

Draft Red Herring Prospectus

November 3, 2011

Please read Section 60B of the Companies Act, 1956

Book Building Issue

(The Draft Red Herring Prospectus will be updated upon RoC filing)

**A-TEAM EDUTECH LIMITED**

Our Company was originally incorporated as "Sweadi Marketing Private Limited" a private limited company under the provisions of the Companies Act, 1956 pursuant to Certificate of Incorporation dated December 3, 2008 issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands ("RoC"). The name of our Company was changed to "A-Team Edutech Private Limited" pursuant to a fresh certificate of incorporation consequent upon change of name dated May 13, 2011 issued by the RoC. Thereafter our Company was converted into a public limited company under the Companies Act, 1956 and consequently our Company's name was changed to its present name "A-Team Edutech Limited" pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated June 30, 2011 issued by RoC. Our Company's CIN is U74990TN2008PLC070063. For further details of our Company, please refer to the chapters titled 'General Information' and 'History and Certain Corporate Matters' beginning on pages 19 and 84 respectively, of the Draft Red Herring Prospectus.

Registered Office: B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road, Teynampet, Chennai – 600 018, Tamil Nadu. **Website:** www.atamedutech.com;

Company Secretary and Compliance Officer: Taher Noor Sayed; **Telephone:** +91 44 2434 7333 / 4212 5200; **Facsimile:** +91 44 4212 4030; **E-mail:** ipo@atamedutech.com;

PROMOTERS OF THE COMPANY : SENTHIL KUMAR AND S. SIVAGAMI**THE ISSUE**

PUBLIC ISSUE OF 81,81,818 EQUITY SHARES OF FACE VALUE ₹ 10 EACH OF A-TEAM EDUTECH LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) AGGREGATING ₹ [●] LACS (THE "ISSUE"). THE ISSUE WILL CONSTITUTE 45.00 % OF THE FULLY DILUTED POST ISSUE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY.

**Our Company is considering a Pre-IPO Placement of upto 25 Lacs Equity Shares and aggregating upto ₹ 3,950 Lacs with certain investors. The pre-IPO Placement is at the discretion of our Company. If undertaken, our Company will complete the issuance of such equity shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of the allotment made in the Pre-IPO Placement subject to the Issue being at least 25% of the post Issue paid-up equity share capital of the Company.*

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER ("BRLM") AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE.

In case of revision in the Price Band, the Bid / Issue Period shall be extended for three additional working days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Self Certified Syndicate Banks ("SCSBs"), Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the websites of the BRLM and the terminals of the member(s) of the Syndicate.

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations"). The Issue is being made pursuant to Regulation 26(2) of the SEBI ICDR Regulations through the 100% Book Building Process wherein at least 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs") ("QIB Portion"). 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allotted to QIB's, the entire application monies will be refunded forthwith. All investors can participate through the Application Supported by Blocked Amount ("ASBA") process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. QIBs and Non-Institutional Bidders shall mandatorily make Bids through ASBA. For details, please refer to the chapter titled 'Issue Procedure' beginning on page 211 of the Draft Red Herring Prospectus.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 per Equity Share. The Issue Price (as determined by our Company, in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process and as stated under the section "Basis for Issue Price" beginning on page 49 of the Draft Red Herring 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 or sustained trading in the Equity Shares 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 the contents of the Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page xiv of the Draft Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

IPO GRADING

This Issue has been graded by [●] as [●], indicating [●]. The IPO grade 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 details, please refer to the section titled "General Information" beginning on page 19 of the Draft Red Herring Prospectus.

LISTING ARRANGEMENT

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an "in-principle" approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is [●].

LEAD MANAGER TO THE ISSUE

ONELIFE CAPITAL ADVISORS LIMITED
96/98, Mint Road, Fort,
Mumbai – 400 001,
Maharashtra
Tel: +91 22 4333 3000, **Fax:** +91 22 4333 3011
Email: ateam.ipo@onelifecapital.in
Investor Grievance ID: redressal@onelifecapital.in
Website: www.onelifecapital.in
Contact Person: Hiral Bhutta / Sumit Gupta
SEBI Registration No.: INM000011633

REGISTRAR TO THE ISSUE

SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road, Sakinaka, Andheri (East),
Mumbai - 400 072, Maharashtra
Tel No: +91- 22- 6191 5400, **Fax No:** +91- 22- 6191 5444
Website: www.shareproservices.com
Email: ateam.ipo@shareproservices.com
Contact Person: Subhash Dhingreja/ Satheesh H K
SEBI Registration No.: INR000001476

BID/ISSUE PROGRAMME**FOR ALL BIDDERS****BID/ISSUE OPENS ON [●], 2011****FOR QIBS*****BID/ISSUE PERIOD CLOSURES ON [●], 2011****FOR NON-INSTITUTIONAL AND RETAIL BIDDERS****BID/ISSUE PERIOD CLOSURES ON [●], 2011**

* Our Company may, in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations subject to the Bid/Issue period being for a minimum of three Working Days.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

In the Draft Red Herring Prospectus, unless the context otherwise requires, the terms defined and abbreviations stated hereunder shall have the meanings as assigned therewith as stated in this Section.

Company Related Terms

Term	Description
“the Company”, “our Company”, “Issuer”, “Issuer Company”, “we”, “us”, “our”	A-Team Edutech Limited, a public limited company incorporated under the Companies Act, 1956, and having its registered office at B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road, Teynampet, Chennai – 600 018, Tamil Nadu
Articles of Association or AoA or our Articles	The Articles of Association of our Company, as amended from time to time
Board, Board of Directors or our Board	The Board of Directors of our Company, duly constituted from time to time, including any committee thereof
Corporate Office	The Corporate Office of our Company, situated at 122, SKS Buildings, Perundurai Road, Erode - 638 011, Tamil Nadu, India
Director(s)	The Director(s) of our Company
Memorandum, our Memorandum or Memorandum of Association or MoA	The Memorandum of Association of our Company, as amended from time to time
Our Promoters	Senthil Kumar and S. Sivagami
Registered Office	The registered office of our Company, situated at B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road, Teynampet, Chennai – 600 018, Tamil Nadu
RoC / Registrar of Companies, Chennai	The Registrar of Companies located at Block No. 6, B Wing, 2nd Floor, Shastri Bhawan Complex, 26 Haddows Road, Chennai – 600 034, Tamil Nadu
Peer Review Auditor	The peer review auditor of our Company being, M/s. Vivekanandan Associates, Chartered Accountants
Statutory Auditor	The statutory auditor of our Company, being, M/s. Vivekanandan Associates, Chartered Accountants

Issue Related Terms

Term	Description
“Issue” or “the Issue” or “this Issue”	Public Issue of 81,81,818 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lacs
“you”, “your” or “yours”	All such references are to the Bidders to the Issue, unless the context otherwise specifies
Allocation / Allocation of Equity Shares	Unless the context otherwise requires, the allocation of Equity Shares pursuant to this Issue to the successful Bidders
Allot / Allotted / Allotment/ Allotment of Equity Shares	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to successful Bidders
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof
Allottee	A successful Bidder to whom the Equity Shares are Allotted pursuant to this Issue
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorising a SCSBs to block the Bid Amount in a specified bank account maintained with the SCSBs

Term	Description
ASBA Account	Account maintained with a SCSBs which will be blocked by such SCSBs to the extent of the appropriate Bid Amount of the ASBA Bidder, as specified in the ASBA Bid cum Application Form.
ASBA Bid cum Application Form / ASBA Form	<p>The form, whether physical or electronic, used by an ASBA Bidder to submit a Bid, which contains an authorisation to block the Bid Amount in an ASBA Account and would be considered as an application for Allotment to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus</p> <p>Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms shall be made available for download from the respective websites of the Stock Exchange(s)</p>
ASBA Bidder(s)	<p>Any prospective investor(s) in this Issue who Bid/ apply through the ASBA process</p> <p>Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, non-retail Investors <i>i.e.</i>, QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Bids</p>
ASBA Revision Form	<p>The form, whether physical or electronic, used by an ASBA Bidder to modify the quantity of Equity Shares or the Bid Amount in any of his/her ASBA Bid cum Application Form or any previous ASBA Revision Form(s)</p> <p>Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Revision Forms shall be made available for download from the respective websites of the Stock Exchange(s)</p>
Banker(s) to the Issue/ Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account will be opened, in this case being [●]
Bankers to our Company	Such entities which are disclosed as Bankers to our Company in the chapter titled ‘ <i>General Information</i> ’ beginning on page 19 of the Draft Red Herring Prospectus
Basis of Allotment / Basis of Allocation	The basis on which Equity Shares will be Allotted / Allocated to successful Bidders pursuant to the Issue and which is described under chapter titled ‘ <i>Issue Procedure</i> ’ beginning on page 211 of the Draft Red Herring Prospectus
Bid Amount	The highest value of the optional Bids indicated in the Bid-cum-Application Form and payable by a Bidder on submission of a Bid in the Issue and in case of ASBA Bidders, the amount mentioned in the ASBA Bid-cum-Application Form
Bid cum Application Form	The form used by a Bidder to make a Bid including the ASBA Bid-cum-Application Form (as applicable), which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
Bid(s)	An indication to make an offer during the Bid / Issue Period by the Bidders, pursuant to submission of the Bid-cum-Application Form or ASBA Form as the case may be, to subscribe to the Equity Shares of our Company in this Issue at a price within the Price Band, including all revisions and modifications if any, made to such Bid(s)
Bid / Issue Closing Date	<p>The date after which the members of the Syndicate and the designated branches of the SCSBs shall not accept any Bids for the Issue, which shall be a date notified in two national daily newspapers (one each in English and in Hindi) of wide circulation, and one regional (Tamil) daily newspaper of wide circulation, where the Registered Office of our Company is situated.</p> <p>Our Company in consultation with the BRLM may consider closing the Bidding by QIB Bidders one Working Day prior to the Bid / Issue Closing Date, in accordance with the SEBI Regulations</p>
Bid / Issue Opening Date	The date on which the members of the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be a date notified in two national

