including principal & interest) of ₹ 89,700 starting from March-2009	Nil	13.17
Bajaj Finance	Business Loan	50.00	19.75%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 1,85,182 starting from October-2011	Nil	50.00
Indiabulls Financial	Business Loan	35.25	20.00%	Nil	Payable in 48 Equitable Monthly installments	Nil	20.26

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount
Services Ltd.					(including principal & interest) of ₹ 1,07,268 starting from October-2009		
Magma Fincorp Ltd.	Business Loan	25.00	18.60%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 91,136 starting from March-2011	Nil	20.85
Reliance Capital Ltd.	Business Loan	30.00	19.00%	Nil	Payable in 48 Equitable Monthly installments (including principal & interest) of ₹ 89,701 starting from January-2008	Nil	2.32
Religare Finvest Ltd.	Business Loan	36.00	21.00%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 1,35,630 starting from April-2009	Nil	7.09
Religare Finvest Ltd.	Business Loan	23.00	17.00%	Nil	Payable in 24 Equitable Monthly installments (including principal & interest) of ₹ 1,13,717 starting from May-2010	Nil	7.14
Tata Capital Ltd.	Business Loan	35.00	19.00%	Nil	Payable in 36 Equitable Monthly installments (including principal & interest) of ₹ 1,25,658 starting from November-2010	Nil	25.71
National Small Industries Corporation Ltd.	Raw Material Assistance	150.00	10.75%	Bank Guarantee	90 days or as per policy	Nil	140.11
Abhiyaan Group	Business Loan	7.00	Interest free Loan	Nil	On Demand	Nil	7.00
Dinesh Overseas Pvt. Ltd.	Business Loan	14.00	Interest free Loan	Nil	On Demand	Nil	14.00
Exfin (India) Mineral Ore Co. Pvt. Ltd.	Business Loan	2.25	Interest free Loan	Nil	On Demand	Nil	2.25

5.2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated summary statements as of and for the fiscal years ended March 31, 2007, 2008, 2009, 2010 and 2011, including the schedules and notes thereto and the reports thereon, which appear in the section titled "Financial Statements of the Company" on Page No. 131 of this Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements. Factors that may cause such a difference include, but are not limited to, those discussed in "Forward-Looking Statements" and "Risk Factors", beginning on Page No. 9 & 10 respectively, of this Draft Prospectus.

Overview

Overview of the Indian Economy

India is the fourth largest economy in the world after the United States of America, China and Japan in purchasing power parity terms. (Source: World Development Report, 2009).

The overall growth of gross domestic product (GDP) at factor cost at constant prices, as per Advance Estimates was 8.5 per cent in 2010-11, representing an increase from the revised growth of 8 per cent during 2009-10, according to the monthly economic report released for the month of July 2011 by the Ministry of Finance. The index of industrial production (IIP) rose to 8.8 per cent in June 2011, year-on-year (y-o-y), on back of manufacturing and within that, the capital goods sub-segment. During April-June 2011-12, the IIP growth was registered at 6.8 per cent as compared to 9.6 per cent during 2010-11.

The eight core infrastructure industries grew by 5.2 per cent in June 2011 as compared to the growth of 4.4 per cent in June 2010. In addition, exports in terms of US dollar, increased by 46.4 per cent during June 2011. On the back of such facts, India's GDP is projected to continue to grow at a brisk pace of 8.8 per cent in 2011-12.

City Gas Distribution sector

The City Gas Distribution (CGD) system, as the name suggests is a natural gas distribution infrastructure set up in various cities to cater to consumers like industrial, domestic households, commercial enterprises (like restaurants) and also fuel for vehicles through refuelling stations. Natural gas supplied to industrial, domestic and commercial customers is known as Piped Natural Gas (PNG) whereas gas used to run vehicles is known as Compressed Natural Gas (CNG).

PNG is supplied through extensive network of pipelines. Gas sale to commercial and industrial users is typically achieved through long-term gas sales agreement, whereas residential users are charged on usage basis. Residential households use gas primarily for domestic cooking or heating purpose. The PNG is increasingly being seen as an attractive alternative to the domestic LPG cylinders.

Commercial customers are majorly proprietary or partnership entities that utilize PNG exclusively for commercial purpose as an alternative of LPG. This set of customers comprises hotels, restaurants, dairies, educational institutions etc. Industrial customers are those manufacturing concerns which use gas as a fuel. These entities use gas in volume. Textile, pharmaceuticals, glass, chemicals, pulp and paper etc. are some of the industries where PNG is widely used as a fuel. The PNG is required for a variety of purposes such as heating, cooling, power production and as a process feedstock. These customers can be further categorized into large scale and small/medium scale entities. The large scale entities have bulk requirement which are mainly supplied at a high pressure through a gas grid made up of steel pipes. Small/medium scale entities' requirement is met through pipes made up of steel and Poly-Ethylene (nascent stage in India) at varied pressure

levels depending on requirement. CNG is dispensed through fuel stations to cater to the automobile sector. These fuel stations are either owned by gas supply companies or operated through franchisee model.

Current state of CGD sector in India

As on December 31, 2010, India had CGD network in 41 cities with about 596 CNG stations catering to about 1.1 million vehicles. The coverage is expected to grow to 250 cities by the year 2020. As per MoPNG, as of December 31, 2010, the number of PNG connections has almost doubled from about 0.7 million in December 08 to 1.4 million. However, the CGD infrastructure in India is still in a nascent stage even compared to neighbouring countries such as Pakistan and Bangladesh. Laying CGD is a capital intensive business and requires heavy investment in the initial phases of the project. The gestation period for the project is long and revenue starts flowing after at least five years of operation. As per industry estimates, for laying CGD network the required investment falls in the range of ₹300-500 crore per city (with gas demand of about 0.3-0.5 mmscmd) depending on the size of the city.

Outlook - CGD sector

Currently, CGD is confined to limited number of cities like Delhi, Mumbai and some major cities in the state of Gujarat because of constraints in gas supply owing to limited gas linkage and gas infrastructure. However, the discovery of KG-D6 and construction of gas grid is likely to provide much needed impetus to CGD as it is likely to enhance its coverage in large number of cities across the country. CARE Research demand estimates of 16 mmscmd in FY12 seems to be on a conservative side, because of challenges like regulatory imbroglio over authorization process, lower priority in the gas allocation and uncertainties over construction of transmission infrastructure. However, during FY11-FY14 period, CARE Research estimates CGD off-take to grow at a CAGR of around 20% and reach a level of 26 mmscmd by FY14 from 14 mmscmd in FY11.

Railways

Indian Railways (IR) is the largest rail networks in Asia. With total rail length of about 63,974 km (at the end of FY10) Indian rail is one of the largest rail networks in the world. It has been carrying the freight and passenger traffic for more than 150 years. Over the years, the rise in international trade and domestic cargo has increased the freight movement by rail. With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. The share of railways in total freight movement is about 30% and that in the passenger traffic movement is about 18%. IR operates approximately 11,000 passenger trains a day, around 5,000 freight trains a week and employs nearly 1.4 million people. The freight traffic accounts for roughly 70% of its revenues while the passenger traffic constitutes 30%. As per Ministry of Railways, IR is expected to carry about 993 mn tonnes of freight traffic annually by the end of Eleventh Five Year Plan.

Outlook - Railway sector & effective construction investment

Railway carries about 30% of the freight movement in the country and about 18% of the passenger traffic. Growing demand of rail services is surpassing the capacity of railways. Assuming the CAGR of 9%, India's total freight movement is expected to grow from the current 3 bn tonnes to 5.2 bn tonnes in the next 6-7 years. Even with 30% market, cargo freight to be carried by IR will almost double to 1,600 mn tonnes. IR has proposed some projects on priority basis like rail-port connectivity projects, raiiside warehouses, hinterland corridor projects, private sidings, container depots etc. This throws a huge opportunity for the construction industry.

Construction Industry

Construction and GDP:

The construction industry has close linkage with the economic growth of the country. Construction as a percentage of GDP has been in the narrow range of 7.9-8.1% in the past few years. With a slowdown in the economic growth in FY09, growth in construction GDP had also declined to 5.4% compared to the growth of 10.7% registered in FY08. However, with the recovery in domestic demand, accommodative policies and stimulus packages announced by the government, macroeconomic environment improved in the next year and construction registered a growth of 7% in FY10. During FY11, both GDP and construction posted a healthy growth rate of 8.5% and 8.1%, respectively.

Road sector

India has an extensive road network of 3.3 million kms – the second largest in the world. The country’s roads carry about 65% of the total freight and 80% of the passenger traffic. The following table shows the bifurcation of the types of roads in the country:

Bifurcation of the types of roads in the country

Type	KMS	% of total
National highways	70,934	2.1
State highways	1,31,899	4.0
District roads	4,67,763	14.1
Rural & other roads*	26,50,200	79.8
Total	33,20,796	100.00

Source: National Highway Authority of India (NHAI)

* includes Expressways

National highways serve as the arterial network across the country. Even though they constitute only 2% of all roads, they carry almost 40% of the road traffic. Moreover, only 21% of national highways in the country have four or more lanes. The total length of the expressways in the country is just about 1,000 kms, way below in comparison to a country like China which has the second-largest expressway network in the world with 74,000 kms. India’s road density is 2.75 km per 1,000 people which is abysmally low as compared to the global average of 770 km per 1,000 people.

Outlay in Infrastructure sector

Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country and in turn the construction industry. GoI has set an ambitious target of increasing the proportion of infrastructure investment to about 9% of GDP by the terminal year of the Eleventh Five Year Plan. The construction industry has the opportunity to capitalise on the massive order flow expected to come from the infrastructure projects.

OUR BUSINESS

Our Company is an ISO 9001:2008 certified Public Limited Company engaged in execution of Infrastructure Projects on procurement & contract basis pertaining to laying of down-stream Onshore Gas Pipeline Networks including setting-up of City Gas Distribution Networks for Public Sector Undertakings and Private Companies, Supply and Installation of Channel Sleepers, Construction of foot over-bridges & various pre-laying track works for Indian Railways and Other Miscellaneous Infrastructure Projects i.e. Civil Constructions projects in connection with roads, buildings, agricultural land development etc for private sector undertakings.

Initially, our Company commenced its operations as a Partnership Firm under the name & style of “Unitech” in the year 1999 and was later converted into a Public Limited Company on June 04, 2007 under the provisions of Part IX of the Companies Act, 1956. Consequently, a Certificate of Incorporation was issued by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 04, 2007 under the name of Universal Energies Limited (“UEL”).

UEL under the leadership of Mr. Aditya Ranjan Singh – our Managing Director and Mr. Akhilesh Ranjan Singh – our Whole-time Director has consistently registered growth in the revenue and profitability over the years. With execution of each contract we have developed expertise in our line of operations with valuable contributions from our in-house skilled manpower and modern equipments meant for execution of engineering jobs. Further with the phase of time we have attained the understanding for obtaining various Government permissions and approvals required for executing the project and managing financial arrangements for the works.

Our revenues has grown from ₹ 2,569.15 lacs in the financial year 2007-08 to ₹ 8,736.05 in the financial year 2010-11 at a CAGR of 50.37% and our net profit after tax as restated has grown from ₹ 80.48 lacs to ₹ 577.14 lacs at a CAGR of 92.84% during the same period.

Our company is in the business of executing infrastructure projects on Procurement & Contract basis which includes:

- Laying of down-stream onshore gas pipelines network for IOCL, IGL, GAIL, Sabarmati Gas Ltd., Green Gas Ltd., Indian Oil Tanking Ltd., Reliance Industries Ltd. etc. The Company has developed its expertise in City Gas Distribution Network including laying of pipeline, Setting-up of Gas Stations / Pump Houses and Construction of Storage Tanks. Our Company is one of the qualified contractors in this line of business.
- Supply and installation of channel sleepers, Construction of foot over-bridge & pre-laying track works for Indian Railways. During the last few years the Company has undertaken revamping operations of old railway bridges by replacing the channel sleepers.
- Other Miscellaneous Infrastructure projects i.e. Civil Construction, Road Construction etc for private companies.

KEY BUSINESS STRENGTHS

1. Established player engaged in execution of Infrastructure Projects on procurement & contract basis with clientele including PSUs

We are a established player engaged in execution of Infrastructure Projects on procurement & contract basis with clientele including PSUs. We were awarded our first contract of laying down-stream gas distribution pipeline network in the fiscal 2002. With the passing years we have added to our clientele some of the reputed name which includes Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and other organizations like GAIL Gas Ltd, Indraprastha Gas Ltd. Further our early entrance and continued presence in City Gas Distribution Network has made us eligible for qualifying technical bids.

2. Customer centric approach with the ability to customize

Our customer centric approach has enables us to understand and respond to the requirements of our clients. Our capability to provide customized solutions as per the technical specifications of the clients enables us to expand and innovate our services in line with current and future requirements of our clients. We work closely with our customers from the pre-order phase commencing with preliminary operations and extending upto monitoring the performance of the implemented work to ensure client satisfaction. We continue to lay strong emphasis on our post-execution client service to ensure it is quick and responsive.

3. Healthy Order Book position

As at August 31, 2011, some of the major works orders as reflected by our order book totaled ₹ 7,391.78 lacs. In our line of business, the Order Book is considered an indicator of potential future performance since it represents a significant portion of our potential revenues. Our strategy is not merely to add works contracts to the order book but to focus on capturing quality contracts with high margins.

4. Experienced and strong management team

We have an experienced management team with established and structured corporate processes. We believe that our management team has a long-term vision. We also believe that their understanding of the line of business in which we operate and flexibility in managing our operating and financial leverage has enabled us to adapt to the changing business scenario in a focused and constructive manner. Our Company reaps the benefits of highly qualified & experienced Directors & managerial personnel. Our Chairman Mr. Kamta Prasad Roy, holds a Master's degree in Electrical Engineering from IIT, Delhi and is a retired Executive Director from GAIL (India) Limited with an overall experience of over 40 years in Fertilizer, Chemicals, Oil and Gas industry. Our another Independent Director Mr. Prabhu Dayal Didwania is a Mechanical Engineer from Banaras Hindu University and he has served Mecon Limited (a PSU promoted by Steel Authority of India Limited) and was instrumental in advising the Government of India in respect of City Gas Network in India. Further, our execution team comprises of technically qualified personnel having vast experience which enables us to implement varied kind of projects with different technical specifications.

5. Long term relationship with our clients

Our continuous focus on providing quality services has resulted in long term relationships with our clients such as Indraprastha Gas Limited, Indian Railways etc. Our track record of delivering timely services and demonstrated industry expertise has helped in forging strong relationships with them.

6. Quality Certifications

Our Company has been certified by ACS Registrars Limited as an ISO 9001:2008 certificate for “erection, commissioning & installation of gas distribution network, civil contracts and maintenance”. For further details refer to section titled “*Government Approvals*” on page no. 186 of the Draft Prospectus.

OUR BUSINESS STRATEGY

1. Enhancing our range of services

Our focus is to expand the ambit of our services in City Gas Distribution Network projects. PNGRB has initiated development of City Gas Distribution Network in India and licenses to private players are being issued to cover larger no. of cities. We intend to:

- Undertake laying/execution of city gas distribution projects on labour contract basis from the principal license holders of selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years.
- Undertake turnkey projects for laying/execution of city gas distribution networks in selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years. This shall include engineering, procurement and supply of material along with labour job.
- Undertake joint venture projects with the principal license holders of city gas distribution network in selected cities out of nearly 200 cities where city gas networks shall reach in next 5-7 years. This may include joint/sub ownership of the city gas distribution network.
- Obtain City Gas Distribution Network license where city gas networks shall reach in next 5-7 years. Our Company has all the technical qualifications for the above license.

2. Continue to strengthen relationships with key clients

We believe that we constantly try to address client’s needs around a variety of our services. Our existing client relationships help us to get repeat business from them. This has helped us to maintain a long term business relationship with our clients and ensure their retention. This represents a competitive advantage in gaining new clients and increasing our business in future.

3. Diversification in the Civil Construction business

We intend to increase the ambit of our operations in civil construction sector which will include construction of buildings, roads etc. For procurement of contracts in this space we intend to pitch by way of negotiated tender and/or joint ventures in order to enhance our credentials.