Term	Description
	daily newspapers (one each in English and in Hindi) of wide circulation and one regional (Tamil) daily newspaper of wide circulation, where the Registered Office of our Company is situated
Bid / Issue Period	The period between the Bid / Issue Opening Date and the Bid / Issue Closing Date, both days inclusive, during which prospective Bidders and the ASBA Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid-cum-Application Form including an ASBA Bidder who Bids through an ASBA Bid-cum-Application Form
Book Building Process / Book Building Method	The book building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of which this Issue is being made
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Onelife Capital Advisors Limited
Cap Price	The higher end of the Price Band above which the Issue Price will not be finalised and above which no Bids will be accepted
Compliance Officer	The Company Secretary of our Company, being Taher Noor Sayed
Controlling Branches	Such branches of the SCSBs which coordinate under this Issue by the ASBA Bidders with the BRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Cut-off Price	Any price within the Price Band finalised by our Company in consultation with the Book Running Lead Manager. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price, for a Bid Amount not exceeding ₹ 2 Lacs. No other category of Bidders are entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders such as their address, PAN, occupation and bank account details.
Depositories	Depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time, being NSDL and CDSL
Designated Branch	Such branches of the SCSBs which shall collect the ASBA Bid-cum-Application Form used by ASBA Bidders, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Bidder to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated November 3, 2011 issued in accordance with Section 60B of the Companies Act and SEBI ICDR Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares would be issued and the size of the Issue
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Equity Shares	Equity shares of our Company of face value of ₹ 10 each, fully paid up, unless otherwise specified in the context thereof
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding ASBA Bidders) on the terms and conditions thereof
First / Sole Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or

Term	Description
	Revision Form or the ASBA Bid cum Application Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Issue Price	The final price at which the Equity Shares will be issued and allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLM on the Pricing Date
Issue Proceeds	Proceeds from the Issue that will be available to our Company, being ₹ [●] Lacs
Listing Agreement	Equity listing agreements to be entered into by our Company with the Stock Exchange(s)
Memorandum of Understanding	The memorandum of understanding dated November 2, 2011 entered into by our Company and the BRLM, pursuant to which certain arrangements are agreed to, in relation to the Issue
Mutual Fund Portion	5% of the QIB Portion or 2,04,545 Equity Shares available for allocation to Mutual Funds, out of the QIB Portion
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of the Issue Proceeds and the Issue related expenses, please refer to the chapter titled ' <i>Objects of the Issue</i> ' beginning on page 38 of the Draft Red Herring Prospectus
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
Non-Institutional Bidders	As defined in the SEBI ICDR Regulations and includes all Bidders including sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for a cumulative amount more than ₹ 2 Lacs (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue, consisting of not less than 12,27,273 Equity Shares, available for Allocation to Non Institutional Bidders on a proportionate basis, subject to receipt of valid Bids at or above the Issue Price
NR / Non-Resident	A person resident outside India, as defined under FEMA including eligible NRIs and FIIs
NRI(s) / Non Resident Indian	A "person resident outside India", as defined under FEMA and who is a citizen of India or is a person of Indian origin (as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended)
OCB(s) / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Pay-in-Period / Pay-in Period	The period commencing on the Bid / Issue Opening Date and continuing till the Bid / Issue Closing Date
Payment through electronic transfer of funds	Payment made through NECS, Direct Credit or NEFT, as applicable
Price Band	Price band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised at least two Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) of wide circulation, and one regional (Tamil) daily newspaper, of wide circulation, where the Registered Office of our Company is situated
Pricing Date	The date on which our Company in consultation with the BRLM, finalises the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the

Term	Description
	Companies Act, containing, <i>inter alia</i> , the Issue Price that is determined at the end of the Book Building process, the size of the Issue and certain other additional information
Public Issue Account	Account opened with the Bankers to the Issue by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Bidders on the Designated Date
QIB Portion	The portion of the Issue being at least 50% of the Issue, consisting of at least 40,90,909 Equity Shares, available for Allocation to QIBs, subject to receipt of valid Bids at or above the Issue Price.
Qualified Institutional Buyers or QIBs	As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lacs, pension fund with minimum corpus of ₹ 2,500 Lacs, NIF and 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
Red Herring Prospectus / RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	No-lien account maintained by the Refund Bank(s) to which the surplus money shall be transferred and from which refunds of the whole or part of the Bid Amount (excluding that of the ASBA Bidders), if any, shall be made
Refund Bank (s) / Refund Banker(s)	The bank(s) which have been appointed / designated for the purpose of refunding the amount to investors either through the electronic mode as prescribed by SEBI and / or physical mode in accordance with the procedure contained in the chapter titled 'Issue Procedure' beginning on page 211 of the Draft Red Herring Prospectus
Refunds through electronic transfer of funds	Refunds made through NECS, Direct Credit, NEFT or the ASBA process, as applicable
Registrar to the Issue	Registrar to this Issue, being Sharepro Services (India) Private Limited
Retail Individual Bidder(s)	Individual Bidders who have Bid for Equity Shares for an amount not more than ₹ 2 Lacs in any of the bidding options in the Issue (includes HUFs applying through their Karta and does not include NRIs other than Eligible NRIs)
Retail Portion	The portion of the Issue being not less than 35% of the Issue, consisting of not less than 28,63,636 Equity Shares, available for Allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s)
SCSB Agreement	The deemed agreement between the SCSBs, the BRLM, the Registrar to the Issue and our Company, in relation to the collection of Bids from the ASBA Bidders and payment of funds by the SCSBs to the Public Issue Account.
Self Certified Syndicate Bank or SCSBs	Self Certified Syndicate Bank is a Banker to an Issue registered with SEBI which offers the facility of making a Applications Supported by Blocked Amount and recognised as such by SEBI, a list of which is available at http://www.sebi.gov.in/pmd/scsb.html
Stock Exchanges	The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited
Sub Syndicate Member	A SEBI registered member of BSE and / or NSE appointed by the BRLM

Term	Description
	and / or Syndicate Member to act as a Sub Syndicate Member in the Issue
Syndicate	Jointly, the BRLM, the Syndicate Members and the Sub Syndicate Members
Syndicate Agreement	The agreement to be entered into between the BRLM along with the Syndicate Members and our Company in relation to the collection of Bids (excluding Bids by ASBA Bidders) in this Issue
Syndicate Member(s)	An intermediary registered with the SEBI to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●]
Transaction Registration Slip / TRS	The slip or document issued by member of the Syndicate or the SCSBs (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The Book Running Lead Manager and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into, on or after the Pricing Date
Working Day	Any day, other than Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/Issue Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding Sundays and bank holidays in Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical / Industry Related Terms / Abbreviations

Term	Description
AICTE	All India Council of Technical Education
ASSOCHAM	The Associated Chambers of Commerce and Industry of India
ATC	A-Team Computers
ATEL	A-Team Edutech Limited
ATITL	A- Team Information Technology Limited
BFSI	Banking, Financial Services & Insurance
CAGR	Compound Annual Growth Rate
CGPA	Cumulative Grade Point Average
ERP	Enterprise Resource Planning
ESSN	Enterprise Server, Storage and Networking Group
FJPL	First Job Private Limited
GDP	Gross Domestic Product
HCL	Hindustan Computers Limited
HMCT	Hotel Management and Catering Technology
HP	Hewlett Packard
IBM	International Business Machines
IT	Information Technology
IT-ITeS	Information Technology - Information Technology Enabled Services (ITeS)
LMS	Learning Management System
MCA	Masters of Computer Application
MCQ	Multiple Choice Question
MNC	Multi National Company
MOSPI	Ministry of Statistics and Programme Implementation
NCC	National Cadet Corps
NCERT	National Council of Educational Research and Training
PCS	Personal Computers
PDAS	Personal Digital Assistant
PhD	Doctor of Philosophy
PSG	Personal Systems Group
TCS	Tata Consultancy Services
TGPA	Term Grade Point Average

Conventional/General Terms / Abbreviations

Abbreviation/Acronym	Description
A/c	Account
AGM	Annual General Meeting.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year; the period of twelve months commencing from the 1 st day of April every year
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited.
CENVAT	Central Value Added Tax
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956, as amended from time to time
CRR	Cash Reserve Ratio
Depositories Act	The Depositories Act, 1996, as amended from time to time
DIN	Director's identification number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP	A Depository Participant as defined under the Depositories Act
EBIDTA	Earnings before Interest, Depreciation, Tax, Amortisation and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings per Share
ESIC	Employee State Insurance Corporation
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FII	Foreign Institutional Investor, as defined under the FII Regulations and registered with the SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Financial Year / Fiscal / Fiscal Year / FY	Period of twelve months ended March 31 of that particular year, unless specifically stated otherwise
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investor as defined in and registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GIR Number	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
I. T. Act	The Income Tax Act, 1961, as amended from time to time
I. T. Rules	The Income Tax Rules, 1962, as amended from time to time
IFRS	International Financial Reporting Standards
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
IT	Information technology
Key Managerial Personnel / KMP	The officers vested with executive powers and the officers at the level immediately below the Board of Directors of the Issuer Company and other persons whom the Issuer has declared as a Key Managerial Personnel and as mentioned in the chapter titled 'Our Management' beginning on page 91 of

Abbreviation/Acronym	Description
	the Draft Red Herring Prospectus
Ltd.	Limited
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended from time to time
MICR	Magnetic Ink Character Recognition
MOU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Asset Value being paid-up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of 'profit and loss account', divided by number of issued Equity Shares outstanding at the end of the Fiscal.
NBFC	Non-Banking Finance Company
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
R & D	Research and Development
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth
Rs./₹/INR/Rupees	Indian Rupees, the legal currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, read with rules and regulations thereunder and amendments thereto and as amended from time to time
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
SEBI Takeover Regulations/ Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
Sq. ft.	Square feet
sq. mtrs.	Square meters
Sub-account	Sub-accounts registered with SEBI under the Securities and Exchange Board

Abbreviation/Acronym	Description
	of India (Foreign Institutional Investor) Regulations, 1995, as amended
TDS	Tax Deducted at Source
U.S. or US or U. S. A.	The United States of America
UIN	Unique Identification Number issued in terms of SEBI (Central Database of Market Participants) Regulations, 2003, as amended from time to time
ULIP	Unit Linked Insurance Plan
UoI	Union of India
VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended from time to time
VCFs	Venture Capital Funds as defined in and registered with SEBI under the VCF Regulations

Notwithstanding the foregoing:

1. In the section titled ‘*Main Provisions of the Articles of Association*’ beginning on page 247 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled ‘*Summary of Business*’ and ‘*Our Business*’ beginning on pages 3 and 70 respectively, of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled ‘*Risk Factors*’ beginning on page xiv of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled ‘*Statement of Tax Benefits*’ beginning on page 52 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled ‘*Management’s Discussion and Analysis of Financial Conditions and Results of Operation*’ beginning on page 171 of the Draft Red Herring Prospectus, defined terms shall have the meaning given to such terms in that section.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our audited financial statements for the Financial Year ended March 31, 2009, 2010 and 2011 and for the quarter ended June 30, 2011 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Draft Red Herring Prospectus, and set out in the section titled '*Financial Information*' beginning on page 112 of the Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages xiv, 70 and 171 respectively, of the Draft Red Herring Prospectus and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

Currency and units of presentation

In the Draft Red Herring Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America.

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten Lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained from industry publications and publicly available government documents. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Similarly, while information contained in the publicly available government documents that is relied upon for the purposes of the Draft Red Herring Prospectus is believed to be complete and reliable, there can be no assurance of the same. Accordingly, no investment decisions should be made based on such information. Further, the extent to which the industry and market data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data.

FORWARD LOOKING STATEMENTS

All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute ‘forward-looking statements’. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- the performance of the educational services sector and the availability of financing for this sector in India;
- our ability to attract and retain qualified personnel;
- the expected increase in expenditures on education in India;
- our ability to respond to technological changes;
- general economic and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled ‘*Risk Factors*’, ‘*Our Business*’ and ‘*Management’s Discussion and Analysis of Financial Condition and Results of Operation*’ beginning on pages xiv, 70 and 171, respectively of the Draft Red Herring Prospectus.

Forward looking statements reflects views as of the date of the Draft Red Herring Prospectus and not a guarantee of future performance. 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 / our Directors nor the BRLM, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the BRLM will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchanges.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Red Herring Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on pages 70 and 171 respectively, of the Draft Red Herring Prospectus as well as the other financial and statistical information contained in the Draft Red Herring Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled ‘Financial Information’ beginning on page 112 of the Draft Red Herring Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

If any one or more of the following risks as well as other risks and uncertainties discussed in the Draft Red Herring Prospectus were to occur, our business, financial condition and results of our operation could suffer material adverse effects, and could cause the trading price of our Equity Shares and the value of investment in the Equity Shares to materially decline which could result in the loss of all or part of investment. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India, and is therefore subject to a legal and regulatory environment that may differ in certain respects from that of other countries.

The Draft Red Herring Prospectus also contains forward looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus.

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any 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 material when considered collectively.*
- 2. Some events may have an impact which is qualitative though not quantitative.*
- 3. Some events may not be material at present but may have a material impact in the future.*

Internal Risks:

- 1. We depend on our brand recognition. Our ability to retain the present number of colleges / universities / institutes serviced by us and attract new colleges / universities / institutes depends upon various factors including our reputation and our ability to maintain a high level of quality of our products and services at competitive prices. Any failure by us to retain or attract colleges / universities / institutes may impact our business and revenues.***

We believe that brand recognition is important for our business due to relatively low barriers of entry in our market. Our business heavily relies on our reputation as well as the quality and popularity of the products and services provided by us and our visibility and perception amongst colleges / universities / institutes. We attempt to retain our position in the industry in which we operate and further build our reputation by maintaining quality and constantly striving to improve our value proposition to customers. As the market becomes increasingly competitive, maintaining and enhancing our brand will become critical to ensure that we continue to remain a competitive products and services provider relating to education infrastructure management.

We have gained trust of our customers and have built up our reputation with time through our consistent endeavour to serve the needs of our customers in a timely manner and in the best possible way. It is important that we retain this trust placed by the colleges / universities / institutes on the quality of our products and

services. We must also continue to attract new colleges / universities / institutes and increase the number of colleges / universities / institutes serviced by us at a consistent rate.

Prospective clients gain awareness of our products and services through interactions with our existing clients. Whilst we believe that we have achieved reasonable scale in our business, any decrease in the number of colleges / universities / institutes which avail our products and services or delay in our expansion plans may lead to slowdown in our growth and scale. If our clients are consistently provided with inaccurate or outdated products and services, or are provided with sub-standard products and services, they may become dissatisfied with the quality of the products and services provided by us which may in turn dilute our branding and materially adversely affect our reputation and consequently our business.

Failure to maintain and enhance our reputation or any actual or perceived reasons leading to reduction of benefits from our products and services by the colleges / universities / institutes or any negative publicity against us may adversely impact our ability to retain and attract new colleges / universities / institutes which shall consequently affect our brand reputation and consequently our business and results of operations.

- 2. Our Company had negative cash flow in the quarter ended June 30, 2011 and recent financial years, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

(₹ in Lacs)

Particulars	For the Quarter ended June 30, 2011		For the Financial Year ended March 31			
	(consolidated)	(standalone)	2011 (consolidated)	2011 (standalone)	2010 (standalone)	2009 (standalone)
Net cash generated from / (used in) operating activities	(75.68)	(76.49)	272.47	(397.01)	(319.69)	(35.88)
Net cash generated from / (used in) investing activities	(13.93)	(13.93)	(592.39)	(0.57)	(12.86)	Nil
Net cash generated from / (used in) financing activities	(9.58)	(13.11)	384.87	448.20	411.10	36.29

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Information' and chapter titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on pages 112 and 171 respectively, of the Draft Red Herring Prospectus.

- 3. We highly depend on our major supplier, Hewlett-Packard, for the supply of portable computers/ laptops and other hardware products which constitute approximately 40% of total purchase for the period ended March 31, 2011 (on consolidated basis). Any major disruption with our major suppliers may adversely affect the timely and adequate supply of our deliverables which may in turn adversely affect our business, results of operations and financial condition.**

We highly depend on our major supplier, Hewlett-Packard, for the supply of portable computers/ laptops and other hardware products which constitute approximately 40% of total purchase for the period ended March 31, 2011 (on consolidated basis). Though we are an Hewlett-Packard (HP) Premier Business Partner, we do not have any binding contracts or exclusive supply arrangement with Hewlett-Packard or any other supplier. In case we are not able to procure the requisite number of portable computers/ laptops and other hardware products from these suppliers, we may not be able to obtain substitutes on a timely basis or on commercially acceptable terms or at all. Any such delay in procuring portable computers/ laptops and other hardware products for our clients may adversely affect on our business, results of operations and financial condition.

- 4. We do not have the experience in setting up cloud computing infrastructure, international learning development centres and enterprise resource planning portal for the colleges / universities / institutes.**

Out of the proceeds of the Issue, we have earmarked ₹ 3,173.97 Lacs, ₹ 1,030.51 Lacs and ₹ 1,170.00 Lacs to set up cloud computing infrastructure, setting up of A-Team learning development centres internationally and

for setting up an enterprise resource planning portal for college management, respectively. We do not have significant prior experience in these businesses. We have yet to enter into definitive agreements in this regard and have yet to acquire the land, machines, softwares, other peripherals and infrastructural requirements, etc. necessary for setting up such portals / infrastructure. In the event that we are unable to obtain the requisite governmental / statutory approvals or secure definitive agreements and acquire land, machines, softwares, other peripherals and infrastructural requirements, etc. under terms acceptable to us in a timely manner or at all, we may not be able to develop / set up our own content development, cloud computing infrastructure, A-Team learning development centres internationally and an enterprise resource planning portal for the colleges / universities / institutes and our business, financial condition and results of operation could be adversely affected.

5. One of our Promoters S. Sivagami lacks experience in the current line of business.

Though one of our Promoters, S. Sivagami is in charge of the general administration of our subsidiary ATITL, she does not have adequate business experience in developing and managing business activities undertaken by our Company.

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

Our Company has entered into related party transactions in the past. While our Company believes that all such transactions have been conducted on an arm's length basis and are accounted as per Accounting Standard 18, however there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. Following are the details of the related party transactions entered into by our Company on standalone and consolidated basis, respectively:

Standalone basis

Entity	Nature of transaction	As on June 30, 2011	As on March 31, 2011	As on March 31, 2010	As on March 31, 2009
A-Team Information Technology Limited	Sale of Goods	Nil	91,054,586	Nil	Nil
A-Team Information Technology Limited	Outstanding Balances	91,054,586	91,054,586	Nil	Nil
A-Team Information Technology Limited	Loan given	5,000,000	Nil	Nil	Nil
Prosel Ventures Private Limited	Sale of Goods	23,00,000	23,00,000	Nil	Nil
Prosel Ventures Private Limited	Outstanding Balances	Nil	23,00,000	Nil	Nil

Consolidated basis

Entity	Nature of transaction	Quarter ended June 30, 2011	Financial Year ended March 31, 2011
Prosel Ventures Private Limited	Sale of Goods	Nil	23,00,000
Prosel Ventures Private Limited	Outstanding Balances	23,00,000	23,00,000
Mr. R. Senthil Kumar	Salary	3,00,000	12,00,000
Mr. R. Senthil Kumar	Outstanding consideration towards acquisition of business	1,00,00,000	1,00,00,000
Mrs. Sivagami	Salary	1,25,000	5,00,000

For further details please refer to the section titled 'Financial Information' beginning on page 112 of the Draft Red Herring Prospectus.

7. Our revenues, expenses and profits may vary significantly from period to period. This could cause the market value of our Equity Shares to decline.

Our operating results may vary significantly from period to period. Our revenue, expenses, and profit after tax have varied as follows in the Quarter ended June 30, 2011, Financial Year ended March 31, 2011, 2010 and 2009:

(₹ in Lacs)

Particulars	For the Quarter ended June 30, 2011		For the Financial Year ended March 31			
	(consolidated)	(standalone)	2011 (consolidated)	2011 (standalone)	2010 (standalone)	2009 (standalone)
Operating Income	822.8	88.4	7,139.0	2,295.6	1,419.6	107.5
Expenses	651.6	77.2	5,851.3	1,759.7	1,402.2	108.4
Profit after tax	67.8	7.2	694.3	340.8	7.8	(0.9)
Expenses as a % of Operating Income	79.2	87.3	82.0	76.7	98.8	100.8
Profit After Tax as a % of Operating Income	8.2	8.1	9.7	14.8	0.5	(0.8)

Between Financial Year ended March 31, 2009 and Financial Year ended March 31, 2011 our Company underwent substantial managerial and structural changes as Senthil Kumar and S. Sivagami, our existing Promoters took over the management of our Company from our erstwhile Promoter, Adith Kumar and our Company ventured into the business of education infrastructure management. Further, In January 2011, our Company acquired ATITL which is in the business of servicing education institutes. Post the acquisition, ATITL became a wholly owned subsidiary of our Company.

A large part of the revenues for the Fiscal 2011 are derived from existing customers of ATITL, revenue growth can vary due to demand / supply fluctuations and customer-specific situations. In addition, revenue from new customers also vary from period to period. Factors that affect the fluctuation of our revenues, expenses and profits include (a) our pricing policies or those of our customers or competitors; (b) seasonal nature of the industry we operate in; (c) unanticipated attrition and the time required to hire, train and productively utilise our new employees; (d) loss of clients; (e) our ability to acquire new clients; (f) unanticipated cancellations, non-renewal of our contracts by our clients, contract terminations or deferrals of projects; (g) changes in the cost price / margins, etc.

8. There have been substantial outstanding sundry debtors in our course of business. This could adversely affect our business, results of operations and financial condition.