Significant Accounting Policies

Our significant accounting policies are described in the section entitled “*Financial Information of the Company*” on page 140 of this Draft Prospectus.

Factors that may affect the results of the operations

Our business is subject to various risks and uncertainties, including those discussed in the section titled “*Risk Factors*” beginning on page 10 of this Draft Prospectus.

Among various other factors that affect our financial results and operations for a given financial year, some key factors are as follows:

- General economic and business conditions;
- Company’s inability to successfully implement its growth and expansion plans;

- Increasing competition in the industry;
- Changes in laws and regulations that apply to the industry;
- Dependence on few Customers

SUMMARY OF THE RESULTS OF OPERATION

The following table sets forth select financial data from standalone restated profit and loss accounts for Financial Year 2011, 2010, 2009 and 2008 and the components of which are also expressed as a percentage of total income for such periods.

(In ₹ lacs)

Particulars	For the Year ended							
	31-Mar-11	% of Total Income	31-Mar-10	% of Total Income	31-Mar-09	% of Total Income	31-Mar-08	% of Total Income
INCOMES:								
Income from contractual works	8,517.00	87.38%	3,200.56	59.49%	2,646.23	78.90%	2,132.63	80.93%
Sales for contractual works	219.05	2.25%	1,874.99	34.85%	795.68	23.72%	436.52	16.57%
Other Income	39.95	0.41%	9.91	0.18%	7.76	0.23%	3.13	0.12%
Increase / (Decrease) in Inventories	970.72	9.96%	294.83	5.48%	(95.86)	(2.86)%	62.82	2.38%
TOTAL INCOME	9,746.71	100.00%	5,380.28	100.00%	3,353.81	100.00%	2,635.10	100.00%
EXPENDITURES:								
Purchases	2,860.13	29.34%	2,881.12	53.55%	1,123.83	33.51%	760.13	28.85%
Direct Expenses	4,934.51	50.63%	1,565.51	29.10%	1,589.82	47.40%	1,387.64	52.66%
Payments to & Provision for Employees	140.73	1.44%	85.57	1.59%	63.37	1.89%	48.71	1.85%
Administrative Expenses	554.69	5.69%	226.87	4.22%	251.74	7.51%	207.20	7.86%
Selling & Distribution Expenses	14.50	0.15%	0.85	0.02%	1.01	0.03%	5.08	0.19%
Interest and other finance charges	300.46	3.08%	173.44	3.22%	138.89	4.14%	69.61	2.64%
Depreciation	54.32	0.56%	51.49	0.96%	46.68	1.39%	28.24	1.07%
Total:	8,859.33	90.90%	4,984.85	92.65%	3,215.35	95.87%	2,506.63	95.12%
Net Profit before tax & extra-ordinary items:	887.39	9.10%	395.43	7.35%	138.46	4.13%	128.47	4.88%
Provision for Tax								
- Current Tax	293.65	3.01%	135.71	2.52%	48.43	1.44%	39.59	1.50%
- Fringe Benefit Tax	-	0.00%	-	0.00%	3.83	0.11%	2.62	0.10%
- Deferred Tax Liability / (Asset)	6.78	0.07%	(0.24)	0.00%	1.05	0.03%	4.14	0.16%
Net Profit before extra-ordinary items & after tax:	586.96	6.02%	259.95	4.83%	85.15	2.54%	82.12	3.12%
Prior Period Item (net of tax)	-	0.00%	-	0.00%	-	0.00%	2.62	0.10%
Net Profit after tax and extra-ordinary items (as per audited financial statements) :	586.96	6.02%	259.95	4.83%	85.15	2.54%	79.49	3.02%
Adjustments on account of restatements	(9.82)	-0.10%	(3.67)	-0.07%	(1.69)	-0.05%	0.98	0.04%
Net Profit as restated	577.14	5.92%	256.29	4.76%	83.46	2.49%	80.48	3.05%

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2011 WITH FISCAL 2010

1. INCOME :

During the year 2010-11 the total income of the company increased to ₹ 9746.71 lacs as against ₹ 5380.28 lacs of 2009-10. The income from contractual works increased to ₹ 8517.00 lacs from ₹ 3200.56 lacs, an increase of 166%. This increase can be attributable to receipt of orders and execution of contractual works in city gas distribution network, railways and civil infrastructure projects. During the year 2010-11, sales for contractual works decreased to ₹ 219.05 lacs from ₹ 1874.99 lacs in 2009-10 due to lesser supply contracts executed during the year. The other income also increased from ₹ 9.91 lacs to ₹ 39.95 lacs mainly due to income from profit on sale of flat amounting to ₹ 23.87 lacs.

2. EXPENDITURE :

The total expenditure for the year 2010-11 increased to ₹ 8859.33 lacs from ₹ 4984.85 lacs, an increase of 78%. This was due to surge in volume of business, which resulted in increase in expenses viz. consumption of materials, direct expenses, employees provision and administration expenses.

3. PURCHASES :

Purchases for the year 2010-11 amounted to ₹ 2860.13 lacs as against ₹ 2881.12 lacs of previous year. In % terms it amounted to 29.34% of the total income as against 53.55% in the previous year. This was lower due to lesser supply contracts executed during the current year.

4. DIRECT EXPENSES :

The direct expenses amounted to ₹ 4934.51 lacs in 2010-11 as against ₹ 1565.51 lacs for previous year. The expenses amounted to 50.62% of the total income as against 29.10% of total income in the previous year. This was higher due to larger number of works contracts executed during the current year.

5. SALARY/WAGES :

The salary and wages increased to ₹ 140.73 lacs from ₹ 85.57 lacs in the year 2009-10 i.e. 64%. Salary and wages did not increase in proportion to growth in total income due to increase in output per employee as a result of improved systems, procedure and expertise. Further the fixed employee cost did not increase. Due to this the employee cost decreased to 1.44% from 1.59% of Total Income.

6. ADMINISTRATIVE EXPENSE :

The Administrative expenses increased to 5.69% from 4.22% of Total Income amounting to ₹ 554.69 lacs. Increase was due to increase in service tax, WCT & Service Tax obligations of our Company.

7. SELLING & DISTRIBUTION EXPENSES:

The Selling & distribution expenses increased to ₹ 14.50 lacs from 0.85 lacs in the previous year. This expense comprise of business promotion expense.

8. DEPRECIATION :

The depreciation for the year 2010-11 stood at ₹ 54.32 lacs calculated at WDV method as per companies Act. For the year 2009-10 the same was ₹ 51.49 lacs. The increase was due to addition to fixed assets during the fiscal year 2011.

9. FINANCE COST :

Finance cost for the year 2010-11 increased to ₹ 300.46 lacs as against ₹ 173.44 lacs of the previous year. The increase is due to the growth in business and working capital limits.

10. TAXATION :

The total tax provision for the year 2010-11 stood at ₹ 300.43 lacs, which includes ₹ 6.78 lacs for DTL. The tax has been provided as per Income Tax rules.

11. NET PROFIT AFTER TAX :

The net profit after tax for the year 2010-11 stood at ₹ 577.14 lacs as against ₹ 256.29 lacs of 2009-10. The net profit margin increased to 5.92% from 4.76%. The major reason for increase is saving in materials & direct expenses.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2010 WITH FISCAL 2009

1. INCOME :

During the year 2009-10 the total income of the company increased to ₹ 5380.28 lacs as against ₹ 3353.81 lacs of 2008-09. The income from contractual works increased to ₹ 3200.56 lacs from ₹ 2646.23 lacs, an increase of 21%. This increase can be attributable to receipt of orders and execution of contractual works in city gas distribution network, railways and civil infrastructure projects. During the year 2009-10, sales for contractual works increased to ₹ 1874.99 lacs from ₹ 795.68 lacs in 2008-09 due to execution of larger number of supply contracts. The other income also increased from ₹ 7.76 lacs to ₹ 9.91 lacs.

2. EXPENDITURE :

The total expenditure for the year 2009-10 increased to ₹ 4984.85 lacs from ₹ 3215.35 lacs, an increase of 55%. This was due to surge in volume of business.

3. PURCHASES :

Material purchases for the year 2009-10 amounted to ₹ 2881.12 lacs as against ₹ 1123.83 lacs of previous year. In % terms it amounted to 53.55% of the total income as against 33.51% in the previous year. This was higher due to execution of larger number of procurement contracts.

4. DIRECT EXPENSES :

The direct expenses for the year 2009-10 amounted to ₹ 1565.51 lacs as against ₹ 1589.82 lacs of previous year. Despite increase of income from contractual works, the direct expenses decreased during the year due to improvement in procedures and expertise in our line of business.

5. SALARY/WAGES :

The salary and wages increased to ₹ 85.57 lacs in the year 2009-10 as against ₹ 63.37 lacs of previous year. Salary and wages did not increase in proportion to growth in total income due to increase in output per employee as a result of improved systems, procedure and expertise. Further the fixed employee cost did not increase. Due to this the employee cost decreased to 1.59% from 1.89% of Total Income.

6. ADMINISTRATIVE EXPENSE :

The Administrative expenses decreased to 4.22% from 7.51% of Total Income amounting to ₹ 226.87 lacs. The decrease was in line with direct expenses & salary/wages expenses of the company..

7. SELLING & DISTRIBUTION EXPENSES:

The Selling & distribution expenses were ₹ 0.85 lacs against ₹ 1.01 lacs in the previous year. This expense comprise of advertisement & business promotion expense.

8. DEPRECIATION :

The depreciation for the year 2009-10 stood at ₹ 51.49 lacs calculated at SLM as per companies Act. For the year 2008-09 the same was ₹ 46.68 lacs. The increase was due to addition to fixed assets during the fiscal year 2010.

9. FINANCE COST :

Finance cost for the year 2009-10 increased to ₹ 173.44 lacs as against ₹ 138.89 lacs of the previous year. The increase is due to the growth in business and working capital limits.

10. TAXATION :

The total tax provision for the year 2009-10 stood at ₹ 135.47 lacs, which includes ₹ 0.24 lacs for DTA. The tax has been provided as per Income Tax rules.

11. NET PROFIT AFTER TAX :

The net profit after tax for the year 2009-10 stood at ₹ 256.29 lacs as against ₹ 83.70 lacs of 2008-09. The net profit margin increased to 4.76% from 2.50%. The major reason for increase is saving in materials & direct expenses.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2009 WITH FISCAL 2008

1. INCOME:

During the year 2008-09 the total income of the company increased to ₹3353.81 lacs as against ₹ 2635.10 lacs of 2007-08. The income from contractual works increased to ₹ 2646.23 lacs from ₹ 2132.63 lacs, an increase of 27%. This increase can be attributable to receipt of orders and execution of contractual works in city gas distribution network, railways and civil infrastructure projects. During the year 2009-10, sales for contractual works increased to ₹ 795.68 lacs from ₹ 435.52 lacs in 2008-09. The other income also increased from ₹ 3.13 lacs to ₹ 7.76 lacs.

2. EXPENDITURE:

The total expenditure for the year 2008-09 increased to ₹3215.35 lacs from ₹ 2506.63 lacs, an increase of 28%. The expenditure is higher which was in line with the increase in the volume of business.

3. PURCHASES:

Material purchases for the year 2008-09 amounted to ₹ 1123.83 lacs as against ₹ 760.13 lacs of previous year. In % terms it amounted to 33.51% of the total income as against 28.85% in the previous year.

4. DIRECT EXPENSES :

The direct expenses for the year 2008-09 amounted to ₹ 1589.82 lacs as against ₹ 1387.64 lacs of previous year. The increase was due to increase volume of work.

5. SALARY/WAGES :

The salary and wages increased to ₹ 63.37 lacs in the year 2009-10 as against ₹ 48.71 lacs of previous year. The increase was due to increase volume of work.

6. ADMINISTRATIVE EXPENSE :

The Administrative expenses were 7.51% of Total Income in the year 2008-09 as against 7.86% of Total Income in the year 2007-08. The decrease was in normal course of business.

7. SELLING & DISTRIBUTION EXPENSES:

The Selling & distribution expenses were ₹ 1.01 lacs against ₹ 5.08 lacs in the previous year. This expense comprise of advertisement & business promotion expense.

8. DEPRECIATION :

The depreciation for the year 2008-09 stood at ₹ 46.68 lacs calculated at SLM as per companies Act. For the year 2007-08 the same was ₹ 28.24 lacs. The increase was due to addition to fixed assets during the fiscal year 2008.

9. FINANCE COST

Finance cost for the year 2008-09 increased to ₹ 138.89 lacs as against ₹ 69.61 lacs of the previous year. The increase is due to the increase in working capital limits.

10. TAXATION :

The total tax provision for the year 2008-09 stood at ₹53.31 lacs, which includes ₹1.05 lacs for DTL and ₹ 3.83 lacs for FBT. The tax has been provided as per Income Tax rules.

11. NET PROFIT AFTER TAX :

The net profit after tax for the year 2008-09 stood at ₹83.46 lacs as against ₹ 41.25 lacs of 2007-08. The net profit margin decreased to 2.49% from 3.05%.

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

Unusual or infrequent events or transactions

There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

Significant economic changes that materially affected or are likely to affect income from continuing operations.

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Apart from the risks as disclosed under Section “**Risk Factors**” beginning on page 10 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by raw material suppliers.

Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of business.

Total turnover of each major industry segment in which Our Company operated

For details on the total turnover of the industry please refer to Chapter “**Industry Overview**” beginning on page 74 of the Draft Prospectus.

Status of any publicly announced New Products or Business Segment

Our Company has not announced any new product or business segment.

Seasonality of business

Our Company’s business is not seasonal in nature.

Dependence on a single or few customers/ clients

The % of contribution of our Company’s top 5 customers/clients vis-à-vis the total income for the FY 2011& top 5 suppliers are as follows:

Our Major Customers/ Clients for the financial year ended March 31, 2011

Name of the Clients	Value (₹ in Lacs)	As % of total income
Indraprastha Gas Ltd.	1,772.00	20.28
Vensar Constructions Co. Ltd.	1,507.31	17.25
Indian Railway	1,359.98	15.57
Aravali Infrapower Ltd.	1,112.24	12.73
Indian Oil Corporation Ltd.	425.43	4.87
Total	6,176.96	70.71

Our Major Suppliers for the financial year ended March 31, 2011

Name of the Supplier	Amount (₹ in lacs)	% of purchase
Varun & Co.	1,065.34	37.25
Sujeet Associates	144.87	5.06
Icon Controls Pvt. Ltd.	78.00	2.73
Raychem RPG Ltd.	68.63	2.44
Vikrant Ispaat Udyog	47.34	1.66
Total	1404.18	49.14

Competitive conditions

Competitive conditions are as described under the Chapters “**Industry Overview**” and “**Our Business**” beginning on pages 74 and 87, respectively of the Draft Prospectus.

Details of material developments after the date of last balance sheet i.e March 31, 2011

In the opinion of the Board of our Company, there have not arisen, since the date of the last financial statements included in this Draft Prospectus, any circumstance that materially and adversely affect or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. There is no subsequent development after the date of the Auditor’s Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

SECTION VI – LEGAL AND OTHER INFORMATION

6.1 - OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or, alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part 1 of Schedule XIII of the Companies Act) against our Company, our Directors, our Promoter and our Group Entities that would have a material adverse effect on our business. Further there are no defaults, non-payments or overdue of statutory dues, institutional/bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Contingent Liabilities of Our Company

As on September 15, 2011, the contingent liability of our Company in respect of outstanding litigations is as follows:

Sr. No.	Nature of litigation	Number of Outstanding cases	Aggregate approximate amount involved (₹)
1	Civil Proceedings	2	15,17,414
2	Show Cause Notice	1	Not ascertainable
3	Labour laws	1	5,000

I. LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1. Litigation Involving Civil Laws:

a. Suit for recovery of ₹2,10,000/- filed by the Vendor

A Suit being Suit No. 22/10 before the Civil Judge, Tis Hazari, Delhi has been filed by the Vendor of the Company i.e. Ashok Singhal proprietor of M/s. Associate Electrodes against the Company for recovery for an amount of ₹ 2,10,000/- . The Suit is presently at the stage of Plaintiff's Evidence and the next date of hearing is 28.01.2012.

b. Suit for recovery of ₹ 13,07,414/- filed by the Contractor

A Suit being Suit No. 130/2011 before the Additional District Judge (District South), Saket Court Complex, New Delhi has been filed by the Contractor of the Company i.e. Gypsum Structural India Pvt. Ltd. against the Company for recovery for an amount of ₹ 13,07,414/-. The Suit was decreed ex-parte on 21.04.2011 against the Company. The Company has filed an application under Order 9 Rule 13 read with Section 151 CPC for setting aside exparte decree dated 21.04.2011 before the said Additional District Judge (District South), Saket Court Complex, New Delhi. The next date of hearing is 21st September 2011.

2. Litigation Involving Criminal Laws: NIL

3. Litigation Involving Securities and Economic Laws: NIL

4. Litigation Involving Statutory Laws:

a. Notice under Section 143(3) of the Income Tax Act, 1961 by Office of the Assistant Commissioner Income Tax, Circle 18(1), New Delhi

Notice dated 15th September 2010 under Section 143(3) of the Income Tax Act, issued by Office of the Assistant Commissioner Income Tax, Circle 18(1), New Delhi for the Assessment Year 2009 – 10 requesting the Company to furnish certain documents. The Company replied to the said notice vide its letter dated 13th April 2011 and provided certain details/documents as requested. The Company vide letter dated 9th September 2011 provided some more

details and sought time to provide the balance details. The matter is pending before the said Assistant Commissioner of Income Tax, New Delhi.

5. Litigation Involving Labour Laws:

a. Complaint under Section 22 of the Minimum Wages Act, 1948 by Labour Enforcement Officer

A Complaint has been by the Labour Enforcement Officer under Section 22 of the Minimum Wages Act, 1948 before the Chief Judicial Magistrate, Panipat. The first notice in respect of the same was received on 03.08.2011. The Company has confirmed that they have not received the Copy of the Complaint till date.

As per Section 22 of the Minimum Wages Act, 1948, an employer, who pays to any employee less than the minimum rates of wages fixed for that employee's class of work, or less than the amount due to him under the provisions of the Act, or contravenes any rule or order made under section 13, is punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

B. CASES FILED BY OUR COMPANY

1. Litigation Involving Civil Laws: NIL
2. Litigation Involving Criminal Laws: NIL
3. Litigation Involving Securities and Economic Laws: NIL
4. Litigation Involving Statutory Laws: NIL
5. Litigation Involving Labour Laws: NIL

II. LITIGATION AGAINST OUR DIRECTORS

- A. Litigation Against Our Directors: NIL
- B. Cases Filed By Directors of the Company: NIL

III. LITIGATION RELATING TO OUR PROMOTER AND GROUP COMPANIES

- A. Litigation against our Promoters: NIL
- B. Litigation filed by our Promoters: NIL
- C. Litigation against our Group Companies: NIL
- D. Litigation filed by our Group Companies: NIL

IV. AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no outstanding dues payable to Small scale industries. However the details of other creditors amounting to ₹ 1 lakh or more which are pending for more than 30 days are as follows:

Sr.	Name of Creditors	Amount (₹ in lacs)
1	Arora Electricals	2.50
2	Champion Tools Co.	0.62
3	Hawa Engineers	5.00
4	Icon Controls Pvt. Ltd.	1.80
5	J .S Contractors	2.59
6	Jupiter Metal Industries (Regd.)	2.32
7	Loha Ispat Limited	18.35
8	M.N.Perfect Tools	1.67
9	New Age Techno India Pvt. Ltd.	3.29
10	PARAS INDUSTRIES	1.42
11	Pranshi Telecom	3.37
12	R J S Engineers Pvt Ltd	3.55
13	S.P.Engineers & Contractors	2.01
14	Shri Navdurga Steel	3.60
15	Vardan Associates	9.70

Sr.	Name of Creditors	Amount (₹ in lacs)
16	Vee Kay Vikram & Co.	4.04
17	Vikas Traders	2.10
	Total	67.93

V. MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE, i.e. MARCH 31, 2011

In the opinion of the Board of our Company, there have not arisen, since the date of the last financial statements included in this Draft Prospectus, any circumstance that materially and adversely affect or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. There is no subsequent development after the date of the Auditor's Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

6.2 - GOVERNMENT APPROVALS

The Approvals and Licenses received by our Company from government authorities listed below enable us to carry out our present business activities. Unless otherwise stated herein below, these approvals are valid and subsisting as on the date of this Draft Prospectus. It must, however, be distinctly understood that in granting the above approvals, the Government and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed.

The licenses, permissions and approvals obtained by our Company under various Central and State Laws for carrying out its business are enlisted below

APPROVALS MATERIAL TO OUR CURRENT BUSINESS ACTIVITIES

S. No.	Issuing Authority / Department	Registration/License No.	Nature of Registration / License	Validity / Issue Date
1	Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana	Corporate Identification No. U74120DL2007PLC164288	Certificate of Incorporation	Issue Date: 04.06.2007
2	Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana	Corporate Identification No. U74120DL2007PLC164288	Certificate of Commencement of Business	Issue Date: 18.06.2007
3	ACS Registrar Ltd.	Certificate No. 50777	Quality Assurance Standard of ISO-9001:2008	Issue Date: 14.04.2010 Validity up to: 28.03.2013
4	Trade Mark Registry, Delhi	Trade Mark No. 1583896 Certificate No. 1009307	Trade Marks Certificate	Issue Date: 25.07.2007 valid upto 10 years from the date of application
5	General Manager, District Industries Centre, Varanasi	Entrepreneur's Memorandum No. 09-067-12-00397	Acknowledgment to set up a small enterprise at Plot No. 13 & 14, Siddharth Apartment, Shastri Nagar, Sagra, Varanasi	Issue Date: 01.12.2010 Validity from date of issue for two years
6	Joint Director General of Foreign Trade Development Officer, Ministry of Commerce, Government of India	IEC No. 0503040321	Certificate of Import Export Code	Issue Date: 23.09.2003 amended on 18.12.2007
7	Income Tax Department, New Delhi	Permanent Account Number: AAACU9022F	PAN Registration	Issue Date: 04.06.2007
8	Commercial Tax Department, Gujarat	Registration No. 24540705793	Gujarat CST Registration	Issue Date: 26.10.2007
9	Department of Trade and Taxes, New Delhi	Registration No. 07370268037	Delhi CST Registration	Valid from 01.04.2005 and later amended in the name of our Company
10	Commercial Taxes Officer, Panipat	TIN No: 06472617872	Haryana CST Registration	Valid from 19.06.2008 until cancelled
11	National Securities Depository Limited, Mumbai	TAN No. DELU03428F	Tax Deduction Account Number	Issue Date: 23.08.2007

S. No.	Issuing Authority / Department	Registration/License No.	Nature of Registration / License	Validity / Issue Date
12	Office of the Deputy Commissioner Service Tax, New Delhi	Registration No. AAACU9022FST001	Service Tax Registration under Section 69 of Finance Act, 1994	Issue Date: 15.05.2008
13	Department of Trade and Taxes, New Delhi	Delhi VAT (TIN No.) 07370268037	Delhi VAT Registration	Valid from 12.10.2003 amended on 25.10.2007
14	Commercial Taxes Officer, Panipat	Haryana VAT (TIN No.) 0647261872	Haryana VAT Registration	Valid from 19.06.2008
15	Commercial Taxes Department, Guna, M.P.	TIN No. 23519002999	Madhya Pradesh VAT Registration	Valid from 08.08.2010
16	Commercial Taxes Officer, U.P.	Uttar Pradesh VAT (TIN No.) 09282302876	Uttar Pradesh VAT Registration	Valid from 05.01.2005 and later amended in the name of our Company
17	Commercial Taxes Department, Gujarat	Gujarat VAT 24040705793	Gujarat VAT Registration	Valid from 17.10.2007
18	Regional Office, Employees State Insurance Corporation, New Delhi	Employer's Code No. 11-10-62369-101	Registration under Employees State Insurance Act, 1948	Issue Date: 31.05.2005 amended on 03.07.2007
19	Regional Office, Employees State Insurance Corporation, Kanpur	Employer's Code No. 11-10-62369-101/UP-4018/Lucknow	Registration under Employees State Insurance Act, 1948	Issue Date: 16.01.2007 and later amended in the name of our Company
20	Regional Office, Employees State Insurance Corporation, Ahmedabad	Employer's Code No. (New Code issued on 09.12.2009) 37-11-062369-001-0906 (Gandhinagar)	Registration under Employees State Insurance Act, 1948	Issue Date: 20.07.2007 valid from 04.06.2007
21	Office of Regional Employees Provident Fund Organization, Varanasi	EPF Code No. UP/VN/31102	Employees Provident Fund Registration	Date of Issue: 04.10.2002 and later amended in the name of our Company
22	Office of Regional Labour Commissioner (Central), New Delhi	License No. ALC-II/46(11)/2011	License under Section 12(1) of Contract Labour (Regulation & Abolition) Act, 1970	Issue Date: 10.02.2011 Valid Upto: 09.02.2012
23	Office of Regional Labour Commissioner (Central), Dehradun	License No. D-34(159)/LIC/2011-ALC	License under Section 12(1) of Contract Labour (Regulation & Abolition) Act, 1970 for work in Delhi & Gaziabad	Issue Date: 10.06.2011 Valid till 09.06.2012
24	Department of Labour, Government of National Capital Territory of Delhi	Registration No. 2011025211	Commercial Establishment under Delhi Shops & Establishment Act, 1954 vide Certificate No. 2011025211	Issue Date: 20.07.2011

SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The present Initial Public Issue of Equity Shares has been authorized by the resolution passed by the Board of Directors of our Company at their meeting held on June 22, 2011 and was approved by the Shareholders of our Company by passing Special Resolution at the Annual General Meetings held on September 19, 2011 in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956.

Our Company has received in-principle approval from BSE for listing of Equity Shares pursuant to letter dated [●]. BSE is the Designated Stock Exchange.

PROHIBITION BY SEBI or Other Governmental Authorities

There is no prohibition on our Company, Promoters, Promoters Group, Directors, Group Companies for accessing the Capital Market for any reason by the Board or any other Authorities.

Our Company, our Promoters, our Promoter Group, our Directors, Persons in Control of our Company have not been debarred from accessing or operating in the capital market by the Board (SEBI) or any other regulatory or governmental authority. The listing of any securities of our Company has never been refused at anytime by any of the stock exchanges in India.

Neither of our Promoters, Promoter Group, Directors or Persons in Control of the Company has ever been part of Promoters, Promoter Group, Directors or Persons in Control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are involved as promoters or directors.

PROHIBITION BY RBI

Neither our Company, our Promoters, our Promoter Group, our Group Companies, relatives of our Promoters (as defined under the Companies Act), our Directors and companies with which our directors are associated as Directors or Promoter have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

ELIGIBILITY FOR THE ISSUE

We are an unlisted Company incorporated under the Companies Act, 1956 and are complying with the eligibility criteria as specified under Regulation 26(1) of SEBI ICDR Regulations. The conditions prescribed are as under:

An issuer may make an initial public offer, if:

- a. *it has net tangible assets of at least three hundred Lacs rupees in each of the preceding three full years (of twelve months each), of which not more than fifty per cent. are held in monetary assets:*

Provided that if more than fifty per cent. of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

- b. *it has a track record of distributable profits in terms of section 205 of the Companies Act, 1956, for at least three out of the immediately preceding five years:*

Provided that extraordinary items shall not be considered for calculating distributable profits;

- c. *it has a net worth of at least one hundred Lacs rupees in each of the preceding three full years (of twelve months each);*

- d. the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year;
- e. if it has changed its name within the last one year, at least fifty per cent. of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

In this regard, we submit that the above conditions have been complied with as follows

- a. The Net Tangible Assets of the Company is more than ₹ 300 Lacs in each of the preceding three full years (of 12 Months each) of which not are more than 50% is held in Monetary Assets (i.e. Cash & Bank Balance)

(₹ in Crores)

Particulars	March 31, 2007	March 31, 2008	March 31, 2009	March 31, 2010	March 31, 2011
Net Tangible Assets	3.36	7.12	14.27	20.37	44.60
Distributable Profits	0.67	0.80	0.83	2.56	5.77
Net worth	1.46	1.40	4.23	9.59	19.92
Monetary Assets	0.98	1.30	2.09	2.81	7.48
Monetary Assets/Net Tangible Assets (%)	29%	18%	15%	14%	17%

In this regard, Certificate dated September 26, 2011 has been issued by Independent Chartered Accountant, M/s. S. S. Rathi & Co., Chartered Accountants, which is as follows:

- b. The Company has distributable profit in terms of section 205 of The Companies Act, 1956 for at least three out of immediately preceding five years.
- c. The Net worth of the Company is more than ₹ 100 Lacs in each of the preceding three full years (of 12 Months each).
- d. The Company shall ensure that the aggregate of the proposed Issue and all previous issues made in the same financial years in terms of the Issue size (i.e. public issue by way of this offer document + firm allotment+ promoters' contribution through the offer document, if any) does not exceed five times the pre-issue net worth of our Company as per the audited balance sheet of the last financial year.
- e. Our Company has not changed its name in the last one year. Our Company started as a partnership firm under the name of 'Unitech' in the year 1999, which was converted into a Public Limited Company as "Universal Energies Limited" on June 4, 2007 under the provisions of Part IX of The Companies Act, 1956. A Certificate of Incorporation was issued to us by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 4, 2007. Subsequently, a Certificate for Commencement of Business was issued to us by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana on June 18, 2007. The registered office of our Company was changed from 607, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India to 607- 609, Somdutt Chambers II, Bhikaji Cama Place, New Delhi – 110 066, India, with effect from April 18, 2011.

In accordance with the Regulation 26(4) of SEBI ICDR Regulations, our Company shall ensure that the number of allottees in the proposed Issue shall be atleast 1,000; otherwise, we shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund, we shall pay interest on the application money at the rate of 15% per annum for the period of delay.

DISCLOSURE

Neither the Company nor its Promoters, Group Companies, Relatives (as defined under Companies Act, 1956) of Promoters and Group Companies are identified as willful defaulters by the Reserve Bank of India or any other Authority.

SEBI DISCLAIMER CLAUSE

AS REQUIRED COPY OF THIS DRAFT PROSPECTUS HAS BEEN SUBMITTED TO SEBI

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, HEM SECURITIES LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 28, 2011 WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM 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 PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a. THE DRAFT PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b. ALL THE LEGAL REQUIREMENTS CONNECTED WITH 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 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 SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED AND OTHER APPLICABLE LEGAL REQUIREMENTS).**

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. UNDERWRITING BEING OPTIONAL, THE ISSUE IS NOT UNDERWRITTEN.
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, WILL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.
7. WE UNDERTAKE THAT SUB REGULATION (4) OF REGULATION (32) AND CLAUSE (C) AND (D) OF SUB REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, AS AMENDED, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEY SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER COMPANY SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.

NOT APPLICABLE. AS THE ISSUE SIZE IS MORE THAN RS 10 CRORES, AS PER SECTION 68 B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT MODE ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, 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 PROSPECTUS :**
- a. AN UNDERTAKING FROM THE ISSUER COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE SHARES OF THE COMPANY; AND**
 - b. AN UNDERTAKING FROM THE COMPANY 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, AS AMENDED, WHILE MAKING THE ISSUE. - NOTED FOR COMPLIANCE**
- 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, AS AMENDED, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**

The filing of the offer document does not, however, absolve the Company from any liabilities under Section 63 or section 68 of the Companies Act, 1956 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed issue. SEBI further reserves the right to take up, at any point of time, with the Lead Merchant Banker any irregularities or lapses in offer document."

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 60 and 60B of the Companies Act, 1956

DISCLAIMER STATEMENT FROM THE COMPANY AND THE LEAD MANAGER

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and that anyone placing reliance on any other source of information, including our Company's website www.uel.co.in, would be doing so at his or her own risk.

CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into between the Lead Manager viz. Hem Securities Limited and the Company dated September 15, 2011

All information shall be made available by the Lead Manager and our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

The Issuer Company and the Lead Manager accepts no responsibility for the statements made otherwise than in this Draft Prospectus or in the advertisement or in any other material issued by or at the instance of the Company and the Lead Manager and any one placing reliance on any other source of information would be doing so at his/her/their own risk.