Our Company has witnessed a substantial increase in its sundry debtors in the quarter ended June 30, 2011 and the last few Fiscals due to delay in making payment by our clients. The percentage of sundry debtors to total income for the quarter ended June 30, 2011 and for the last three Fiscals is as stated below:

(₹ in Lacs)

Particulars	For the Quarter ended June 30, 2011		For the Financial Year ended March 31			
	(consolidated)	(standalone)	2011 (consolidated)	2011 (standalone)	2010 (standalone)	2009 (standalone)
Operating Income	822.8	88.4	7,139.0	2,295.6	1,419.6	107.5
Total Sundry Debtors	2,672.5	1,233.7	2,169.2	1,215.1	401.5	5.7
Percentage of Sundry Debtors to Total Income (%)	81.2	348.9	30.4	52.9	28.3	5.3

Moreover, due to the change in our business and management, the dynamics of sale and their terms have changed substantially. Our business is seasonal and our payments are delayed due to volumes of sale during the second and the third quarters of a Financial Year. Any unforeseen delay in payment due to external or internal factors would result in the reduction of profits due to higher financing cost which might adversely affect our business, results of operations and financial condition.

9. Our Company and its Subsidiary have entered into multiple MoUs relating to our products and services. These MoUs are non-exclusive, non-binding and subject to definitive agreements. This could have a material and adverse effect on our prospects, business and financial condition.

MoUs entered into by our Subsidiary, ATITL with universities/ colleges/ institutions relating to operations management services are general, non-exclusive, non-binding and not definitive in nature. There can be no assurance that these clients will fulfil their obligations under these MoUs, or that definitive agreements will be reached in pursuance of such MoUs. If the actions contemplated by these MoUs are not completed, we may lose our clients which could have a material and adverse effect on our prospects, business and financial condition.

10. Our agreement with First Job Private Limited (FJPL) is not definitive in nature. In case of default on part of FJPL, our financial performance may be adversely impacted.

One of our business activities involve providing job placement solutions to the students with our clients. We offer this service through FJPL. Our contract with FJPL is not definitive in nature and we may not have any recourse against FJPL in case of a default on their part. Moreover, we sell FJPL's products to our clients bundled with our products and thus, these services are deemed to be services by us. Any service lag from FJPL would not only adversely affect this line of business but may also affect other business of ours.

11. We are at risk of uncertainties in demand for the products and services offered by us as our Company does not have long-term agreements with any of our clients. There is no assurance that these clients will continue to render our products and services or that they will not scale down their requirements. Any such termination may negatively impact our business and operations.

Though our Company has been dealing with some of our customers for several years, our clients typically retain us through non-exclusive service contracts as per industry practice. We do not have any long term agreements with our clients. As a result, our clients may terminate their relationships with us due to circumstances beyond our control, such as change in strategic requirements of the clients, financial constraints of the clients, a more competitive option offered by a competitor, a change in policy by the client or a perceived failure to provide services and products as required by the client or any other reason upon relatively short notice, which could materially and adversely impact our business. Additionally, our service agreements with customers are typically without any commitment for future work or orders. The contracts entered into between us and our clients relate to particular assignments in relation to which a set of quality control norms and mechanisms as well as a time-frame for delivery is typically stipulated. If we are not able to provide our products or services within these particular parameters, our clients can terminate these contracts. Although, we have a strong emphasis on quality, timely delivery of our products and services and personal interaction of the top management with the clients, any change in the preferences of our clients can adversely affect the business of our Company.

12. Poor performance of the students may adversely affect the brand of our Company and its business.

Our Company has been marketing placement solution services of FJPL through the portal www.first-job.in. We believe these services will enable the students to hone themselves with such skill-sets that would enhance their employability. Though the individual performance of the candidate is reflective of the calibre based on which the candidate secures a position, the performance of the candidates availing the said services determines the success rate of this segment of our business.

The satisfaction of the candidates in terms of the services provided through the portal www.first-job.in benchmarks the service standards. We believe that before availing such services for the next batch of students, our clients would take a feedback from the users who have already availed these services. Any kind of dissatisfaction in relation to these services, facilities or methods may impact their judgment regarding the quality of services which may adversely impact the reputation of FJPL and consequently, our business and profitability.

13. We have experienced seasonal fluctuations in our results of operations in the past, and may continue to experience such fluctuations in the future.

One of our businesses is to provide portable computers/ laptops and other hardware products to our clients. Our major revenues are contributed by this segment of our business. Our Company has experienced a seasonal pattern in its business revenues wherein approximately 75% of the turnover is booked in the second and the third quarter. The second quarter being the quarter in which a new academic year for most of our clients begin.

As such, we have experienced seasonal fluctuations in our results of operations in the past, and may continue to experience such fluctuations in the future.

14. Due to our limited experience, some of our new initiatives may not commence on time or at all or may be discontinued.

Whilst we are already in the business of providing IT infrastructure and education management services to colleges/universities/ institutions, we propose to expand our business by making a foray into services relating to placement solutions. For instance, pursuant to an agreement with FJPL, our Company has been marketing placement services of FJPL through the portal www.first-job.in. Our Company has entered into MoUs with various universities/ colleges/ institutions for providing education management services. The success of our business will depend greatly on our ability to implement our business strategies effectively and efficiently. Please refer to chapter “Our Business – Our Strategy” on page 77 of the Draft Red Herring Prospectus.

Our ability to execute our business strategy successfully depends on a variety of factors, including our ability to develop and expand our existing portfolio of products and services (including obtaining the necessary financing), to integrate acquired assets effectively and efficiently, to operate our existing and future assets successfully. Implementation of our business strategies has placed and is expected to continue to place, significant demands on our management, capital, administrative and human resources.

Further, some of these initiatives may fail to commence or may have to be abruptly discontinued at a nascent stage due to regulatory, commercial or other reasons. We may fail to initiate or choose to discontinue new services if we do not attract significant number of clients for these products and services. If any new services introduced by us are discontinued it may lead to loss of the investments made by us in developing these services and the resources utilized for their development and marketing may not be recoverable. As such, we cannot assure you that we will be able to execute our strategy successfully or fully within the expected timeframe or at all, or that we will be able to manage our growth effectively, and our failure to do so could have a material adverse effect on our business, prospects, financial condition or results of operations.

15. Certain unsecured loans taken by our Company and our Subsidiary may be called by its lenders at any time, which could adversely and materially affect our business, results of operations and financial condition.

All of the unsecured loans of our Company and our Subsidiary aggregating to ₹ 85.33 Lacs as on June 30, 2011 (on consolidated basis) are repayable on demand basis and there is no fixed repayment schedule. In the event that the lenders of such unsecured borrowings call in the loan, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. For details of our indebtedness, please refer to the chapter titled “Financial Indebtedness” beginning on page 191 of the Draft Red Herring Prospectus.

16. Most of our clients are located in Tamil Nadu. Also, our Registered Office and Corporate Office are located in Tamil Nadu. Due to this geographic concentration of our clients and facilities, our results of operations and growth might be materially and adversely be affected in case of any disruptions in the economic and demographic conditions of Tamil Nadu.

Our business is heavily dependent on the growth of the education sector in Tamil Nadu where we cater to over 200 colleges/ universities/ institutions as on date of the Draft Red Herring Prospectus. Further, most of our employees as on the date of the Draft Red Herring Prospectus report to our Registered Office and Corporate Office located in Tamil Nadu. Because of the concentration of all our clients, facilities, personnel, etc. in Tamil Nadu, we face concentration risk. In the event of a natural calamity, economic slowdown or any disruption in Tamil Nadu, or any developments that makes it difficult for our clients and our Company to conduct their respective businesses in Tamil Nadu, economically and otherwise, we may experience material and adverse effects on our results of operations, financial condition and cash flows than if it were further diversified across different geographical locations.

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

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

18. Our operations are subject to high working capital requirements. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our operations.

Our business requires significant amount of working capital. In many cases, significant amount of our working capital is required for purchasing and maintaining of stock of the products we sell. Though, presently we do not have sanctioned working capital limits from any banks / financial institution, we may need to incur indebtedness in the future to satisfy our working capital needs. All these factors may result in increase in the quantum of our current assets and short-term borrowings. Our inability to obtain and / or maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet our requirement of working capital or pay our debts, could adversely affect our financial condition and results of operations.

19. Our Company have not yet placed orders for machines, softwares and other necessary peripherals required by us relating to setting up of cloud computing infrastructure and content development aggregating to ₹4,689.47 Lacs. Any delay in placing the orders / or supply of such machines, softwares and other necessary peripherals may result in time and cost overruns, and may affect our profitability.

Our Company have not yet placed orders for machines, softwares and other necessary peripherals required by us relating to setting up of cloud computing infrastructure and content development aggregating to ₹ 4,689.47 Lacs which is approximately 36% of the Issue Proceeds for which our Company has not placed any orders yet. Our Company is further subject to risks on account of inflation in the price of such machines, softwares and other necessary peripherals.

Our Company has received quotations for these machines, softwares and other necessary peripherals from vendors. The details of quotations received appear in the section titled ‘Objects of the Issue’ beginning on page 38 of the Draft Red Herring Prospectus. Since the funding of such machines, softwares and other necessary peripherals is solely from the IPO proceeds, any delay in access to IPO proceeds would eventually delay the process of placing the orders. The purchase of such machines, softwares and other necessary peripherals would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers’ end in providing timely delivery of these machineries, which in turn may delay the implementation of our project.

20. Providing education management services to colleges / universities / institutions is currently unregulated but the governments may introduce a regulatory framework in future. Any such government regulation may adversely affect our operating revenues.

At present, providing education management services to colleges/universities/institutions in India is unregulated. We are not in a position to predict whether any legislation will be passed by the central or state governments to regulate these activities. The central/state governments may introduce a law in order to regulate such services. A regulation or legislation providing mandatory guidelines regarding functioning and operations of providing education management services, enrolment of students and chargeable fee may be introduced. We may be required to register our Company with the central/state government for providing such services. Further, the government may prescribe a list of services that may be outsourced by colleges/ universities/ institutions which may limit the type of services that the colleges/ universities/ institutions can avail from companies like ours. Such restrictions may adversely affect our business, growth and results of operations.

21. Any inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced significant growth in recent years. Our revenues, as restated, grew at an annual growth rate of 61.7% and 1,220.5% during Financial Year ended March 31, 2011 and 2010, respectively. We expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across the organisation. In particular, continued expansion increases the challenges we face in:

- recruiting, training and retaining sufficient skilled technical and management personnel;
- adhering to our high quality and process execution standards;
- maintaining high levels of customer satisfaction;
- managing a large number of customers within the education sector;
- integrating expanded operations while preserving our culture, values and entrepreneurial environment; and
- developing and improving our internal administrative infrastructure, particularly our financial, operations, communications, and other internal systems.

If we are unable to manage our growth it could have an adverse effect on our business, results of operations and financial condition.

22. Our proposed expansion plans are financially dependent on the Issue proceeds. Any delay in raising of the same may result in escalation of project cost thereby impacting the operations and financials of our Company.

Our proposed expansion plans are dependent on the proceeds of this Issue. We have not arranged for any alternate source of funding the major part of the project. Any delay in the proposed Issue may increase the project cost and also result in delay in project implementation. This may adversely affect our operations and profitability.

23. We require certain approvals, permits and licenses in the ordinary course of business, and any failure or delay to obtain or renew them may adversely affect our operations.

We require certain statutory and regulatory permits and approvals for our business. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. There can be no assurance that the relevant authorities will issue such permits or approvals in the timeframe anticipated by us or at all. Failure by us to renew, maintain or obtain the required permits or approvals at the requisite time may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Further, these permits, licenses and approvals are subject to several conditions, and we cannot assure you that we shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits/licenses/approvals. Any such failure or delay in obtaining such approvals, permits and licenses may have an adverse effect on our business and results of operations. Our Company has applied for registration under Section 69 of the Finance Act, 1994 for Service Tax and registration as an employer under the relevant provisions of the Tamil Nadu Tax on Professions, Trades, Callings, and Employment Act, 1992. For further details, please refer to the chapter titled “Government and Other Approvals” beginning on page 193 of the Draft Red Herring Prospectus.

24. Our success depends largely on our senior management and key managerial personnel and our ability to attract and retain them.


Our Company’s success depends in part on the continued services of our Chairman, Managing Director and other key members of the senior management. Our future performance may be affected by the lack of continued service of these persons. We do not maintain key-man insurance policy for any of the senior members of our management team or other key personnel. Competition for senior management in our industry is intense, and we may not be able to retain such senior management personnel or attract and retain new senior management personnel in the future. The loss of any of the senior management personnel or other key managerial personnel may adversely affect our business, results of operations and financial condition. For further details on all of our key managerial personnel please refer to paragraph titled “Our Key Managerial Personnel” in the chapter titled


“Our Management” beginning on page 91 of the Draft Red Herring Prospectus.

25. We face significant competition for highly skilled professionals who are not readily replaceable. Our success depends in large part upon our ability to attract and retain these professionals. Any inability on our part to attract and retain these professionals may adversely affect our business and results of operations.

Our ability to retain existing clients and obtain new clients depends largely on our ability to attract, train, motivate and retain highly skilled professionals. We have trained personnel in this line of business and lay emphasis on training and skill upgradation through training programmes for our employees. Our inability to hire and retain additional qualified personnel will impair our ability to continue to expand our business. An increase in the rate of attrition among our experienced employees, would adversely affect our growth strategy.

In addition, we may have difficulty in redeploying and retraining our professionals to keep pace with continuing changes in technology, evolving standards and changing client preferences. If we cannot hire and retain additional qualified personnel, our ability to bid on and obtain new projects / mandates may be impaired and our revenues could decline. In addition, we may not be able to expand our business effectively thereby affecting our revenues and profitability.

26. An application for registration of our trademark “” is pending approval. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.

Currently, we have not secured registration for our trademark  under the Trade Marks Act, 1999. An application for registration of our said trademark is pending approval. Consequently, we do not enjoy any statutory protection under the Trade Marks Act, 1999 for such trademark. Further, we cannot assure that the same would be granted registration or will not be challenged or if granted registration, will not be invalidated or circumvented or will offer us any meaningful protection. Further, the laws of some countries in which we may market our products and services in the future may not protect our intellectual property rights adequately. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.

27. Our Registered office and our Corporate Office are not owned by us and we have only license agreement in respect of these properties. In the event we are unable to renew the license agreement, or if such agreement is terminated, we may suffer a disruption in our operations.

Our Registered office situated at B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road, Teynampet, Chennai – 600 018, Tamil Nadu, India and our Corporate Office, situated at 122, SKS Buildings, Perundurai Road, Erode - 638 011, Tamil Nadu, India are taken on lease basis.

Upon the termination of the lease, we are required to return the said office premises to their respective Lessor. The term of the agreements may or may not be renewed. In the event any of the Lessor terminates or does not renew the lease on commercially acceptable terms, or at all, and we are required to vacate our Registered Office / Corporate office, as the case may be, and we may be required to identify alternative premises and enter into fresh lease or leave and licence agreement. Such a situation could result in loss of business and may adversely affect our operations and profitability.

28. If hardware /software of the systems that we provide to our clients experience problems or do not meet quality standards, it may damage our professional reputation. Further, we may be liable to our clients for damages caused due to system failures/ malfunctions.

The products that we provide to our clients are sourced from vendors of repute as per client specifications. Till date we have not received any significant claim for damages from any of our clients and we maintain a practice of obtaining consumer satisfaction note periodically. We cannot assure you that any of the hardware/ software of the products that we provide to the clients shall not experience any serious problem or failures or malfunctions in the future which may subject us to damages, regardless of our responsibility for such failure which would in turn cause us a loss of reputation and may cause loss of future business. This may further adversely affect our business, results of operations and financial condition.

29. Our distribution of third party data may lead to legal claims such as breach of privacy, defamation,

negligence or infringement of intellectual property rights.

The essence of our business model is the aggregation and distribution of third party data through various platforms, including the Internet. As a result, we could be subject to legal claims such as breach of privacy, defamation, negligence or infringement of intellectual property rights. We may be subject to other claims alleging that we provide inaccurate, false or misleading information, which may be deemed to constitute advice, especially since we generate revenue from promoting and featuring products and services provided by third parties to our clients.

We may be made party to the claims made by the clients, in the event the products and services provided to our clients and included in our database are incorrect or misleading. We may need to incur significant costs and resources to investigate and defend these claims, regardless of the outcome. While we may have general business insurance, the amount of coverage we maintain may be insufficient to cover such costs. In addition, implementing stricter measures to reduce exposure to such liabilities may result in us being less attractive to our clients which would adversely affect our business, results of operations and financial condition.

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

Few of our products and services operate on web technologies. We maintain certain network security and back-up of data to ensure that our network is virus-free. While we have implemented standard security measures, our systems may still be vulnerable to unauthorized access, computer viruses and other disruptive problems. Anybody who is able to circumvent security measures could misappropriate information and cause interruptions in our operations. We may be required to expend significant capital or other resources to protect against the threat of security breaches or to alleviate problems caused by such breaches. There can be no assurance that any measures implemented will not be circumvented in the future.

31. The insurance policies obtained by us may not be adequate to protect us against certain risks and we may be subject to losses that might not be covered in whole or in part by existing insurance coverage.

We maintain such insurance coverage as we believe is adequate. Our principal types of insurance coverage include standard fire and special perils and burglary policy. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. For details relating to the insurance policies obtained by our Company please refer to the section titled “Our Business - Insurance” beginning on page 79 of the Draft Red Herring Prospectus.

However, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim coverage as to any future claim. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flow may be affected.

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

Our ability to pay dividends in future will depend on the earnings, financial condition, cash flow, working capital requirements and capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our results of future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot guarantee our ability to pay dividends.

33. Our Promoters and the members of our Promoter Group will continue to retain significant control in our Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval. Such a concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

After the completion of this Issue, our Promoters and Promoter Group will continue to hold approximately 50.6% of the paid up Equity Share capital of our Company. As a result, our Promoters will continue to exercise

significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting, and our other shareholders will be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with our interests or the interests of our minority shareholders, such as actions which delay, defer or cause a change of our control or a change in our capital structure, merger, consolidation, takeover or other business combination involving us, or which discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us. We cannot assure you that our Promoters and members of our Promoter Group will act in our interest while exercising their rights in such entities, which may in turn materially and adversely affect our business and results of operations. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour. If our Promoters sells a substantial number of the Equity Shares in the public market, or if there is a perception that such sale or distribution could occur, the market price of the Equity Shares could be adversely affected. No assurance can be given that such Equity Shares that are held by the Promoter will not be sold any time after the Issue, which could cause the price of the Equity Shares to decline.

34. Future strategic alliances may have a material and adverse effect on our business, reputation and results of operations.

We may in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to numerous risks, including risks associated with sharing proprietary information, non-performance of obligations by the strategic partner, the strategic partner creating similar alliances with our competitors and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business. We may not be able to control or monitor their actions. To the extent strategic third parties suffer negative publicity or harm to their reputation from events relating to their business, we may also suffer negative publicity or harm to our reputation by virtue of our association with such third parties.

35. Our failure to obtain additional capital in future could adversely affect our ability to grow.

We believe that cash flow from our current operations are adequate to fund our current operating and growth plans. However, we may need additional financing in order to fund our future growth, particularly if we have to provide services to more clients or if we intend to set up an additional infrastructure in order to expand our network. The amount, timing and terms of such additional financing will vary primarily depending on the timing and size of our new program offerings and the amount of cash flows generated from our operations. Such financing may not be available on terms acceptable to us or at all and, consequently, we may not be able to fully implement our growth strategy.

36. The requirements of being a listed company may strain our resources.

As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges, which require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

Risks associated with the Equity Shares

37. After this Issue, the Equity Shares of our company may experience price and volume fluctuations or an active trading market for the Equity Shares may not develop.

The price of our company's Equity Shares may fluctuate after this Issue as a result of several factors, including, among other things, volatility in the Indian and global securities markets, the results of our operations and performance, developments in the industry in which we operate and changing perceptions in the market about participation in this sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies and significant developments in India's fiscal regulations. There has been no public market for our Equity Shares and an active trading market for the Equity Shares may not develop or be sustained after this Issue. Further, the price at which the Equity Shares are initially traded may not correspond to the Issue Price. The share prices of companies participating in business assets can fluctuate significantly, which subjects an investment in the Equity Shares to

substantial volatility.

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

The price of the Equity Shares will be subject to a daily circuit breaker imposed by Stock Exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

39. *Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.*

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. Further, the Indian stock exchanges have experienced volatility in the recent times. The Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading and limited price movements. A closure of, or trading stoppage on, the BSE or the NSE also could adversely affect the trading price of the Equity Shares.

40. *Fluctuations in operating results and other factors may result in a decline in our Equity Share price.*

Stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Equity Shares. There may be significant volatility in the market price of our Equity Shares. If we are unable to operate profitably or as profitably as we have in the past, investors could sell our Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a decrease in the market price of our Equity Shares. In addition to our operating results, the operating results of other competitor companies, changes in financial estimates or recommendations by analysts, governmental investigations and litigation, speculation in the press or investment community, changes in general conditions in the economy or the financial markets, or other developments affecting the industry in which we operate, could cause the market price of our Equity Shares to be issued to fluctuate substantially.