Neither our Company, nor any member of the Syndicate, if any, shall be liable to Applicants for any failure in downloading the application details due to faults in any software/hardware system or otherwise.

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company accepts no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

The LM and its respective affiliates may engage in transactions with, and perform services for, our Company and our Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates, for which they have received, and may in the 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, Hindu Undivided Families, 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 applicable Trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, VCFs, the National Investment Fund, insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up by department of posts, India and permitted Non-Residents including FIIs, their Sub-Accounts, FVCIs, multilateral and bilateral financial institutions and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Prospectus does not, however, constitute an Issue to sell or an invitation to subscribe to shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an issue or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes into is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with SEBI for observations and SEBI shall give its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft 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 Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold only (i) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required must agree in the CAN that such Applicant will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE - MUMBAI - DESIGNATED STOCK EXCHANGE

As required, a copy of this Draft Prospectus has been submitted to Bombay Stock Exchange Ltd., to use BSE's name in this Draft Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has given vide its letter no. [●] dated [●] permission to our Company to use BSE's name in this Draft Prospectus as the stock exchange on which our further securities are proposed to be listed. The BSE has scrutinized this Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus;
- ii. warrant that our Company's securities will be listed or will continue to be listed on the respective exchanges;
- iii. take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of our Company; and it should not for any reason be deemed or construed that this Draft Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF RBI

RBI does not accept any responsibility or guarantee about the present position as to financial soundness of the company or correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits or discharge of liabilities by the Company.

DISCLAIMER CLAUSE OF IPO GRADING AGENCY – CARE

CARE's IPO grading is a onetime assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.

FILING

A copy of this Draft Prospectus has been filed with the Corporation Finance Department of **SEBI** at-

SEBI Northern Regional Office, 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi - 110 001

Also the Draft Prospectus is filed with the Bombay Stock Exchange (Designated Stock Exchange):

- **Bombay Stock Exchange Limited**
P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001.

A copy of the Draft Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the Registrar of Companies, Delhi & Haryana, 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019

LISTING

The Equity Shares to be issued through this Prospectus are proposed to be listed on Bombay Stock Exchange Limited (“BSE”) and listing application will be made to BSE for permission to list the Equity Shares and for an official quotation of the Equity Shares of our Company. BSE shall be the Designated Stock Exchange.

In case the permission for listing of the Equity Shares and for official quotation of the Equity Shares is not granted by the above mentioned Stock Exchange, the Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of this Draft Prospectus. As prescribed under Section 73 of the Companies Act, if such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of refusal of permission from the Stock Exchanges or within 15 days from the Issue Closing Date, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money.

Universal Energies Limited has received in-principle approval from

BSE vide its letter no. [●] dated [●]

Our Company with the assistance of the Lead Manager shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 12 Working Days of the Issue Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

“Any person who:

- a) makes in a fictitious name, an application to a company for acquiring or subscription, for, any shares therein, or**
- b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,**

shall be punishable with imprisonment for a term which may extend to five years.”

CONSENTS

Consents in writing of the Board of Directors of our Company, Statutory Auditors of the Company, Company Secretary / Compliance Officer of the Company, Lead Manager to the Issue, Registrar to the Issue, Banker’s to the Company, Legal Advisor to the Company to act in their respective capacities will be obtained and filed along with a copy of the Draft Prospectus with the Registrar of the Companies, Delhi & Haryana, New Delhi under Section 60 of the Companies Act, 1956 and such consents will not be withdrawn upto the time of delivery of the Draft Prospectus for registration.

The Company has not appointed any Escrow Banker for the Issue. The name and their consent will be taken in due course as and when the Company will appoint them.

In accordance with the Companies Act and SEBI Regulations, M/s D.S. Sinha & Company, Chartered Accountants, our Company’s statutory auditors, have given their written consent to the inclusion of their audit report dated September 20, 2011 and statement of the tax benefits dated September 20, 2011 in the form and context in which it appears in this Draft Prospectus and such consent shall not be withdrawn up to the time of submission of the Draft Prospectus for registration with the RoC.

EXPERT OPINION

Except the report of CARE in respect of IPO Grading (a copy of which report will be annexed to the Prospectus) of this Issue annexed herewith, furnishing the rationale for its grading of this Issue, pursuant to the SEBI Regulations, our Company has taken expert opinions from the Auditors of the Company, M/s D.S. Sinha & Company, Chartered Accountants, with regard to the Statement of Tax Benefits, Auditor's Report, Audited Financial Statements, as restated and the Restated Summary Statements for the financial years ended March 31st, 2007, 2008, 2009, 2010 and 2011 respectively. There are no other expert opinions obtained by the Company, apart from these.

PUBLIC ISSUE EXPENSES

Except as disclosed in the section titled "*Objects of the Issue*" at page 55 of this Draft Prospectus, the expenses of this Issue includes, *inter alia*, fees payable to the Lead Manager to the Issue, Registrars to the Issue, Legal Advisors to our Company, Auditors, Escrow Banker's charges, Printing and Stationery, Advertisement Expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges. The total estimated expenses are ₹ 105.00 Lacs which is 5 % of the Issue size. The details of the expenses are as given below:

Sr. No	Description	₹ in lacs	% of Total Issue Expenses	% of Total Issue Size
1	Lead Manager's Fees [#]	52.50	50.00	2.50
2	Registrar's Fees*	[●]	[●]	[●]
3	IPO Grading Expenses*	[●]	[●]	[●]
4	Printing, Stationary, Postage and dispatch*	[●]	[●]	[●]
5	Issue advertisement and Publicity expenses*	[●]	[●]	[●]
6	Brokerage and Selling Commissions*	[●]	[●]	[●]
7	Other Expenses including (Registrar Fee, Legal Fee, Listing Fee, SEBI, BSE, NSDL, CDSL etc.)*	[●]	[●]	[●]
8	Miscellaneous Expenses*	[●]	[●]	[●]
9	Contingencies*	[●]	[●]	[●]
	Total	105.00	100.00	5.00

subject to increase as a result of over subscription as per SEBI (ICDR) Regulations.
*will be incorporated at the time of filing the Prospectus

The expenses for this Issue includes issue management fees, selling commission, distribution expenses, legal fees, fees to advisors, stationery costs, advertising expenses and listing fees payable to the Stock Exchange, among others. The total expenses for this Issue are estimated at ₹ 105.00 Lacs and will be met out of the proceeds of the present issue. The details of fee payable are estimated as follows:

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager including for the Issue will be as per the Memorandum of Understanding executed between the Company and the Lead Manager dated September 15, 2011, a copy of which will be available for inspection at the Registered Office of our Company from 11.00 am to 4.00 pm on Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar

The total fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding executed between the Company and the Registrar to the Public Issue dated August 1, 2011, a copy of which will be available for inspection at the Registered Office of our Company.

Adequate funds will be provided to the Registrar to the Issue to enable it to send refund order(s) or allotment advice by registered post or speed post or under certificate of posting.

Fees Payable to the IPO Grading Agency

The total fees payable to the IPO Grading Agency for the Issue is as per the Engagement Letter between the Company and the IPO Grading Agency, a copy of which is available for inspection at the Registered Office of our Company.

IPO Grading

This Issue has been graded by Credit Analysis and Research Limited and has been assigned the “IPO Grade [●]/5” indicating [●] in its letter dated [●]. The IPO grading is assigned on a five point scale from 1 to 5 with “IPO Grade 5/5” indicating strong fundamentals and “IPO Grade 1/5” indicating poor fundamentals. A copy of the IPO Grading report provided by CARE will be made available for inspection at our Registered Office.

Underwriting Commission

The present issue is not being underwritten and hence no underwriting commission is payable.

Brokerage and Selling Commission

The Brokerage for the Issue will be paid not more than [●] % of the Issue Price of the Equity Shares by our Company on the basis of the allotments made against the applications bearing the stamp of a member of any recognized Stock Exchange in India in the Broker column. Brokerage at the same rate will also be payable to the Bankers to the Issue in respect of the allotments made against applications procured by them provided the respective forms of application bear their respective stamp in the Broker column. In case of tampering or over-stamping of Brokers / Agents codes on the application form, the Company’s decision to pay brokerage in this respect will be final and no further correspondence will be entertained in this matter. Our Company, at its sole discretion, may consider payment of additional incentive in the form of kitty or otherwise to the performing brokers on such terms and mode as may be decided by the Company.

Others

The total fees payable to the Legal Advisor, Auditor and Tax Auditor will be as per their respective engagement letters.

Public or Rights Issues during the last five years

Our Company has not made any previous public issue (including any rights issue to the public) in the five years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section “*Capital Structure of Our Company*” on page 44 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage On Previous Issues

Since this is an initial public offering of our Company, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of our Company.

Public Issues in the last three years

Neither our Company, nor our Group Companies or Associate Companies, have made any public issue (including any rights issue to the public) in the last three years.

Performance vis-à-vis Objects

There has been no public issue (including any rights issue to the public) by our Company, Group Companies and entities or our Associate Companies.

Companies Under The Same Management

There are no listed companies under the same management within the meaning of Section 370(1B) of the Act. Therefore there are no investor complaints pending against our companies.

Outstanding Debentures, Bonds And Preference Shares

Except as disclosed in the section “*Capital Structure of Our Company*” on page 44 of this Draft Prospectus, our Company has no outstanding debentures or bonds or preference shares or other instruments as of the date of this Draft Prospectus.

Stock Market Data For Shares Of Our Company

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Other Disclosures

Except as disclosed in the section titled “*Capital Structure of Our Company*” on page 44 of this Draft Prospectus, none of our Directors, our Promoters, and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Prospectus with SEBI. SEBI has not initiated any action against any entity associated with the securities market, with which our Directors are associated.

Mechanism For Redressal Of Shareholders / Investor Grievances

The Memorandum of Understanding 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 one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to 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 and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Application Form was submitted by the ASBA Applicants.

Disposal Of Shareholders / Investors Grievances

Our Company or the Registrar to the Issue shall redress routine shareholders / investor grievances within seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

The Board of Directors of UEL has constituted a Shareholder/Investor Grievance Committee which, interalia, approves issue of duplicate certificates and oversees and reviews all matters connected with securities transfers and other processes.

The Committee also looks into redressal of shareholders’ complaints related to transfer of shares, non-receipt of declared dividend, etc. The Committee oversees performance of the R&TA and recommends measures for overall improvement in the quality of investor services. The summary statement of investor related transactions and details are also considered by the Board of Directors of UEL.

Our Company assures that the Board of Directors in respect of the complaints, if any; to be received shall adhere to the following schedule:

Sr. No.	Nature of Complaints	Time Table for Redressal
1	Non-receipt of Refund	Within 7 working days of receipt of complaint subject to production of satisfactory evidence(s)
2	Non-receipt of Share Certificate / Demat Credit	Within 7 working days of receipt of complaint subject to production of satisfactory evidence(s)
3	Any other complaint w.r.t. the Issue	Within 7 working days of receipt of complaint with all relevant papers / evidence(s)

As on the date of Draft Prospectus, there were no investor complaints pending with/ against Universal Energies Limited.

Our Company has appointed Ms. Monika Srivastava, Company Secretary of our Company, as Compliance Officer who would directly deal with SEBI with respect to implementation /compliance of various laws, regulations and other directives issued by SEBI and matters related to investor Complaints. The investor may contact the Compliance Officer in case of any pre- issue/ post-issue related problems. The Compliance Officer can be contacted at the following address:

Universal Energies Limited

607- 609, Somdutt Chamber II,

Bhikaji Cama Place,

New Delhi, India.

Phone : +91-11-66606441, 66606442

Fax No. +91-11-66605658

E-mail: uel@uel.co.in;

Website: www.uel.co.in;

Changes in Auditors

Except as stated below, there have been no changes in the Auditors of our Company during the last three years:

M/s D.S. Sinha & Company, Chartered Accountants, A-602, Young Aheria Housing Society, No. - 2, Sector - 7, Dwarka, New Delhi - 110 075. have been appointed as ‘Statutory Auditor’ on June 7, 2007 by a Board Resolution passed in the meeting of Board of Directors of our Company. Thereafter, re-appointed in various AGMs as follows:

Re-appointed in the AGM held on September 29, 2008 for the financial year ended March 31, 2009.

Re-appointed in the AGM held on September 30, 2009 for the financial year ended March 31, 2010.

Re-appointed in the AGM held on September 30, 2010 for the financial year ended March 31, 2011.

Re-appointed in the AGM held on September 19, 2011 for the financial year ended March 31, 2012.

Capitalization of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in the section “*Capital Structure of Our Company*” on page 44 of this Draft Prospectus.

Revaluation of Assets (during the last five years)

Our Company has not revalued its assets during the last five years.

SECTION VIII – ISSUE RELATED INFORMATION

8.1 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 Prospectus and Prospectus, Application Form, the ASBA Form, the Confirmation of Allocation Note (“CAN”), the Listing Agreements to be entered with the Stock Exchange(s) and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of this Issue and to the extent applicable.

Authority for the Issue

The present Initial Public Offer of Equity Shares has been authorized by the Board of Directors of our Company at their meeting held on June 22, 2011, subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The Shareholders of our Company authorized this Issue by passing Special Resolution at the Annual General Meetings held on September 19, 2011 in accordance with the provisions of Section 81 & 81(1A) of the Companies Act, 1956.

Our Company has obtained in-principle listing approval dated [●] from the Bombay Stock Exchange (“BSE”).

Ranking of Equity Shares

The Equity Shares being offered/issued or transferred in the Issue 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 dividends, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the section “*Main Provisions Of Articles Of Association Of The Company*” beginning on page 228 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, Articles of Association, provisions of the Listing Agreements and as recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956.

Face Value and Issue Price

The Equity Shares having a Face Value of ₹ 10/- each are being offered in terms of this Draft Prospectus at the price of ₹ 30/- per Equity Share. Our Company in consultation with the Lead Manager believes that the issue price of ₹ 30/- per equity share i.e Equity Shares of the Face Value ₹ 10/- each at a Premium of ₹ 20/- per Share for the Public Issue is justified in view of the above parameters.

At any given time, there shall be only one denomination of Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company 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, subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange(s) and our Memorandum and Articles of Association.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please refer to Section titled “*Main Provisions of Articles Of Association Of The Company*” beginning on page 228 of this Draft Prospectus.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. Hence, the Equity Shares being offered through this Draft Prospectus can be applied for in the dematerialised form only.

Further, in terms of SEBI (ICDR) Regulations, 2009, as amended, the trading in our Equity Shares shall only be in dematerialized form for all investors. Since trading of our Equity Shares will only be in dematerialized mode, the tradable lot is one Equity Share. Allocation and allotment of Equity Shares through this Offer will be done only in electronic form in multiples of one (1) Equity Share subject to a minimum allotment of 200 Equity Shares to the successful investors.

Joint Holders

Subject to provisions contained in our Articles of Association, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the Sole or First Applicant, along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar to the Issue and Transfer Agents of our Company.

In accordance with Section 109B of the Companies Act, any Person who becomes a nominee by virtue of Section 109A of the Companies Act, as mentioned above, shall, upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Notwithstanding anything stated above, since the Allotment in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with us. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective Depository Participant.

Period of operation of subscription list of public issue

Issue Opens on	[•]
Issue Closes on	[•]

Minimum Subscription

If our Company does not receive the minimum subscription of ninety per cent (90%) of the offer through offer document on the date of closure of the issue, or if the subscription level falls below ninety per cent (90%) after the closure of issue on account of cheques having being returned unpaid or withdrawal of applications, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as per section 73 of the Companies Act, 1956.

Further, in accordance with clause 26(4) of the SEBI (ICDR) Regulations, 2009, our Company shall ensure that the number of prospective allottees to whom the Equity shares will allotted will not be less than 1,000 (One Thousand)

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialized form only; the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for the lock-in of the pre-Issue Equity Shares and Promoters’ minimum contribution in the Issue as detailed in the section “*Capital Structure of our Company*” on page no. 44 of this Draft Prospectus, there are no restrictions on transfers and transmission of Equity Shares. There are no restrictions on transmission of shares/debentures and on their consolidation / splitting, except as provided in the Articles, for which please refer sub-heading “*Main Provisions of Articles of Association Of The Company*” appearing on Page No. 228 of this Draft Prospectus.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold only (i) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required must agree in the CAN that such Applicant will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, India.