41. *Additional issuances of equity may dilute your holdings.*

Any future issuance of our Equity Shares or securities linked to our Equity Shares may dilute your shareholding in our Company. Any issuance of Equity Shares may dilute the holdings of our existing shareholders. After the completion of the Issue, our Promoters and members of the Promoter Group will own, directly and indirectly, approximately 50.6% of our outstanding Equity Shares. Sales of a large number of our Equity Shares by our Promoters and the members of the Promoter Group could adversely affect the market price of our Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of our Equity Shares.

42. *Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption

from taxation in India is provided under a treaty between India and the country of which the seller is resident.

43. *The Equity Shares issued pursuant to the Issue may not be listed on the BSE and the NSE in a timely manner, or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of the Equity Shares.

External Risk

44. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the educational services and Information Technology sector contained in the Draft Red Herring Prospectus.*

While facts and other statistics in the Draft Red Herring Prospectus relating to India, the Indian economy and the educational services and Information Technology sector has been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisers and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled ‘Industry Overview’ beginning on page 57 of the Draft Red Herring Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

45. *A slowdown in economic growth in India could cause our business to suffer.*

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- prevailing regional or global economic conditions, including in India's principal export markets; and
- other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors in which we participate or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

46. *Increases in interest rates may affect our results of operations.*

Any increase in interest rates may have an adverse impact on our business, prospects, financial conditions and results of operations. Although, we do not currently have significant debt, but it cannot be assured that we will not incur interest bearing indebtedness in the future. In such a case, increases in interest rates may adversely affect the cost of our future borrowings. We have not entered into any interest rate hedging or swap transactions till date. It cannot be assured to the prospective investor that, if we will not enter into any interest rate hedging or swap transactions in the future and be able to do so on commercially reasonable terms, or that any of such agreements will protect us fully against interest rate risk.

47. *Regional hostilities, terrorist attacks, civil disturbances or social unrest, regional conflicts could adversely affect the financial markets and the trading price of the Equity Shares could decrease.*

Certain events that are beyond our control, such as terrorist attacks and other acts of violence or war, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy.

India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have a materially adverse effect on our business, future financial performance and the price of the Equity Shares.

48. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its shareholders, such a takeover may not be attempted or consummated because of Indian takeover regulations.

49. *Our business and activities will be regulated by the Competition Act, 2002 as and when it is notified.*

The Parliament has enacted the Competition Act, 2002, (“**Competition Act**”) for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India under the auspices of the Competition Commission of India (“**CCI**”). Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which has or is likely to have an appreciable adverse effect on competition is void and attracts substantial penalties. Any agreement, which, inter-alia, directly or indirectly determines purchase or sale prices, limits or controls production, supply or distribution of goods and services, shares the market or source of production by way of geographical area or number of customers in the market or where parties indulge in bid rigging is presumed to have an appreciable adverse effect on competition. The Competition Act also regulates combinations (i.e. acquisitions, acquiring of control, mergers or amalgamations).

On March 4, 2011 the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either *suo moto* or pursuant to any complaint, for alleged violation of any provisions of the Competition Act it may have a material adverse effect on our business, financial condition and results of operations.

50. *Political instability or changes in the government could delay the liberalization of the Indian economy*

and adversely affect economic conditions in India generally, which could impact our financial results and prospects.

Since 1991, successive Indian governments have pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. Nevertheless, the role of the Indian central and state governments in the Indian economy as producers, consumers and regulators has remained significant. The leadership of India has changed many times since 1996. The current central government, which came to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current government has announced policies and taken initiatives that support the economic liberalization policies that have been pursued by previous governments, the rate of economic liberalization could change, and specific laws and policies affecting foreign investment and other matters affecting investment in our securities could change as well. Additionally, any change in these policies could have a significant impact on infrastructure development, business and economic conditions in India.

51. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the U.S. or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reaction to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

52. Natural disasters could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced significant natural disasters such as earthquakes, a tsunami, floods, drought, fires and spread of pandemic diseases such as the H5N1 avian flu and the H1N1 swine flu, in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy and infrastructure. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy in which we operate, which could adversely affect our business and the price of our Equity Shares.

53. Any disruption in the supply of power or internet connectivity could disrupt our business process or subject us to additional costs.

Any disruption in basic infrastructure or the failure of the Government to improve on existing infrastructure facilities could negatively impact our business since power and internet connectivity is the backbone for all the services and products provided by us. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power or internet connectivity is disrupted. This may result in the loss for our clients, impose additional costs on us and thus have an adverse effect on our business, financial condition and results of operations which could lead to decline in the price of our Equity Shares.

54. Our business is significantly dependent on the availability of financing in India and the failure to obtain financing in the form of debt or equity and adverse changes in financing terms may affect our growth and future profitability. Difficult conditions in the global financial markets and the economy generally have affected and may continue to materially and adversely affect our business and results of operations.

Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. These and other related events, such as the collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit, globally as well as in India. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in the Sensex, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

We cannot assure you that global economic conditions will not deteriorate further and, accordingly, that our financial condition and results of operations will not be further adversely affected. On account of the prevailing

conditions of the global and Indian credit markets, buyers of our products may remain cautious, consumer sentiment and market spending may turn more cautious in the near-term. If this trend continues, our results of operations and business prospects may be materially and adversely affected.

55. Any downgrading of India's debt rating by an international rating agency could have a negative impact on the trading price of the Equity Shares.

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

56. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the restated financial statements provided in the Draft Red Herring Prospectus, are prepared in accordance with Indian GAAP. US GAAP and IFRS differ in significant respects from Indian GAAP. As a result, our consolidated financial statements and reported earnings could be different from those which would be reported under IFRS or US GAAP. Such differences may be material. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in the Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Had the financial statements and other financial information been prepared in accordance with IFRS or US GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indian GAAP and IFRS or US GAAP, the financial information in respect of our Company contained in the Draft Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or US GAAP.

Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of this Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS or US GAAP, and how such differences might affect the financial information contained herein.

57. We will be required to prepare our financial statements in accordance with IFRS effective from April 1, 2013. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2013 could have an adverse effect on the price of the Equity Shares.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of and convergence with the IFRS, pursuant to which some public companies in India will be required to prepare their annual and interim financial statements under IFRS beginning with the fiscal period commencing April 1, 2013. Based on current timeline announced for IFRS convergence for Indian companies, the Company estimates that the earliest that it would need to prepare annual and interim financial statements under IFRS would be the financial period commencing from April 1, 2013. There is currently a significant lack of clarity on the adoption of and convergence with IFRS and we currently do not have a set of established practices on which to draw on in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to

successfully adopt IFRS by April 2013 could have an adverse effect on the price of the Equity Shares.

Prominent Notes:

1. This is a Public Issue of 81,81,818 Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lacs. The Issue will constitute 45.00 % of the post Issue paid-up capital of our Company.
2. For information on changes in our Company's name, Registered Office and changes in the object clause of the MOA of our Company, please refer to the chapters titled '*General Information*' and '*History and Certain Corporate Matters*' beginning on pages 19 and 84 respectively, of the Draft Red Herring Prospectus.
3. Any clarification or information relating to this Issue shall be made available by the BRLM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The BRLM shall be obligated to provide information or clarifications relating to this Issue. Investors may contact the BRLM and the Syndicate Members for any complaints or comments pertaining to this Issue which the BRLM will attend to expeditiously.
4. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares for which the Bidder applied, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Bidder.
5. The unconsolidated net worth of our Company was ₹ 1,171.4 Lacs and ₹ 1,180.2 Lacs as of Quarter ended June 30, 2011 and for the Financial Year ended March 31, 2011, respectively. The consolidated net worth of our Company was ₹ 1,572.7 Lacs and ₹ 1,520.9 Lacs as of Quarter ended June 30, 2011 and for the Financial Year ended March 31, 2011, respectively. The net asset value of each Equity Share was ₹ 11.7 and ₹ 14.2 as of Quarter ended June 30, 2011 and for the Financial Year ended March 31, 2011, respectively as per the restated unconsolidated financial statements of our Company. The net asset value of each Equity Share was ₹ 15.7 and ₹ 18.3 as of Quarter ended June 30, 2011 and for the Financial Year ended March 31, 2011, respectively as per the restated consolidated financial statements of our Company. For more information, please refer to chapter titled '*Financial Information*' beginning on page 112 of the Draft Red Herring Prospectus.
6. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

Name of the Promoter	Average cost of acquisition per Equity Share (in ₹)
Senthil Kumar	7.93
S. Sivagami	3.96

7. There are no Group Entities in connection with our Company.
8. For details of related party transactions entered into by our Company, please refer to the section titled "*Statement of Related Party Transactions, as Restated*" (unconsolidated) appearing as Annexure XVIII and "*Statement of Transactions with Related Parties, as Restated*" (consolidated) appearing as Annexure XVII of the section titled "*Financial Information*" beginning on page 170 and 139 respectively of the Draft Red Herring Prospectus.
9. Except as disclosed under chapter titled '*Financial Information*', '*Our Promoters, Promoter Group and Group Entities*' and '*Capital Structure*' on pages 112, 106 and 28 respectively, of the Draft Red Herring Prospectus, none of our Promoters, Directors or Key Managerial Personnel have any business or other interest, other than to the extent of Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
10. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company during the period of six months immediately preceding the date of the Draft Red Herring Prospectus.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

India with over 1 billion residents has second largest education system in the world after china. The sector is powered by public as well as private sector, with control and funding coming from 3 levels: federal, state and private.

Literacy Rate in India

Year	1961	1971	1981	1991	2001	2011
Rate/ Percentage	28.3%	34.4%	43.6%	52.2%	64.8%	74.0%

(Source:http://articles.economictimes.indiatimes.com/2011-03-31/news/29366142_1_literacy-rate-centage-points-males; MOSPI and http://planningcommission.nic.in/data/datatable/1705/final_132.pdf)

In the last 50 years, education has been a priority sector for the government of India. As can be seen in the above data, literacy rate in India has evolved at a constant pace over last 50 years which has gained momentum in the last 30 years. This change has come about with the increasing realization of importance of education in well being and growth of a nation.

Indian Education Sector: - A Fast Growing Market

During a study conducted in 2010 it was found that about 55% of the country’s middle class households had started saving for their children’s higher education. With education gradually being looked at as an investment as opposed to an inevitable expense, the higher education market size in India is expected to grow by over US\$30 billion in the next five years. The report also revealed that the government is planning to spend about 5% of its GDP revenues in the next five years on education. Subsequently, India’s market for primary, secondary and tertiary education could be over US\$50 billion by the year 2015.