8.2 ISSUE STRUCTURE

Public Issue of 7,000,000 Equity Shares of face value Rs. 10 each for cash at a price of ₹ 30/- per Equity Share of Universal Energies Limited aggregating ₹ 2,100.00 Lacs (The “Issue”). The Issue comprises a Fresh Issue of 7,000,000 Equity Shares. The Issue shall constitute 32.31% of the fully diluted post-Issue share capital of our Company.

The Issue is being made through the Fixed Price Process as per sub clause (4) of regulation 43 of the SEBI (ICDR) Regulations, 2009 wherein at least 50% of the Net Offer to Public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price. For details, see “*Issue Procedure*” on page 205 of the Draft Prospectus.

	Retail Individual Investor	QIB & Non-Institutional Investor
Basis of allocation if respective category is oversubscribed	A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to Retail Individual investors as the case may be, on a proportionate basis	The balance net offer of shares to the public shall be made available for allotment to (i) Individual Applicants other than retail individual investors; and (ii) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for, on a proportionate basis
Unsubscribed Portion , if any	The unsubscribed portion of the net offer to Public in either of the categories specified above, shall/may be made available for allocation to Applicants in the other category, if so required.	
Minimum Application Amount	The Application must be for a minimum of 200 Equity Shares and in multiples of 100 Equity Share thereafter.	The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 100 Equity Shares thereafter.
Maximum Application Amount	In multiples of 100 Equity Shares so as to ensure that the Application Amount payable by the Applicant does not exceed ₹ 2,00,000.	An Application cannot be submitted for more than the Issue Size. However, the maximum Application amount by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay the full Application Amount upon submission of the Application.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Allotment Lot	A minimum of 200 Equity Shares and in multiples of 100 Equity Share thereafter.	A minimum of 200 Equity Shares and in multiples of 100 Equity Share thereafter.
Trading Lot/ Market Lot	One Equity Share	One Equity Share
Who can apply**	Resident Indian individuals; Hindu Undivided Families or HUFs, in the individual name of the Karta; Eligible NRIs, subject to applicable laws.	Resident Indian individuals; Hindu Undivided Families or HUFs, in the individual name of the Karta; Eligible NRIs, subject to applicable laws; companies; corporate bodies; scientific institutions; societies and trusts; sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals; Mutual Fund; Venture Capital Fund; FVCI; FIIs and sub-account (other than a sub-account which is a foreign corporate or foreign individual); public financial institution as defined in Section 4A of the Companies Act; a scheduled commercial bank; multilateral and bilateral development financial institution; state industrial development corporation; insurance company registered with the Insurance Regulatory and Development Authority; provident fund with minimum corpus of ₹ 250 million; pension fund with minimum corpus of ₹ 250 million; National Investment Fund; insurance funds set up and managed by army, navy or air force of the Union of

	Retail Individual Investor	QIB & Non-Institutional Investor
		India and insurance funds set up by department of posts, India,
Terms of Payment	The entire issue price of ₹ 60/- per share is payable on submission of application. In case of allotment of lesser number of Equity shares then the number applied, The Company shall refund the excess amount paid on Application to the Applicant. In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the Bank A/c of the ASBA applicants as are specified in the ASBA application form.	
Margin Amount	Full Amount payable on Application. In case of ASBA Applicants, the SCSBs shall be authorised to block such funds in the Bank A/c of the ASBA applicants as are specified in the ASBA application form.	

** In case the Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form or ASBA Form, as the case may be. For further details, please refer to the section “*Issue Procedure*” on page 205 of this Draft Prospectus.

8.3 ISSUE PROCEDURE

This section applies to all Applicants. Please note that all Applicants can participate in the Issue through the ASBA process. Please note that QIBs and the Non-Institutional Applicants can participate in the Issue only through the ASBA process. However, Retail Individual Applicants may apply through the Application Form or the ASBA Form. ASBA Applicants should note that the ASBA process involves application procedures that are different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants 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 Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Amount as is specified in the ASBA application form will be blocked by the SCSB.

SEBI Circulars with regard to ASBA Process

- 1. Vide SEBI Circular (no. CIR/CFD/DIL/2/2010) dated April 06, 2010 SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 01, 2010.**
- 2. Vide SEBI Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011, SEBI has decided that non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors, making application in public issue shall mandatorily make use of ASBA facility.**

Fixed Price Issue Procedure

The Issue is being made under Regulation 26(1) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process as per sub clause (4) of regulation 43 of the SEBI (ICDR) Regulations, 2009, as amended (the "SEBI Regulations"). Applicants are required to submit their Applications to the Selected Branches / Offices of the Bankers to the Issue who shall duly submit them to the Registrar of the Issue.

In case of QIB Applicants, the Company in consultation with the LM may reject their Applications at the time of acceptance of Application Form, provided that the reasons for such rejection shall be provided to such Applicant in writing. In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

All Applicants may participate in this Issue through ASBA process by providing details of their respective bank accounts in which the corresponding application amounts will be blocked by SCSBs. All Applicants other than the ASBA Applicants are required to submit their Applications through the Bankers to the Issue. ASBA Applicants are required to submit their Applications to the SCSBs.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. The Application Forms or ASBA Forms, as the case may be, which do not have the details of the Applicants' depository account, including the DP ID Numbers, Beneficiary Account Number and PAN shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange(s).

Further, our Company and the LM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

Applicants are required to ensure that the PAN (of the sole/ first Applicant) provided in the Application Form or the ASBA Form is exactly the same as the PAN of the person(s) in whose name the relevant Beneficiary Account is held. If the Application Form or the ASBA Form was submitted in joint names, Applicants are required to ensure that the beneficiary account was held in the same joint names in the same sequence in which they appeared in the Application Form or ASBA Form, as the case may be.

Application Form

Applicants (other than ASBA Applicants) are required to submit their Applications through the Bankers to the Issue. Such Applicants shall only use the specified Application Form bearing the stamp of the Bankers to the Issue for the purpose of making an Application in terms of the Draft Prospectus. ASBA Applicants shall submit an ASBA Application Form either in physical or electronic form to the SCSB or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account as specified in the ASBA Application Form only (“ASBA Account”). The ASBA Application Form will also be available on the websites of the Stock Exchange(s) at least one day prior to the Issue Opening Day. The LM and the SCSBs will provide the hyperlink to BSE website on their respective websites.

The SCSBs shall block an amount equal to the Application Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the ‘Basis of Allocation’ and consequent transfer of the Application Amount against the allocated Equity Shares to the Issue Account, or until withdrawal/failure of Allocation is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the concerned SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Applicants to the Issue Account. In case of withdrawal/failure of this Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue. Upon completion and submission of the Application Form to the Bankers to the Issue/SCSBs/Designated Branches, the Applicant or the ASBA Applicant, as the case may be, is deemed to have authorized the Company to make the necessary changes in the Prospectus and ASBA Form, as would be required for filing the Prospectus with the RoC, as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicants or the ASBA Applicants, as the case may be.

SEBI Circulars with regard to ASBA Process are as follows: 1) Circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009; 2) Circular no. SEBI/CIR/CFD/DIL/8/2010 dated October 12, 2010; 3) Circular (no. CIR/CFD/DIL/2/2010) dated April 06, 2010 SEBI has decided to extend the ASBA facility to QIBs in all public issues opening on or after May 1, 2010; and 4) Circular (no. CIR/CFD/DIL/1/2011) dated April 29, 2011, SEBI has decided that non-retail investors i.e. Qualified Institutional Buyers and Non-Institutional Investors, making application in public issue shall mandatorily make use of ASBA facility.

The prescribed colour of the Application Form for various categories is as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Applicants*)	White
Eligible 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 Applicants)	Blue

* Application forms for ASBA Applicant will also be available on the website of the BSE (www.bseindia.com)

Who can Apply?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form/ASBA Form as follows: “Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Applications by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to compliance with 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, co-operative 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, only under the QIB Applicants category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Applicants category;
- Venture Capital Funds registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or industrial research organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Foreign Venture Capital Investors registered with SEBI;
- Multilateral and bilateral development financial institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India and;
- All other Persons eligible to invest under all applicable laws, rules, regulations and guidelines.

As per the existing regulations, OCBs cannot apply in the Issue.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares will be offered and sold only (i) outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required must agree in the CAN that such Applicant will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption form, or in a transaction not subject to, the registration requirements of the Securities Act.

Applications not to be made by:

- Minors
- Partnership firms or their nominees
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

Participation by Associates and affiliates of the LM

The LM shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Availability of Prospectus and Application Forms

The Memorandum Form 2A containing the salient features of the Draft Prospectus together with the Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, LM to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form/ASBA Form, as the case maybe.

Option to subscribe in the Issue

- Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.
- The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- A single application from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines

Application by Indian Public including eligible NRI's applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non-Residents (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF.

An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any 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. With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the ASBA Form. Failing this, our Company in consultation with the LM reserves the right to reject any Application without assigning any reason thereof.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made. In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly Indicate the scheme concerned for which the Application has been made.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Applications by Provident Funds / Pension Fund

In case of Applications made by provident funds / pension fund with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Applications by Eligible NRIs/FII's/FVCF's on Repatriation Basis

Application Forms have been made available for Eligible NRIs at our Registered Office, Bankers to the Issue and the Registrar to the Issue.

Applications must be made in the following manner:

1. On the Application Form, as applicable, and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or joint names (not more than three and in the same order as their Depository Participant Details).
3. Applications 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.

Eligible NRI Applicant may please note that only such applications as are accompanied by payment in Indian Rupees or payment in freely convertible foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Applications by Eligible NRIs for an Application Amount of up to ₹ 2,00,000/- would be considered under the Retail Portion for the purposes of allocation and Application for an Application Amount of more than ₹ 2,00,000/- would be considered under Non-Institutional Portion for the purposes of allocation.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 21,663,000 Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub-account may issue, deal or hold, offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or subaccount is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of LM and the Bankers to the Issue 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 the Company.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. 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 of a venture capital undertaking whose shares are proposed to be listed.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Applicants 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 Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form or the ASBA Form, as the case may be. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof.

Applications by Insurance Companies

In case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form or the ASBA Form, as the case may be. Failing this, our Company in consultation with the LM, reserve the right to reject any Application without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

Applications by provident funds/pension funds

In case of Applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form or ASBA Form, as the case may be. Failing this, our Company in consultation with the LM, reserve the right to reject any Application, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicant are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

MAXIMUM AND MINIMUM APPLICATION SIZE

a. For Retail Individual Applicants:

The Application must be for a minimum of 200 Equity Shares and in multiples of 100 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000.

(b) For Other Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 100 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. A QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay the full Application Amount upon submission of the Application.

Applicant are advised to ensure that any single Application from them does not exceed the maximum investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Applications under Power of Attorney

In case of Applications 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 of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company in consultation with the LM, reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a. In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.
- b. In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserve the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.
- c. In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 Crores (subject to applicable law) and pension funds with minimum corpus of ₹ 25 Crores, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form or ASBA form, as the case may be. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof. The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form or ASBA Form, subject to such terms and conditions that the Company and the LM may deem fit.

Information for the Applicant:

- Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- Our Company and the LM shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two daily national newspapers (one each in English and Hindi) and one regional language newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement shall be in the prescribed format.
- The LM will circulate copies of the Prospectus along with the Application Form to potential investors. The SCSBs shall ensure that a copy of the Prospectus is made available on their websites.

- Any investor (who is eligible to invest in our Equity Shares, including Eligible NRIs) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LM or from any of the Bankers to the Issue. For ASBA Applicants, Application Forms will be available with the Designated Branches of the SCSBs and at the Registered Office of our Company. Electronic ASBA Forms will be available on the websites of BSE and the Designated Branches.
- Eligible Applicants who are interested in subscribing for the Equity Shares should approach the LM or the Bankers to the Issue or their authorized agent(s) to register their Applications. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Applications.
- QIBs and Non Institutional Applicants can participate in the Issue only through the ASBA process. Retail Individual Applicants have the option to apply through the ASBA Form or the Application Form. Applications by ASBA Applicants shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Applicants applying through the ASBA process also have an option to (i) submit the ASBA Application Form in electronic form; or (ii) submit Applications through the Designated Branches of the SCSBs in the Specified Cities.
- The Applications should be submitted on the prescribed Application Form only. Application Forms (other than ASBA Application Form) should bear the stamp of the Bankers to the Issue. Application Forms, which do not bear the stamp of the Bankers to the Issue, will be rejected. Applications by ASBA Applicant shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. ASBA Forms submitted directly to the SCSBs should bear the stamp of the SCSBs, if not, the same are liable to be rejected
- Applicants applying through the ASBA process also have an option to submit the ASBA Application Form in electronic form, which will also be available on the websites of the Stock Exchange(s) at least one day prior to the Issue Opening Date.
- Applications made in the Name of Minors and/or their nominees shall not be accepted.
- Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.
- Except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of a Applications in joint names, each of the Applicants, should mention his/ her PAN allotted under the Income Tax 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 Application Form or ASBA Form without the PAN is liable to be rejected. With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified will be “suspended for credit” by the Depositories, and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Applicants.

The Applicants should note that in case the DP ID and Client ID and PAN mentioned in the Application Form and entered into the electronic system of the Stock Exchange(s) do not match with the DP ID and Client ID and PAN available in the database of Depositories, the Application Form is liable to be rejected, our Company, LM and Registrar to the Issue and members of the SCSBs shall not be liable for losses, if any.

Instructions for Completing the Application Form

Applications must be:

- a. Made only in the prescribed Application Form.
- b. Completed in full, in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the LM. Application Forms, which do not bear the stamp of the LM will be rejected. Applicants should note that the

Bankers to the Issue and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.

- c. For Retail Individual Applicants, the Application must be for a minimum of 200 Equity Shares and in multiples of 100 thereafter subject to a maximum Application Amount of ₹ 2,00,000.
- d. For Non-Institutional Applicants and QIB Applicants, Applications must be for a minimum of such number of Equity Shares that the Application Amount exceeds or equal to ₹ 2,00,000 and in multiples of 100 Equity Shares thereafter. Applications cannot be made for more than the Issue. Applicants are advised to ensure that a single Application from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- e. Eligible NRIs applying at a Application Price of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Applications for an Application Price of more than ₹ 2,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.
- f. Applications by Eligible NRIs, FIIs, eligible/permitted Sub-Accounts etc. on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBS, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
- g. 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 Applicants 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 Applicants so desire, will be credited to their NRE or FCNR accounts, as the case may be, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.
- h. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

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.

Applicant residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai only payable to “UNIVERSAL ENERGIES LIMITED – Public Issue” to the Registrar, in this case being Bigshare Services Pvt. Ltd.

Applicant's PAN, Depository Account and Bank Account Details

Applicant should note that on the basis of PAN of the Applicant, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicant or unblocking of ASBA Account. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds, unblocking of ASBA accounts, to Applicant at the Applicant sole risk and neither the LM or the Registrar or the Collection Banks or the SCSBs nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicant should carefully fill in their Depository Account details in the Application Form.

IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE 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 APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Applicant 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 Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

Refunds

In case of Applicant receiving refunds through electronic transfer of funds, delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant sole risk and neither the Company, the Registrar, Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant 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 three parameters, namely, PAN of the Applicant (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected. The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Applicant 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 Applicant so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds Applicant will be treated on the same basis with other categories for the purpose of allocation.

Basis of Allotment

Allotment will be made in consultation with the BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Applicant in the category x number of Shares applied for).

- b. The number of Shares to be allocated to the successful Applicant will be arrived at on a proportionate basis (i.e. Total number of Shares applied for into the inverse of the oversubscription ratio). For applications where the proportionate allotment works out to less than 200 equity shares the allotment will be made as follows:
- each successful applicant shall be allotted 200 equity shares; and
 - the successful Applicant out of the total Applicant for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- c. If the proportionate allotment to an applicant works out to a number that is not a multiple of 100 equity shares, the applicant would be allotted Shares by rounding off to the nearest integer subject to a minimum allotment of 200 equity shares.
- d. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Applicant in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Applicant in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of Applicant applying for the minimum number of Shares g. If as a result of the process of rounding off to the nearest integer, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
- e. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual Applicant as described below:
- A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - The balance net offer of shares to the public shall be made available for allotment to individual Applicant other than retails individual investors and other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - The unsubscribed portion of the net offer to any one of the categories specified in (i) or (ii) shall/may be made available for allocation to Applicant in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/-.

Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Designated Stock Exchange. The drawal of lots (where required) to finalize the basis of allotment shall be done in the presence of a public representative on the governing board of the Designated Stock Exchange.

The Executive Director / Managing Director of the Bombay Stock Exchange in addition to LM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire issue price of ₹ 30/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicant

ALL NON-RETAIL INVESTORS I.E. QUALIFIED INSTITUTIONAL BUYERS AND NON-INSTITUTIONAL INVESTORS, MAKING APPLICATION IN PUBLIC ISSUE SHALL MANDATORILY MAKE USE OF ASBA FACILITY.

Payment Procedure for Applicants other than ASBA Applicants

The Company and the LM shall open Escrow Accounts with one or more Collection Bank(s) in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants in a certain category would be deposited in the Escrow Account. The Collection Banks will act in terms of the Draft Prospectus and the Agreement entered with the Bankers to the Issue. The Collection Bank (s) for and on behalf of the Applicant shall maintain the monies in the Escrow Account. The

Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants.

After the Closure of the Issue and upon allotment of shares, the Collection Bank(s) shall transfer the balance funds to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Agreement and the Draft Prospectus.

The Applicant should note that the mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the LM, the Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the allocation/Allotment as per the following terms:

Payment into Account for Applicants other than ASBA Applicants

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Account and submit the same to the Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the Application of the Applicant 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 and Non-Institutional Applicants: “UNIVERSAL ENERGIES LIMITED – Public Issue –R”
 - b. In case of Non-Resident Retail and Non-Institutional Applicants: “UNIVERSAL ENERGIES LIMITED – Public Issue –NR”
4. In case of Applications 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 authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Applicant applying on a non-repatriation basis. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Applicant applying 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. In case of Applications by Eligible NRIs applying on non-repatriation basis, the payments must be made out of NRO account.
5. In case of Application by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
6. The monies deposited in the Escrow Account will be held for the benefit of the Applicants.
7. On the Designated Date, the Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Agreement into the Escrow Account with the Bankers to the Issue.
8. On the Designated Date and no later than 10 days from the Issue Closing Date, the Collection Bank shall also refund all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on Application, if any, after adjusting for allocation/Allotment to the Applicants.
9. Payments should be made by cheque, or demand draft drawn on any Bank (including a Cooperative Bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the 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.

Payment Procedure for ASBA Applicants

The ASBA Applicants shall specify the bank account number in the ASBA Application Form and the SCSB shall block an amount equivalent to the Application Amount in the bank account specified in the ASBA Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Application or receipt of instructions from the Registrar to unblock the Application Amount. In the event of withdrawal or rejection of the ASBA Application Form or for unsuccessful ASBA Application 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 Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Escrow Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Payment by Stock invest

In terms of the Reserve Bank of India Circular Numbers DBOD Numbers FSC BC 42/ 24.47.00/ 2003-04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Submission of Application Form

All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the Application. With respect to the ASBA Applicants, the ASBA Application Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of this Prospectus;
2. Read all the instructions carefully and complete the applicable Application Form;
3. Ensure that the details about Depository Participant ID, Beneficiary Account Number and PAN are correct as Allotment of Equity Shares will be in the dematerialized form only;
4. Ensure that the Applications that submitted are forms bearing the stamp of the LM;
5. Each of the Applicant should mention their Permanent Account Number (PAN) allotted under the IT Act;
6. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
7. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the 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 Application Form.

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
4. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
5. Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue. Do not submit the Application without the full Application Amount through the Application Form;
6. Do not fill up the Application Form such that the Equity Shares applied 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;
7. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
8. Do not apply for Allotment of shares in physical form.

Additional Instructions for ASBA Applicants only

Do's:

- a. Ensure that you use the ASBA Form specified for the purposes of ASBA.
- b. Read all the instructions carefully and complete the ASBA Form.
- c. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be allotted in dematerialized form only.
- d. Ensure that your ASBA Form is submitted at a Designated Branch, with a branch of which the ASBA Applicant or a person whose bank account will be utilized by the ASBA Applicant for applying has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or the Registrar to the Issue or the LM.
- e. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.
- f. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.
- g. Ensure that you have funds equal to the number of Equity Shares applied for in your ASBA Account before submitting the ASBA Form to the respective Designated Branch.
- h. Ensure that you have correctly checked the authorization box in the ASBA Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Application Amount mentioned in the ASBA Form in your ASBA Account maintained with a branch of the concerned SCSB.
- i. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.
- j. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 ASBA Form.

Don'ts:

- a. Do not apply on another ASBA Form or on Application Form after you have submitted an ASBA Application to a Designated Branch.
- b. Payment of Application Amounts in any mode other than blocked amounts in the ASBA Accounts shall not be accepted under ASBA.
- c. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch.

OTHER INSTRUCTIONS**Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or ASBA Form, as the case may be. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same. After applying on an ASBA Form either in physical or electronic mode, where such ASBA Application has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Applicant cannot apply, either in physical or electronic mode, on another ASBA Application Form or a Application Form. Submission of a second application form, whether an ASBA Application Form, to either the same or to another Designated Branch of the SCSB, or a Application Form to the Bankers to the Issue, will be treated as multiple Applications and will be liable to be rejected either before entering the Applications into the electronic application system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.

More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Application Forms from such ASBA Applicants with respect to any single ASBA Account.

The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. A check would be carried out for the same PAN, in cases where the PAN is same; such Applications would be treated as multiple Applications.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories.

The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

Permanent Account Number or PAN

Pursuant to the circular MRD/DoP/Circ-05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without this information will be considered incomplete and are liable to be rejected.

It is to be specifically noted that Applicant should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicant, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicant, Retail Individual Applicant who applied, the Company has a right to reject Applications based on technical grounds.

With respect to ASBA Applications, the Designated Branches of the SCSBs shall have the right to reject ASBA Applications if at the time of blocking the Application Amount in the Applicant’s bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Applicant’s bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Application by the SCSB, the Company would have a right to reject the ASBA Application only on technical grounds.

Consequent refunds shall be made as described in the Prospectus and will be sent to the Applicant's address at the Applicant's risk.

GROUND FOR TECHNICAL REJECTIONS

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the value of Equity Shares applied for;
- Bank account details (for refund) are not given;
- Age of First Applicant not given;
- 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 100;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash; Signature of sole and/ or joint Applicant is missing. With respect to ASBA Applications, the ASBA Application form not being signed by the account holders, if the account holder is different from the Applicant;
- Submission of more than five ASBA Application Forms per bank account;
- Application Forms does not have Applicant’s depository account details;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;

- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicant (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or —qualified institutional buyers as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole/ joint Applicant;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by QIBs not submitted through the LM or their affiliates or in case of ASBA Applications for QIBs not intimated to the LM;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals.

Signing of Underwriting Agreement and RoC Filing

The issue is not underwritten and therefore the Company has not signed any underwriting agreement.

Filing of the Draft Prospectus with the ROC

The Company will file a copy of the Draft Prospectus with the RoC in terms of Section 60 of the Companies Act.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, the Company shall, after registering the Draft Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation at the place where the registered office of the issuer is situated.

Advertisement regarding Issue Price and Draft Prospectus

The Company will issue a statutory advertisement after the filing of the Draft 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 Draft Prospectus and the date of Draft Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note (“CAN”)

1. Upon approval of the basis of Allotment by the Bombay Stock Exchange, the LM or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Bombay Stock Exchange for QIB Applicants may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Applicants. However, investors should note that the Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date;
2. The LM or Bankers to the Issue will then dispatch a CAN to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant to pay the entire Issue Price for all the Equity Shares allocated to such Applicant. Those Applicants who have not paid the entire Application Amount into the Escrow Account at the time of application shall pay in full the amount payable into the Escrow Account by the Pay-in Date specified in the CAN;

- Applicants who have been allocated/allotted Equity Shares and who have already paid the Application Amount into the Escrow Account at the time of application shall directly receive the CAN from the Registrar to the Issue subject, however, to realization of his or her cheque or demand draft paid into the Escrow Account. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Applicant to pay the entire Issue Price for the Allotment to such Applicant.

Issuance of CAN with respect to ASBA Applicants

Upon approval of the basis of Allotment by the Bombay Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Applicants who have been allocated Equity Shares in the Issue, along with:

- The number of Equity Shares to be allotted against each successful ASBA;
- The amount to be transferred from the ASBA Account to the Escrow Account, for each successful ASBA;
- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Escrow Account; and
- The details of rejected ASBA Forms, if any, along with reasons for rejection and details of withdrawn (except in case of QIB applying through an ASBA Form) or unsuccessful ASBA Forms, if any, to enable SCSBs to unblock the respective ASBA Accounts.

ASBA Applicants should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

The ASBA Applicants shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Applicant shall be deemed a valid, binding and irrevocable contract with the ASBA Applicant.

Allotment of Equity Shares

The Company will ensure that the Allotment of Equity Shares is done within 10 working days of the Issue Closing Date, the Company would ensure the credit to the successful Applicant depository account. Allotment of the Equity Shares to the Applicants shall be within two working days of the date of Allotment. **In accordance with the SEBI Regulations, Equity Shares will be issued, and Allotment shall be made only in the dematerialized form to the Applicants.** Applicants will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act. Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

PAYMENT OF REFUND

Applicant (other than ASBA Applicants) must note that on the basis of name of the Applicant, Depository Participant's name, DP ID, Beneficiary Account number and PAN provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes as given hereunder:

1. **NECS** – Payment of refund would be done through NECS for Applicant 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 Applicant having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.

2. **Direct Credit** – Applicant having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
3. **RTGS** – Applicant having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 50.00 Lacs, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Applicant.
4. **NEFT** – Payment of refund shall be undertaken through NEFT wherever the Applicant's 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 Applicant 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 Applicant 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.
5. For all other Applicant, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to ₹ 1,500 and through Speed Post/Registered Post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicant.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the ASBA Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 9 working days from the Issue Closing Date.

Letters of Allotment or Refund Orders or instructions to SCSBs

The Company shall give credit to the beneficiary account with depository participants within two working Days from the date of the finalization of basis of allocation. Applicant residing at centres where clearing houses are managed by the RBI and other banks, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit & RTGS.

The Company shall ensure dispatch of refund orders, if any, of value up to ₹ 1,500 by "Under Certificate of Posting", and shall dispatch refund orders above ₹ 1,500, if any, by registered post or speed post at the sole or First Applicant's sole risk within 10 days of the Issue Closing Date. Applicant 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 days of the Issue Closing Date.

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the ASBA Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 8 working days of the Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicant 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 ten working days of date of the Issue Closing Date.

In case of Applicant who receives refund through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 10 days from the Issue Closing Date. A suitable communication shall be sent to the Applicant

receiving refunds through this mode within 10 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at BSE where the Equity Shares are proposed to be listed are taken within 12 working days of Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, the Company further undertakes that:

- a. Allotment of Equity Shares shall be made only in dematerialized form within 10 (ten) working days from the Issue Closing Date;
- b. With respect to Applicants other than ASBA Applicants, 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(ten) working days from the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be made within 12 working days from the Issue Closing Date; and
- c. The Company shall pay interest at 15% p.a. for any delay beyond the 10 (ten) working days from the Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 8 (eight) working days time prescribed above.

UNDERTAKINGS BY OUR COMPANY

The Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by us expeditiously;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 working days of the Issue Closing Date;
3. That funds required for making refunds to unsuccessful Applicant as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time; and
6. That the certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within specified time;
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc;
8. The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
9. That adequate arrangements shall be made to collect all Applications Supported By Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment.
10. If Our Company withdraws the Issue, after its closure, we shall be required to file a fresh Draft Offer document with the Board (SEBI).

Utilization of Issue Proceeds

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
2. Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
3. Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested;

The Board of Directors further certifies that:

- The utilisation of monies received under Promoter Contribution shall be disclosed under an appropriate head in the balance sheet of the Company, indicating the purpose for which such monies have been utilized; and
- The details of all unutilised monies out of the funds received under Promoter Contribution and the shall be disclosed under a separate head in the balance sheet of the Company, indicating the form in which such unutilized monies have been invested.

WITHDRAWAL OF THE ISSUE

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at any time, including after the Issue Closing Date but before the Allotment of Equity Shares. In such an event the Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicant shall not be allowed to withdraw their Application after the Issue Closing Date.

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-materialized 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 the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- Agreement dated September 13, 2011 between CDSL, the Company and the Registrar to the Issue
-

All Applicants can seek allotment only in dematerialized mode. Applications from any Applicant without relevant details of his or her depository account are liable to be rejected.

An Applicant 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 Application.

The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number, PAN) appearing in the Application Form.

Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.

Names in the Application 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. If incomplete or incorrect details are given under the heading “Applicant Depository Account Details” in the Application Form, it is liable to be rejected.

The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis-à-vis those with his or her Depository Participant.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.

The trading of the Equity Shares of the Company would be in dematerialized form only for all investors in the demat segment of the respective Stock Exchanges.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicant Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted or the Designated Branch of the SCSBs where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip or with respect to ASBA Application, bank account number in which the amount equivalent to the Application Amount was blocked.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Applications submitted to the Designated Branches of the SCSBs, the Applicants can contact the Designated Branches of the SCSBs.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 100% under automatic route in our Company.

By way of Circular Numbers 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

Transfers of equity shares previously required the prior approval of the FIPB. However, vide a RBI circular dated October 4, 2004 issued by the RBI, the transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (FDI) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy, and (iii) the pricing is in accordance with the regulations / guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the “Securities Act” or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act), except pursuant to an exemption



from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act in transactions exempt from the registration requirements of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulations under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicant. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicant are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

SECTION IX: MAIN PROVISION OF ARTICLES OF ASSOCIATION OF OUR COMPANY

SHARES		
Share-Capital	3.	The Authorised Share Capital of the Company shall be such as given in the Clause V of the Memorandum of Association or altered, from time to time, thereat. The Company shall have power to increase, consolidate, subdivide, reduce or otherwise alter its share capital, subject to the provisions of the Act. The minimum paid up capital of the Company will be ₹ Five Lakhs.
Redeemable preference shares	4.	The Company shall have power to issue Preference Shares carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 80 of the Act, exercise such power in such manner as it thinks fit.
Allotment of shares	5.	Subject to the provisions of these Articles, the shares shall be under the control of the Directors who may allot or otherwise dispose off the same on such terms and condition, and at such time as the Directors think fit and with power to issue any shares as fully paid up in consideration of services rendered to the Company in its formation or otherwise, provided that where the Directors decide to increase the issued capital of the Company by the issue of further shares, the provisions of Section 81 of the Act will be complied with. Provided further that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.
Issue of shares at a discount	6.	Subject to the provisions of the Act it shall be lawful for the company to issue at a discount, shares of a class already issued.
Commission for placing shares	7.	The Company may, subject to compliance with the provisions of Section 76 of the Act, exercise the powers of paying commission on the issue of shares and debentures. The commission may be paid or satisfied in cash or shares, debentures or debenture stock of the Company.
Brokerage	8.	The Company may pay a reasonable sum of brokerage, subject to the ceiling prescribed under the Act.
Trusts not recognized	9.	Subject to Section 187C of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any trust, benami or equitable or other claim to or interest in such shares on any fractional part of a share whether or not it shall have express or other notice thereof.
CERTIFICATE		
Certificate	10.	The certificate of title to shares shall be issued under the Seal of the Company.
Member's right to certificate	11.	Every member shall be entitled free of charge to one certificate for all the shares of each class registered in his name or, if any member so wishes, to several certificate each for one or more of such shares. Unless the Conditions of issue of any shares otherwise provide, the Company shall either within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) or within one month of receipt of the application for registration of the transfer, sub division, consolidation renewal or exchange of any of its shares, as the case may be, complete, and have ready for delivery the certificates of such shares. Every certificate of shares, shall specify the name of the person in whose favour the certificate is issued, the shares to which it relates and the amount paid up thereon. Particulars of every certificate issued shall be entered in the Register maintained in the form set out in the Companies, (issue of Share Certificates) Rules, 1960.
As to issue of new certificates	12.	1. If any certificate of any share or shares be surrendered to the Company for subdivision or consolidation or if any certificate be defaced, torn or old, decrypt, worn-out or where the cages on the reverse for recording transfer have