India’s education market is estimated to be about US\$25 billion with its higher education market being put at just less than US\$15 billion. On the other hand, the primary, secondary and higher secondary education market are valued at US\$10 billion according to current estimates. According to the study about 9% of middle level households saved for education a few years back which has risen to 55% over the period.

The Associated Chambers of Commerce and Industry of India (ASSOCHAM) projections pointed out that the 2009/2010 fiscal year witnessed about 15% of the country’s urban per capita monthly household income spent on education.

Access to education remains an issue in India despite the government’s massive investments in the sector. However, a new government law that makes education mandatory for all children and compels private schools to reserve one quarter of their admissions for students from impoverished backgrounds is expected to try bridging the inequalities.

(Source: <http://www.investinindia.com/news/investment-potential-indian-education-industry-expected-cross-50-billion-mark-2015>)

Technical Education in India

Technical education in India contributes a major share to the overall education system and plays a vital role in the social and economic development of our nation. In India, technical education is imparted at various levels such as: craftsmanship, diploma, degree, post-graduate and research in specialized fields, catering to various aspects of technological development and economic progress.

India's technical institutions attract some of the best and brightest students in the world. The Indian Institutes of Technology are world renowned and their graduates are represented in some of the world’s leading corporations.

(Source: http://www.gov.in/sectors/education/education_overview.php)

Technical Education in India: - Present Scenario

Technical education at all levels in the country is witnessing a consistent growth pattern marked by the setting up of new Institutions and the improvement of the existing ones in tune with the quality assurance norms set by government bodies.

With the efforts put in and initiatives taken during successive Five Year Plans and particularly due to policy changes in the eighties to allow participation of Private and Voluntary Organizations in the setting up of Technical Institutions on self-financing basis, the growth of Technical Education has been phenomenal.

In the last 60 years Indian literacy rate has grown steadily. This growth rate compounded with exponential growth in population of the country only indicates towards the exogenous and endogenous factors of growth that are at play in the country contributing to the growth of nation eventually. Some of these factors are as follows

(Source: AICTE: All India Council For Technical Education Approval Process Handbook (2011 – 2012))

Indian Information Technology Hardware Industry

Indian IT Hardware industry has emerged as vibrant, dynamic and diversified manufacturing sectors in India. The growing convergence of information, communication and entertainment has given a new impetus to the Sector. Moreover this industry occupies prominent position in current scenario of advanced/modern technology. It plays a vital role in various sectors including automobile, communication, telecom, defense, agriculture, etc. Demand for the industry emanate from three sources:

1. Household use
2. Office use
3. Industrial use

This demand is fuelled by following factors:

1. Growth in Industrial production
2. Increase in usage of services like telecom, internet and broadband services by young generation
3. Increase in disposable income with middle class
4. Changing life style
5. Reducing cost of Hardware
6. Launch of new products with advanced technical skills, etc.

This segment includes personal computers, servers, data processing equipment and peripherals such as monitors, keyboards, disk drives, printers, modems, and other attachments. The computer manufacturing industry is essentially import intensive/assembly oriented with presence of both international and indigenous names in the market.

Total personal computer sales during Fiscal 2005 – 2010 increased by 16% (CAGR) where as the sales of laptop during same period saw a growth of 70%.

(Source: IT Industry annual performance overview: 2009-10; <http://www.mait.com/industry-statistics.php>)

SUMMARY OF OUR BUSINESS

A-Team Edutech Limited (ATEL) is an Educational Infrastructure Management Company. We primarily engage in consultancy, content development, network architecture and other business services pertaining to information technology infrastructure. We also provide IT equipment on standalone basis as well as turnkey business solutions to our customers.

We also offer specialised preparatory packages for students of our clients. A major chunk of these equipment are procured from Hewitt Packard (HP) with whom we have been associated since 1998 and are a premium business partner in India.

ATITL has ventured into providing complete business and infrastructure management solutions to leading education groups in south India. We have entered into Memorandum of Understanding (MoU) with 10 educational societies/Trusts/ Institutes for managing their institutes on a turnkey basis as on August 15, 2011.

With over 200 government accredited educational institutions /colleges as our clients we are focused in the southern Indian state of Tamil Nadu, with over 90% our of clientele emanating from this region. We also have ventured into Kerala and some places in northern India. Our segment of choice and specialization in this industry is that of technical institutions and Polytechnic colleges. They contribute significantly into our build-up of revenues.

IT Infrastructure Management Services

We provide Information Technology Infrastructure Management Services to our client education institutions through our subsidiary A - Team Information Technology Limited. This service can be limited by the exact client specification in terms of products, services and timelines.

ATITL provides turnkey technology solutions to our customers. There are three parts in which we divide this delivery process. First is technology consultancy to identify the needs of a specific customer based on-site asset assessments/ future plans. Second segment being the actual supply of equipments (IT Hardware) as per assessed and orders placed. Third part of this vertical business delivery is the installation and after sales and service commitments of these products.

ATITL has an in-house team of experts which studies, designs and suggests the blue print of these technology solutions to the customer. The part of consulting regarding business solutions and technical requirements is served by ATEL, where our (ATEL) specialized skills go into sustainability studies of the infrastructure for future upgrades, both in case of increase in the number of users, and application software modules being installed and employed. After such a detailed plan approval of the blue print is done by the client, we order these equipments from our partners. Our preferred vendor for supplying all hardware equipments is Hewlett-Packard. Some of these equipments are also sourced indigenously depending on requirements of customer.

The installation of these equipments is carried out by our in-house technical team in collaboration with the Hewlett-Packard team. After sales services of equipment contract is again executed through us for the client. The maintenance and training of these networks/ equipments is carried on jointly with upgrades of content being solely our responsibility for the client.

Placement Solutions

In addition to the solutions described above, we have started offering placement solutions to students in the last Fiscal 2011 within our existing customers only.

FJPL specialises in providing comprehensive placement assistance and has readymade solutions for our existing customers. FJPL portal has about 125,000 questions meant for competitive exams such as Union Public Service Commission, State Public Service Commissions, All Public Sector Banks, Railway Recruitment Board, Staff Selection Commission, University Grant Commission, Multi-National Companies and also those modules which are designed for various campus recruitments and examinations conducted by large and medium sized companies.

The advantage of this service to the corporate is that by using this service while hiring a fresh talent they can have access to several quality profiles from similar background coming from a variety of institutes. Moreover,

with all the information available at the first level of screening itself, the selection can be conducted easily at a very negligible cost and reduced timelines. The authenticity of this information can be guaranteed as the institution (our clients) will be feeding the information to the companies and would be factual and reliable for making selection decisions. Educational Institutions also use this tool to monitor student's usage and performance using its dash board view over a period of time and improve their internal systems to deliver better quality students in the future.

Our Strategy

Brand "A-Team"

We propose to further increase the brand recognition vis-à-vis competition through various brand building efforts, communication and various promotional initiatives. The same would enhance the visibility of our brand and enhance our business positioning and credibility as a serious long-term services provider in the education space.

Focussed on Education Sector

We cater to the needs of education sector, particularly engineering and polytechnic institutes. We believe that this high growth segment needs additional attention and professional support to grow in size, quality and service offerings in a sustainable manner. Our focus is to partner with institutes and become an integral part of their growth agenda.

Innovative Services

We plan to bring all our clients on common platforms like the cloud computing and offer them services that are scalable, and entail lower fixed costs. We are also trying to create our own content like webcast of lectures and services like problem solving sessions, which would help students in getting the best guidance. Such content would be prepared and presented by the leading players in the industry and academics. We also integrate all our client campuses in a region to harmonise the information and content flow between them and enhance the sharing and learning experience. Our innovations are directed to provide both strategic and immediate advantages to our customers.

Moving up the Value Chain

We as a company continuously strive to move up the value chain in terms of our learning and experiences. Only then we can guide and advise our customers. Through constant and focused efforts, we have converged ourselves into a solution company and are on the verge of converging ourselves into a complete education solutions company. We would keep improving our business model to bring the best services to our customers and constantly move up their value chain as well.

Our Business Model:

We were an early entrant in the information technology industry in 1987 through A – Team computers. Over the period we realised that

1. Indian consumers are cost sensitive
2. Sector specialisation would help in long term and
3. Capitalisation on cross-selling opportunities would be best way of gaining volume traction for our business

Information Technology Solutions Business

The cornerstone of our information technology business is value proposition that we bring on the table for clients:

1. Education Focused: We have been focused on education space since a long time. This paradigm shift has resulted in rapid growth opportunities now for us.
2. Something for Everyone: We have been in this industry for over 2 decades now and understand the needs of our customers well. We offer customised solutions to all our clients which vary from branding

to solutions. This helps us serve our customers better. This is one of the reasons we service over 200 clients in the education space

3. **Value:** The differentiating factor in our service is low price and the value that we add to our client's business through defining solutions. We achieve this by focussing on the long term objectives of both our vendors and customers. Our vendors need more consumers to give them traction in terms of size and offer better products and services. This leads them to subsidise their products and we have used it to our client's advantage while keeping an eye on quality service at all times. Thus, we are able to deliver differentiated solutions to our customers.
4. **Volumes:** Our experience tells us that volumes are inversely proportional to prices and we have tried to use this fact to deliver best services to our consumers. Servicing a large customer base has helped us in building the necessary volumes in business and creates a sustainable competitive advantage in form of a wide, diversified base of repeat customers who have similar requirements.

Our Strengths

1. Existing working relationships with over 200 colleges and some of world's largest vendors in information technology space
2. Experienced management with strong domain knowledge
3. Established brand in the education segment
4. High Repeat Business

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated consolidated statements as of and for the financial years ended March 31, 2011 and for the quarter ended June 30, 2011 and standalone financial statements as of and for the financial years ended March 31, 2009, 2010, and 2011 and for the quarter ended June 30, 2011. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI ICDR Regulations and presented under the section titled “*Financial Information*” beginning on page 112 of the Draft Red Herring Prospectus. The summary financial information presented below should be read in conjunction with the chapter titled “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Financial Information*” beginning on pages 171 and 112 respectively of the Draft Red Herring Prospectus.