		<p>been duly utilised, then upon surrender thereof to the Company, the Board, may order the same to be cancelled and may issue a new certificate in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Board, and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof, shall be given to party entitled to the shares to which such lost or destroyed certificate relate. Where a new certificate has been issued as aforesaid it shall state on the face of it and against the stub or counterfoil that it is issued as aforesaid in lieu of a shares certificate or is a duplicate issued for the one so replaced and, in the case certificate issued in place of one which has been lost or destroyed, the word “duplicate” shall be stamped or punched in bold letters across the face thereof. For every certificate issued under this Article, there shall be paid to the Company such out of pocket expenses incurred by the Company in investigating evidence as the Board may determine.</p> <p>2. No fee shall be charged for subdivision and consolidation of shares and debenture certificates and for subdivision of letters of allotment and spirit, consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub division of renounceable letters of rights, for issue of new certificate in replacement of those which are old, decrepit or worn out, or where the cages on the reverse for recording transfers have been fully utilised. Provided that the Company may charge such fees as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for subdivision and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.</p>
JOINT-HOLDERS OF SHARES		
Fee on subdivision of shares, issue of new certificates etc.	13.	Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to provisions following and to the other provision of these Articles relating to joint holders :
Maximum number		a) The Company shall not be bound to register more than four persons as the joint-holder of any share.
Liability several as well as joint		b) The joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such shares.
Survivors of joint holders only recognized		c) On the death of any one of such joint-holders the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share but the Board may require such evidence of death as it may deem fit.
Delivery of certificates		d) Only the person whose name stands first in the Register as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share.
CALLS		
Calls	14.	The Directors may, from time to time, subject to the terms on which any shares, may have been issued, make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereto made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call may be made payable by instalments.
When call deemed to have been made	15.	A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.
Notice to call	16.	Not less than 30 (Thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.
Amount payable	17.	If by the terms of issue of any share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by instalments at fixed times, every such amount of issue price of instalment thereof shall be payable as if it

		was a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or instalments accordingly.
Interest to be charged on non-payment of call	18.	If the sum payable in respect of any call or instalment be not paid on or before the day appointed for the payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due, shall pay interest for the same at the rate of 12 (Twelve) percent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.
Evidence in actions by company against shareholders	19.	On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of shares in respect of which such claims is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered in paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Payment of calls in advance	20.	The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of calls then made upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 6 per cent per annum as the member paying such sum as advance and the Board agree upon. Money so paid in excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing.
FORFEITURE AND LIEN		
Notice may be given for calls or instalment not paid	21.	If any member fails to pay any call or instalment 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 instalment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, they may have been incurred by the Company by reasons of such non-payment.
Form of notice	22.	The notice shall name a day (not being less than 30 days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of nonpayment at or before the time, and at the place or places appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
If notice not complied with shares may be forfeited	23.	If the requirement of any such notice as aforesaid be not complied with, any shares in respect which such notice has been given may, at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member of the Company in respect of his shares, either by way of principal or interest, nor any indulgency granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such share as herein provided.
Notice after forfeiture	24.	When any shares shall have been so forfeited, notice of the forfeiture shall be given

		to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
Forfeited shares to become property of the company	25.	Any share so forfeited shall be deemed to be the property of the Company, and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit.
Power to annual forfeiture	26.	The Directors may, at any time before any share so forfeited shall not be sold, reallocated or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think fit.
Arrears to be paid notwithstanding forfeiture	27.	Any member whose shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest and the expenses, owing upon or in respect of such shares at the time of all instalments interest and the forfeited together with interest thereupon, from the time of the forfeiture until payment at 12 per cent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction of allowance for the value of shares at the time of forfeiture but shall not be under any obligation to do so.
Effect to forfeiture	28.	The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share, and all other rights incidental to the share except only such of those rights as by these Articles are expressly saved.
Evidence of forfeiture	29.	A duly verified declaration in writing that the declarant is a Director of the Company and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof, shall constitute a given title to such shares.
Company's lien on shares	30.	The Company shall have a first and paramount lien upon all the shares (not fully paid up) registered in the name of each member (whether solely or jointly with others), and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any share shall be created except upon the footing and condition that Article 9 hereof is to have full effect. Unless otherwise agreed, the registration of a transfer of shares, shall operate as a waiver of the Company's lien, if any, on such shares.
Intention as to enforcing lien	31.	For the purpose of enforcing such lien, the Directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served on such member, his committee, curator bonis or other person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of the sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residue (if any) paid to such member, his executors, administrators, or other representatives or persons so recognised as aforesaid.
Validity of shares	32.	Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers by these presents given, the Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and after his name has been entered in the Register in respect of such shares his title to such shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, not impeached by any person and the remedy of any person aggrieved by the sale shall in damages only and against the Company exclusively.
Power to issue new	33.	Where any shares under the powers in that behalf herein contained are sold by the

certificate		Directors and the certificate thereof has not been delivered to the Company by the former holders of the said shares the Directors may issue new certificate in lieu of certificate not so delivered up.
TRANSFER AND TRANSMISSION OF SHARES		
Execution of transfer, etc.	34.	Subject to the provisions of the Act, no transfer of shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been, delivered to the Company together with the certificate or certificates of the shares, or if no such certificate is in existence along with the letter of allotment of shares. The instrument of transfer of any share shall be signed both by or on behalf of the transferor and by or on behalf of transferees and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register in respect thereof.
Application for transfer	35.	Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid shares be effected unless the Company gives notice of the application to the transferee in the manners prescribed by the Act, and, subject to the provisions of Articles hereof, the company shall unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the transferee.
Notice of transfer to registered holder	36.	Before registering any transfer tendered for registration the Company may, if it so thinks fit, give notice by letter posted in the ordinary course to the registered holder that such transfer deed has been lodged and that, unless objection is taken, the transfer will be registered and if such registered holder fails to lodge an objection in writing at the office of the Company within two weeks from the posting of such notice to him he shall be deemed to have admitted the validity of the said transfer.
Register of transfer	37.	The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particular of every transfer of any share.
In what case to decline to register transfer of share	38.	Subject to the provisions of section 111 of the Act, the Board, without assigning any reason for such refusal, may within one month from the date on which the instrument of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and, in the case of a share not fully paid up, may refuse to register a transfer to a transferee of whom the Board does not approve. Provided that the registration of a transfer of share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
No transfer to minor etc.	39.	(1) No transfer shall be made to a minor or person of unsound mind.
No fee for registration for transfer etc.	39.	(2) No fee shall be charged for registration of transfer, grant of probate, grant of letter of administration, certificate to death or marriage, Power of Attorney or similar other instruments.
When instrument of transfer to be retained	40.	All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.
Notice of refusal to register transfer	41.	If the Directors refuse to register the transfer of any shares, the Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer notice of such refusal.
Power to close transfer books and register	42.	On giving seven days notice by advertisement in a newspaper circulating in the District in which the Office of the Company is situated the Register of Members may be closed during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.
Transmission of registered shares	43.	The executors or administrators or the holder of a succession certificate in respect of shares of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall recognise as having any title to the shares

		registered in the name of such member and, in case of the death of any one or more of the joint-holders of any registered shares the survivors shall be only persons recognised by the Company as having any title to or interest in such share but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any legal representative or heir or a person otherwise claiming title to the shares the Company may require him to obtain a grant of probate or letters of administration or succession certificate, or other legal representation, as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion think fit it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.
As to transfer of shares of deceased or involent members Transmission Article Notice of election to be registered All rights of executors and trustees	44.	Any person becoming entitled to or to transfer shares in consequence of that death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article, or of his title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to be registered as a member in respect of such shares or may, subject to the regulations as to transfer hereinbefore contained transfer such shares. This article is hereinafter referred to as “The transmission Article”. Subject to any other provisions of these Articles if the person so becoming entitled to shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall execute an instrument of transfer in accordance with the provisions of these articles relating to transfer of shares. All the limitations, restrictions and provisions of these Articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.
	45.	Subject to any other provisions of these Articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequences of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.
Provisions of articles relating to transfer applicable	46.	The instrument of transfer shall be in writing and all the provision of Section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and the registration thereof.
SHARE WARRANTS		
Power to issue share warrants	47.	Subject to the provisions of Section 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting the Board may issue share-warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulations 40 to 43 of table A in Schedule 1 to the Act, shall apply.
STOCKS		
Stocks	48.	The Company may exercise the power of conversion of its shares into stock and in that case regulations 37 to 39 to table “A” in Schedule 1 to the Act shall apply.
ALTERATION OF CAPITAL		
Power to subdivide and consolidate	49.	The Company may by ordinary resolution from time to time alter the condition of Memorandum of Association as follows :
		(a) Increase the Share Capital by such amount to be divided into shares of such amount as may be specified in the resolution.
		(b) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
		(c) Subdivide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount if any unpaid on each reduced share

		shall be the same as it was in the share from which the reduced share is derived, and
		d) Cancel any shares which, at the date of the passing of the resolution, 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 share so cancelled.
Surrender	50.	Subject to the provisions of Sections 100 to 104 inclusive, of the Act, the Board may accept from any member the surrender of all or any of his shares on such terms and conditions as shall be agreed.
MODIFICATION OF RIGHTS		
Power to modify rights	51.	If at any time the share capital is divided into different classes of shares the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be carried with consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a Special Resolution passed at a Separate Meeting of the holders of the shares of that class. To every such Separate Meeting the provisions of these Articles, relating to general meeting shall apply, but so that the necessary quorum shall be two persons atleast holding or representing by proxy one-tenth of the issued shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and on a poll, shall have one vote for each shares of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar.
BORROWING POWERS		
Power to borrow	52.	The Board may, from time to time, at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum of money for the purposes of the Company.
Condition on which money may be borrow	53.	The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable debenture or debenture-stock, or any mortgage, or other security on the undertaking of the whole or of the property of the Company (both present and future), including its uncalled capital for the time being, provided that debentures with the rights to allotment of or conversion into shares shall into be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act.
Issue at discount etc. or with special privileges	54.	Any debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special privileges, as to redemption, surrender, drawings, allotment of shares appointment of Directors and otherwise, debentures, debenture stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
Instrument of transfer	55.	Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of debentures.
	56.	If the Board refuses to register of any debentures the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, sent to the transferee and to the transferor notice of the refusal.
RESERVES		
Reserves	57.	Subject to the provisions of the Act, the Board shall in accordance with Section 205 (2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as thinks proper as reserves which shall, at the discretion of the Board be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at the like discretion, either

		be employed in the business of the Company or be invested in such investments (other than shares of the Company as the Board may from time to time think fit). The Board may also carry forward any profit which it may think prudent not to divide without setting them aside as a reserve.
Capitalisation	58.	Any General Meeting may resolve that the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of shares and any profits or other sums which have been set aside as a reserve or reserves have been carried forward without being divide) be capitalised and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that become entitled thereto as capital and that all or any part of such capitalised amount be applied on behalf of such members in paying up in full any unissued shares of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by such member in full satisfaction of their interest in the said capitalised amount. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve account may, for the purposes of this Article only be applied in the paying up of unissued shares to be issued to members of the company as fully-paid bonus shares.
Financial certificate	59.	For the purpose of giving effect to any resolution under two last preceding Articles the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate.
GENERAL MEETINGS		
Extra ordinary General Meeting	60.	The Directors may, whenever they think fit, call an extra ordinary general meeting provided however if at any time there are not in India Directors capable of acting who are sufficient in number to form a quorum any Directors present in India may call an extra ordinary general meeting in the manner as nearly as possible as that in which such a meeting may be called by the Board.
Calling on Extra ordinary General Meeting on requisition	61.	The Board of Directors of the Company shall on the requisition of such member or members of the company as is specified in sub-section (4) of Section 169 of the Act forthwith proceed to call an extra ordinary general meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all the other provisions of section 169 of the Act and of any statutory modification thereof for the time being shall apply.
Quorum	62.	The quorum for a general meeting shall be five members present in person.
Chairman	63.	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 be not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be Chairman or if no Director shall be present and willing to take the Chair than the members present shall choose one of their member, being a member entitled to vote, to be Chairman.
Sufficiency of ordinary resolutions	64.	Any act of resolution which, under the provision of this article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the act or the articles specifically require such act to be done or resolution passed by a special resolution.
When if quorum be not present, meeting to be dissolved and when adjourned	65.	If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon a requisition of share holders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.
How question of	66.	In the case of an equality of votes the Chairman shall both on a show of hands and a

resolutions to be decided at meetings		poll have a casting vote in addition to the vote or votes to which he may be entitled as a member
Power to adjourn General Meeting	67.	The Chairman of a General Meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. If shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting
Business may proceed not with standing demand of poll	68.	If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
VOTES OF MEMBERS		
Vote of members	69.	(1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorised representative of a body corporate being a holder of Equity Shares, if he is entitled to vote in his own rights, shall have one vote.
		(2) On a poll the voting rights of a holder of Equity Shares shall be as specified in Section 87 of the Act.
		(3) The voting rights of the holders of the Preference Shares including the Redeemable Cumulative Preference Shares shall be in accordance with the provisions of section 87 of the Act.
		(4) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 187 of the Act is in force and the representative named in such resolution is present at the General Meeting at which the vote by proxy is tendered.
Votes in respect of deceased, in solvent and insane members	70	A person becoming entitled to as share shall not before being registered as member in respect of the share entitled to exercise in respect thereof any right conferred by membership in relation to meeting of the Company.
		If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their votes by proxy provided that twenty four hours atleast before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under this Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
Joint holders	71	Where there are joint holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executor or administrators of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint holders thereof.
Instrument appointing proxy too in writing	72	The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or is such appointer is a corporation under its common seal or the hand of its Attorney.
Instrument appointing proxy to be deposited at the office	73	The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote in default the instrument of proxy shall not be treated as valid.
When vote by proxy valid though authority revoked	74	A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or

		revocation of the instrument of transfer of the share in respect of which the vote is given. Provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office or by the Chairman of the Meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has at been revoked.
Form of instrument appointing proxy	75	Every instrument appointing a proxy shall, as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act.
Validity of vote	76	No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.
Restrictions on voting	77	No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right or lien.
DIRECTORS GENERAL PROVISIONS		
Number of Directors	78	The number of Directors shall not be less than three and not more than twelve.
First Directors	79	The following shall be the first Directors of the Company :— 1. MR. ADITYA RANJAN SINGH 2. MR. AKHILESH RANJAN SINGH 3. MR. ANIL KUMAR 4. MR. JAY PRATAP NARAIN SINGH
Power of Directors to add its number	80	The Directors shall have power at any time and from time to time to appoint any person as a Director as an addition to the Directors but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles, any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for re election.
Share qualification of Directors	81	A Director shall not be required to hold any share qualification.
Remuneration of Directors	82	Each Director shall be entitled to be paid out of the funds of the company by way of remuneration for his services not exceeding the sum of ₹ 5000/- (Rupees Five Thousand only) as may be fixed by Directors from time to time for every meeting of the Board of Directors committee thereof attended by him. Subject to the provisions of this Companies Act, the Directors shall also be entitled to receive in each year a Commission @1% of the net profits of the Company, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Companies Act, 1956 and such commission shall be divided among the Director in such proportion and manner as may be determined by them. The Director may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Director may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending at the meeting in addition to this remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then subject to Section 198, 309, 310 and 314 of the Act the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.
Continuing Directors may act	83	The continuing Directors may act notwithstanding any vacancy in their body but so that if the number falls below the minimum number above fixed, the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.

Directors may contract with Company	84	Subject to the provisions of section 297, 299, 300 and 314 of the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or director interested be avoided, nor shall any Director or otherwise so contracting or being such member or so interested be liable to account to the Company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.
APPOINTMENT OF DIRECTORS		
Appointment of Directors	85	The Company in General Meeting, may subject to the provision of these Articles and the Act, at any time elect any person to be a Director and may from time to time increase or reduce the number of directors.
Board may fill up Casual Vacancies	86	If any Director appointed by the Company in general meeting vacates office as a Director before his term of office will expire in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Act.
Nominee Directors	87	The Company shall subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The Corporation, firm or person shall be entitled from time to time to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same right and privileges and be subject to the same obligation as any other Director of the company.
Alternate Directors	88	Subject to the provisions of section 313 of the Act the Board may appoint any person to act as an alternate director for a director during the latter's absence for a period of not less than three months from the state in which meeting of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an alternate shall have effect and such appointee, whilst he holds office as an alternate director, shall be entitled to notice of meeting of the Board and to attend and vote thereat accordingly, but he shall ipso facto vacate office if and/when the absent director returns to state in which meeting of the Board are ordinarily held or the absent Director vacates office as a Director.
ROTATION OF DIRECTORS		
Rotation of Directors	89	(1) Not less than two-third of the total number of Directors shall be persons whose period of office is liable to determination by retirement of Director by rotation
		(2) At each Annual General Meeting of the Company one third or such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.
		(3) The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who become Directors on the same day those to retire shall in default of and subject to any agreement among themselves be determined by lot.
		(4) If at any Annual General Meeting all the Directors appointed under Article 87 and 108 here by are not exempt from retirement by rotation under Section 255 of the Act then to the extent permitted by the said Section the exemption shall extend to the Director or Directors appointed under Article 87.

		Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board
Retiring Director eligible for reelection	90	A retiring Director shall be eligible for reelection and shall act as a Director throughout the meeting at which he retires.
	91	Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and if at the adjourned meeting, the places of the retiring Directors are not filled up, the retiring Directors or such of them as have not had their places filled up shall (it will to continue in office) be deemed to have been reelected at the adjourned meeting.
PROCEEDINGS OF DIRECTORS		
Meeting of Directors	92	The Directors may meet together for the despatch of business, adjourned and otherwise regulate their meetings and proceedings as they think fit. Notice in writing of every meeting of the Director shall ordinarily be given by a Director or such other officers of the company duly authorised in this behalf to every Director for the time being in India and at his usual address in India.
Quorum	93	The quorum for a meeting of the Directors shall be determined from time to time in accordance with the provisions of Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Directors, it shall be adjourned until such date and time as the Directors present shall appoint.
Summoning a meeting of Directors	94	The Secretary may at any time, and upon request of and two Directors shall summon a meeting of the Directors.
Voting at Meeting	95	Subject to the provisions of Section 316, 372(5) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, each director having one vote and in case of an equality of votes, the Chairman shall have second or casting vote.
Chairman of Meeting	96	The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors. Provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting.
Act of meeting	97	A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the for the being vested in or exercisable by the Directors generally.
To appoint Committee and to delegate power and revoke it	98	The Directors may subject to compliance of the provisions of the Act from time to time delegate any of their powers to Committees consisting of such member or members of their body as they think fit, and may from time to time revoke such delegation. Any Committee so formed shall in the exercise of the powers so delegated confirm to any regulations that may from time to time be imposed on it by the Directors. The meeting and proceedings of any such Committee, if consisting of two or more members, shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Article.
Validity of acts	99	All acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or person acting as aforesaid or that they or any of them were is disqualified.
Resolution by circulation	100	Except resolution which the Companies Act requires in specifically to be passed in a board meeting, a resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act.

		And any such minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of the such meeting or by the Chairman of next succeeding meeting shall be receivable as prima facie evidence of the matters in such minutes.
POWERS OF DIRECTORS		
General power of the Company vested in the Directors	101	Subject to the provisions of the Act, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents from time to time made by the Company in General Meeting provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.
Power to delegate	102	Without prejudice to the general powers conferred by the preceding article the Directors may from time to time and at any time subject to the restrictions contained in the Act, delegate to managers, secretaries, officers assistants and other employees or other persons (including any firm or body corporate) any of the powers authorised and discretions for the time being vested in the Directors.
Power to authorise sub-delegation	103	The Directors may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.
Signing of documents	104	All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons (including any firm or body corporate) whether in the employment to the Company or not and in such manner as the Director shall from time to time by resolution determine.
Management abroad	105	The Directors may make such arrangement as may be thought fit for the management of the Company's affairs abroad, any may for this purpose (without prejudice to the generality of their powers) appoint local bodies, and agents and fix their remuneration, and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by such persons as the Directors shall from time to time by writing under the common seal appoint. The company may also exercise the powers of keeping Foreign Registers. Such regulations not being in consistent with the provisions of Section 157 and 158 of the Act, the board may from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of any local law
Manager or Secretary	106	A manager or secretary may be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit, and any Manager or Secretary appointed may be removed by the Directors. A director may be appointed as Manager or Secretary, subject to section 314,197A,387 & 388 of the Act.
Act of Director Manager or Secretary	107	A provision of the Act or these regulations required or authorising a thing to be done by a director, manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of the manager or secretary.
MANAGING DIRECTORS		
Power to appoint Manager Director	108	Subject to the provisions of sections 197A, 269, 316 and 317 of the Act, the Board may, from time to time appoint one or more Directors to be Managing Director or Managing Directors of the Company and may, from time to time (subject to the provisions of any contract between him or them and the Company, remove or dismiss him or them from office and appoint another or others in his place or their places.
To what provisions he shall be subjected	109	Subject to the provisions or Section 255 of the Act and Article 89 (4) hereof, a Managing Director shall not, while he continues to hold that office, be subject to

		retirement by rotation, but (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
Remuneration of Managing Director	110	Subject to the provisions of Sections 198, 309, 310 and 311 of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may from time to time be sanctioned by the Company
Power of Managing Director	111	Subject to the provisions of the Act, in particular to the prohibitions and restrictions contained in Section 292 thereof, the Board may, from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercise able under these presents by the Board as it may think fit, and may confer such powers for such time, and be exercised for such objects and purposes, and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers, either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.
COMMENCEMENT OF BUSINESS		
Compliance before commencement of new business	112	The Company shall not at any time commence any business out of other objects of its Memorandum of Association unless the provisions of subsection 2(B) of Section 149 of the Act have been duly complied with by it.
Custody of seal	113	The Directors shall provide for the safe custody of the Seal and the Seal shall never be used except by the authority of the Director or a Committee of the Directors previously given and one Director at least shall sign every instrument to which the seal is affixed provided nevertheless that any instrument bearing the Seal of the Company any issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.
DIVIDENDS		
How profits shall be divisible	114	Subject to Rights of members entitled to shares (if any) with preferential or special rights attached to them, the profits of the Company from time to time determined to be distributed as dividend in respect of any year of other period shall be applied for payment of dividend on the shares in proportion to the amount of capital paid up on the Shares provided that unless the Board otherwise determines all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid up on the shares during any portion or portions of the period in respect of which dividend is paid. Provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.
Declaration of Dividends	115	The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 207 of the Act fix the time for payment.
Restrictions on amount of dividends	116	No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.
Dividend out of profit only	117	No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.
What to be deemed net profits	118	The declaration of the Directors as to the amount of the net profits of the Company for any year shall be conclusive.
Interim dividends	119	The Directors may from time to time pay to the members such interim dividends as in their judgement the position of the Company justifies.
Debts may be deducted	120	The Director may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in

		respect of which the lien exists subject to Section 205A of the Act.
Dividend and call together	121	Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the member, be set off against the call.
	122	A transfer of shares shall not pass the rights to any dividend declared thereon before the registration of the transfer
Retention in certain cases	123	The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.
Dividend to joint holders	124	Any one of the several persons who are registered as a joint-holders of any share may give effectual receipts of all dividends and payments on account of dividends in respect of such shares.
Payment by post	125	Unless otherwise directed, any dividend may be paid by cheque or warrant sent through the post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint holders and the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holders, as the case may be, may direct.
When payment a good discharge	126	The payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, dividend, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.
		Any dividend remaining unpaid or unclaimed after having been declared shall be dealt in accordance with Section 205(A) of the Companies Act in respect of such dividend.
BOOKS AND DOCUMENTS		
Where to be kept	127	The Books of Account shall be kept at the registered office or at such other place as the Directors think fit, and shall be open to inspection by the Directors during business hours.
Inspection by members	128	The Directors shall from time to time determine whether and to what extent at what times and places and under what conditions or regulations the accounts or books or documents of the Company or any of them shall be open for inspection to members not being Directors, and no member (not being a Director) shall have any right of inspecting any books of account or documents of the Company except as conferred by law or authorised by the Directors or by the Company in General Meeting.
Balance Sheet and Profit and Loss Account	129	Balance Sheet and Profit and Loss Account will be audited once in a year by a qualified auditor for correctness as per provisions of the Act.
Audit	130	The first auditors of the company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of first annual general meeting.
	131	The directors may fill up any casual vacancy in the office of the auditors.
	132	The remuneration of the auditors shall be fixed by the company in general meeting except as otherwise decided or that remuneration of the first or any auditors appointed by the directors may be fixed by the directors.
NOTICES		
How notices served on members	133	The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices.

Transferee etc., bound by prior notices	134	Every person who, by operation of law, or by transfer or by other means whatsoever, shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.
Notice valid though member deceased	135	Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has notice of his demise, be deemed to have been duly served in respect of any registered shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, if any, jointly interested with him or her in any such share.
How notice to be signed	136	The signature to any notice to be given by the Company may be written or printed.
RECONSTRUCTION		
Reconstruction	137	On any sale of the undertaking of the Company, the Directors or the Liquidators on a winding up may, if authorised by a special resolution, accept fully paid or partly paid up shares; debentures or securities of any other Company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the Liquidators (in a winding up) may distribute such shares or securities or any other property of the Company amongst the members without realisation or vest the same in trustees for them and any special resolution may provide for the distribution or appropriations of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto save only in case the Company is proposed to be or is in the course of being wound up, such statutory rights, if any, under Section 494 of the Act as are incapable of being varied or excluded by these presents.
SECURITY		
No shareholder to enter the premises of the company without permissions	138	Subject to the provisions of law of land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors, or subject to article 126 to require discovery or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate.
WINDING UP		
Distribution of assets	139	If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be born by the members in proportion to the capital paid up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And if in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding-up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
Distribution of assets in	140	In the event of Company being wound up, whether voluntarily or otherwise, the

specie		liquidators may with the sanction of a Special Resolution divide among the contributories, in specie or in kind any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators, with like sanction, shall think fit.
INDEMNITY		
Indemnity	141	Subject to the provisions of Section 201 of the Act, every Director, Manager, Secretary and other officer or employee of the Company shall be indemnified against and it shall be the duty of the Directors to pay out of the funds of the Company all bonafide costs, losses and expenses (including travelling expenses) which any such Directors, Manager or Secretary or other officer or employee may incur or become liable to by reason of any contract entered into or any way in the discharge of his or their duties and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him or by them as such Director, Manager, Secretary, Officer or employee in defending any proceeding whether civil or criminal in which judgement is given in his or their favour or he or they is or are acquitted, or in connection with any application under Section 633 of the Act in which relief is granted by the Court and the amount, for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the members over all other claims.
Individual responsibility of Directors	142	Subject to the provisions of the act and so far as such provisions permit, no Director, Auditor or other Officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director or Officer, or for joining in any receipt or act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency or title to any property acquired by order of the Director for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss occasioned by any error of judgement, omission, default, or oversight on his part, or for any loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

SECTION X

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected, *on all working days i.e. from Monday to Friday from 11.00 A.M. to 4.00 P.M. at the Registered Office of Our Company situated at 607-609, Somdutt Chambers II, Bhikaji Cama Place, New Delhi-110 066*, from the date of the Draft Prospectus until the Issue Closing Date.

I. MATERIAL CONTRACTS

1. Memorandum of Understanding dated September 15, 2011 entered into by our Company with the LM.
2. Memorandum of Understanding dated August 01, 2011 entered into by our Company with Bigshare Services Private Limited, to act as the Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, Escrow Collection Bank, the Lead Manager and the Registrar to the Issue.
4. Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Issue.
5. Tripartite Agreement dated September 13, 2011 between our Company, CDSL and the Registrar to the Issue.
6. Shareholders' Resolution dated March 24, 2011 passed in the Extra Ordinary General Meeting of our Company for the appointment and fixation of remuneration of Mr. Aditya Ranjan Singh as the Managing Director of our Company.
7. Shareholders' Resolution dated March 24, 2011 passed in the Extra Ordinary General Meeting of our Company for the appointment and fixation of remuneration of Mr. Akhilesh Ranjan Singh as the Whole time Director of our Company.
8. Shareholders' Resolution dated March 30, 2011 passed in the Extra Ordinary General Meeting of our Company for the appointment and fixation of remuneration of Mr. Shankar Kumar Thakur as the Whole time Director of our Company.

II. DOCUMENTS

1. Memorandum and Articles of Association of our Company as amended from time to time.
2. Certificate of Incorporation dated June 04, 2007, issued to our Company in the name of Universal Energies Limited, by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana.
3. Certificate of Commencement of Business dated June 18, 2007, issued to our Company in the name of Universal Energies Limited, by the Assistant Registrar of Companies, National Capital Territory of Delhi and Haryana.
4. Copy of the Resolution passed at the Meeting of the Board of Directors held on June 22, 2011 and copy of the Special Resolution passed at the Annual General Meeting of our Company held on September 19, 2011 under Section 81 & 81(1A) of the Companies Act, 1956 for authorizing the Fresh Issue of Equity Shares.
5. Copies of the Annual Reports of our Company for the Financial Years ended March 31, 2007; March 31, 2008, March 31, 2009, March 31, 2010 and March 31, 2011.
6. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Auditors, Lead Manager to the Issue, Legal Advisor to the Issue, Banker(s) to the Company, IPO Grading Agency and Registrar to the Issue, to include their names in this Draft Prospectus, to act in their respective capacities.

7. Copy of the Tax Benefits Certificate dated September 20, 2011 by M/s D.S. Sinha & Co., Chartered Accountants.
8. Copy of the Chartered Accountant's Certificate dated September 26, 2011 by M/s D.S. Sinha & Co., Chartered Accountants, regarding the sources and deployment of funds.
9. Copy of Auditor's Report dated September 20, 2011 by M/s D.S. Sinha & Co., Chartered Accountants on Financial Statements as restated, of the Issuer Company.
10. Shareholders' Resolution dated September 30, 2010 for the Re-appointment of the Statutory Auditor, M/s D.S. Sinha & Co., Chartered Accountants for the Financial Year 2010-2011.
11. Copy of Resolutions passed at the Meeting of the Board of Directors held on June 07, 2011 for the constitution of the Audit Committee, Shareholders / Investors Grievance Committee, and re- constitution of Remuneration committee.
12. Due Diligence Certificate dated on September 28, 2011 from Lead Manager – Hem Securities Limited, Mumbai.
13. Due Diligence Certificate dated September 28, 2011 from Legal Advisors to the Company - Chir Amrit Law Chambers, Jaipur.
14. In-principle Listing Approval dated [●] received from BSE.
15. IPO Grading Report dated [●] by CARE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of the Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XI – DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the Regulations issued by the 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 Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992, each as amended or the rules made there under or guidelines / regulations issued, as the case may be. We further certify that all the statements in this Draft Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF THE COMPANY:

Mr. Kamta Prasad Roy , <i>Chairman, Non-Executive - Independent Director</i>	sd/-
Mr. Aditya Ranjan Singh , <i>Managing Director</i>	sd/-
Mr. Akhilesh Ranjan Singh , <i>Whole-Time Director</i>	sd/-
Mr. Shankar Kumar Thakur , <i>Whole-Time Director</i>	sd/-
Mr. Vinay Kumar Singh , <i>Non-Executive - Independent Director</i>	sd/-
Mr. Prabhu Dayal Didwania , <i>Non-Executive - Independent Director</i>	sd/-

SIGNED BY THE WHOLE-TIME DIRECTOR, in his capacity as Head - Finance & Accounting of the Company

Mr. Shankar Kumar Thakur , <i>Whole-Time Director</i>	sd/-
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Ms. Monika Srivastava , <i>Company Secretary & Compliance Officer</i>	sd/-
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Place : New Delhi

Date : September 28, 2011