A - TEAM EDUTECH LIMITED (Consolidated)

(Amount – ₹ in Lacs)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED			
Sr. No.	PARTICULARS	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
A	Fixed Assets (Net)		
	Gross Block	612.78	612.78
	Less: Depreciation	137.13	110.65
	Net Block	475.65	502.13
	Capital Work-in-Progress	15.21	-
	Total Fixed Assets (A)	490.86	502.13
B	Investments (B)	-	-
C	Current Assets, Loans & Advances		
	Inventories	549.34	466.49
	Sundry Debtors	2,672.50	2,169.20
	Cash & Bank Balances	44.73	143.91
	Other Current Assets	1.48	2.42
	Loans & Advances	259.13	301.38
	Deferred Tax Assets	-	-
	Total (C)	3,527.17	3,083.40
	Total Assets (A+B+C)	4,018.03	3,585.53
D	Liabilities & Provisions		
	Share Application Money Received	-	48.00
	Secured Loans	3.98	20.66
	Unsecured Loans	85.33	21.51
	Current Liabilities	1,894.85	1,575.37
	Provisions	399.87	376.60
	Deferred Tax Liability	61.31	22.48
	Total Liabilities (D)	2,445.34	2,064.63

E	Net Worth (A+B+C-D)	1,572.69	1,520.90
F	Represented by		
	Share Capital	1,000.00	832.98
	Total (A)	1,000.00	832.98
	Reserves & Surplus	589.23	687.92
	Total (B)	589.23	687.92
	Less: Miscellaneous Expenditure to the extent not written off	16.55	-
	Total (C)	16.55	-
	Net Worth (A+B-C)	1,572.69	1,520.90

A - TEAM EDUTECH LIMITED (Consolidated)			
Sl. No.	PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED		
		(Amount - ₹ in Lacs)	
		Quarter ended 30/06/2011	Financial Year ended 31/03/2011
A	Income		
	Sales	806.10	7,114.41
	Net Sales	806.10	7,114.41
	Add: Other Income	16.68	24.56
	Total	822.78	7,138.98
B	Expenditure		
	Materials consumed	593.38	5,675.85
	Wages and Staff Costs	27.80	99.06
	Other Manufacturing Expenses	-	-
	Administrative Expenses	21.91	59.25
	Selling & Distribution Expenses	8.55	17.13
	Total	651.65	5,851.29
C	Profit Before Interest, Depreciation and Tax	171.13	1,287.69
	Depreciation	26.48	108.34
D	Profit before Interest and Tax	144.66	1,179.35
	Financial Charges	9.07	90.55
E	Profit after Interest and before Tax	135.59	1,088.79
	Pre. Expenses and def. expenses w/off	-	-
F	Profit before Taxation	135.59	1,088.79
	Provision for Taxation	29.00	370.00
	Provision for Deferred Taxation	38.84	24.48
	Add/Less: Adjustment for prior year	-	-
	Total	67.84	394.48
G	Profit After Tax but before extra-ordinary items	67.76	694.32
	Extra-ordinary items	-	-
	Impact of material adjustments for restatements in corresponding years	0.23	0.23
H	Net Profit after Adjustments	67.98	694.55
	Balance brought forward from prior years	687.92	(6.63)
I	Profit available for Appropriation	755.90	687.92
	Utilised for issue of fully paid bonus shares	166.67	-
J	Balance of profit carried to Balance Sheet	589.23	687.92

A - TEAM EDUTECH LIMITED (Consolidated)

STATEMENT OF MATERIAL ADJUSTMENT TO AUDITED PROFIT AND LOSS ACCOUNT FOR RESTATEMENTS			
(Amount - ₹ in Lacs)			
		Quarter ended	Financial Year ended
Sr. No.	PARTICULARS	30/06/2011	31/03/2011
A	Profit for the year/Period	67.76	694.32
B	Add/(Less): Adjustment for		
	1. Excess/(Short) Provision for Income tax	0.22	0.22
C	2. Excess/(Short) Provision for Deferred tax	0.01	0.01
	Net Impact of Material adjustment	0.23	0.23
	Adjusted Profit/(Loss) for the year	67.98	694.55

Treatment of various items adjusted in restated Profit and Loss Accounts

1. Provision for tax for earlier years and Excess/ (short) provision for income taxes Excess of short provision for income tax have been adjusted in the year to which it relates.

2. Provision for deferred tax for earlier years and Excess/(short) provision for income taxes Excess of short provision for deferred tax have been adjusted in the year to which it relates.

A-TEAM EDUTECH LIMITED (Consolidated)

STATEMENT OF CASH FLOWS		
	(Amount - ₹ Lacs)	
	Quarter ended	Financial Year ended
	30/06/2011	31/03/2011
A. Cash Flow From Operating Activities		
Net Profit/ (Loss) before Tax	135.59	1,088.79
Adjustments for -		
Depreciation/ Amortisation	26.48	108.34
Loss on sale of fixed assets	-	2.17
Non - Cash Expenses	-	-
Income tax paid	(5.51)	-
Interest Received	(1.28)	(4.92)
Interest Payments	9.07	90.55
Operating Profit/(Loss) before Working Capital changes	164.35	1,284.93
Changes in Working Capital		
(Increase)/Decrease in Sundry Debtors	(503.30)	(1,767.68)
(Increase)/Decrease in Loans & Advances	42.25	(98.77)
(Increase)/Decrease in Other Current assets	0.94	(2.42)
(Increase)/Decrease in Inventories	(82.85)	(312.59)
Increase/(Decrease) in Current Liabilities	319.48	1,168.33
(Increase)/Decrease in Miscellaneous Expenditure	(16.55)	0.67
Cash generated from Operations	(240.03)	(1,012.46)
	-	-
Net Cash Flow From/(Used In) Operating Activities	(75.68)	272.47
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(15.21)	(597.31)
Purchase of Investments	-	-
Interest Received	1.28	4.92
	-	-
Net Cash Flow From Investing Activities	(13.93)	(592.39)
C. Cash Flow From Financing Activities		
Increase/ (Decrease) in Secured Loans	(16.69)	5.91
Increase/ (Decrease) in Unsecured Loans	63.82	21.51

Increase in Equity Capital	0.35	422.23
Share Application Money Received Pending Allotment	(48.00)	25.77
Interest Payments	(9.07)	(90.55)
Net Cash Flow From Financing Activities	(9.58)	384.87
Net Cash In Flow/ (Out Flow) (A+B+C)	(99.19)	64.95
Opening Balance of Cash and cash equivalents	143.91	78.96
Closing Balance of cash and cash equivalents	44.73	143.91
Components of Cash & Cash Equivalents at the end of the year		
Cash in Hand	8.92	11.67
Balances in Scheduled Banks		
in Current Accounts	27.08	51.73
in Fixed Deposit Accounts	8.73	80.51

A - TEAM EDUTECH LIMITED (Standalone)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS AT

(Amount - ₹ in Lacs)

Sr. No.	PARTICULARS	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A	Fixed Assets (Net)				
	Gross Block	14.34	14.34	14.34	-
	Less: Depreciation	6.72	6.11	2.31	-
	Net Block	7.62	8.23	12.03	-
	Capital work-in-Progress	15.21	-	-	-
	Total Fixed Assets (A)	22.82	8.23	12.03	-
B	Investments (B)	5.00	5.00	-	-
C	Current Assets, Loans & Advances				
	Inventories	-	-	153.90	29.00
	Sundry Debtors	1,233.65	1,215.15	401.52	5.71
	Cash & Bank Balances	26.06	129.58	78.96	0.41
	Other Current Assets	-	-	-	-
	Loans & Advances	183.39	134.93	222.11	0.25
	Deferred Tax Asset	-	-	-	-
	Total (C)	1,443.09	1,479.66	856.49	35.37
	Total Assets (A+B+C)	1,470.91	1,492.89	868.52	35.37
D	Liabilities & Provisions				
	Share Application Money	-	48.00	22.23	4.62
	Secured Loans	-	15.39	14.75	-
	Unsecured Loans	50.00	-	-	30.68
	Current Liabilities	53.68	51.10	407.04	-
	Provisions	194.87	197.60	6.82	-
	Deferred Tax Liability	0.94	0.64	0.79	(0.03)
	Total Liabilities (D)	299.50	312.72	451.64	35.27
E	Net Worth (A+B+C-D)	1,171.42	1,180.17	416.88	0.10
F	Represented by				
	Share Capital	1,000.00	832.98	410.75	1.00
	Total (A)	1,000.00	832.98	410.75	1.00
	Reserves & Surplus	187.96	347.19	6.13	(0.90)
	Total (B)	187.96	347.19	6.13	(0.90)
	Less: Miscellaneous Expenditure to the extent not written off	16.55	-	-	-
	Total (C)	16.55	-	-	-

	-	-	-	-
Net Worth (A+B-C)	1,171.42	1,180.17	416.88	0.10

A - TEAM EDUTECH LIMITED (Standalone)
PROFIT AND LOSS ACCOUNT FOR THE YEAR/ PERIOD ENDED

(Amount - ₹ in Lacs)

Sr. No.	PARTICULARS	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A	Income				
	Net Sales	87.15	2,291.16	1,418.08	107.50
	Net Sales	87.15	2,291.16	1,418.08	107.50
	Add: Other Income	1.28	4.43	1.48	-
	Total	88.43	2,295.59	1,419.56	107.50
B	Expenditure				
	Materials Consumed	67.29	1,745.42	1,390.23	106.25
	Wages and Staff Costs	3.18	6.17	2.73	1.56
	Other Manufacturing Expenses	-	-	-	-
	Administrative Expenses	3.22	6.23	7.57	0.45
	Selling & Distribution Expenses	3.52	1.84	1.72	0.16
	Total	77.21	1,759.67	1,402.24	108.42
C	Profit Before Interest, Depreciation and Tax	11.22	535.93	17.31	(0.92)
	Depreciation	0.62	3.80	2.31	-
D	Profit before Interest and Tax	10.60	532.13	15.00	(0.92)
	Financial Charges	0.08	0.44	0.34	0.01
E	Profit after Interest and before Tax	10.52	531.69	14.67	(0.93)
	Pre. Expenses and def. expenses w/off	-	-	-	-
F	Profit before Taxation	10.52	531.69	14.67	(0.93)
	Provision for Taxation	3.00	191.00	6.00	-
	Provision for Deferred Taxation	0.31	(0.15)	0.82	-
	Provision for FBT	-	-	-	-
	Add/Less: Adjustment for prior year	-	-	-	-
	Total	3.31	190.85	6.82	-
G	Profit After Tax but before extra-ordinary items	7.21	340.83	7.84	(0.93)
	Extra-ordinary items	-	-	-	-
	Impact of material adjustments for restatements in corresponding years	0.23	0.23	(0.82)	0.03
H	Net Profit after Adjustments	7.44	341.06	7.03	(0.90)
	Balance brought forward from prior years	347.19	6.13	(0.90)	0.00
I	Profit available for Appropriation	354.63	347.19	6.13	(0.90)
	Transfer to General Reserve	-	-	-	-
	Less: Capitalised on issue of bonus shares	166.67	-	-	-
J	Net Profit transferred to Balance Sheet	187.96	347.19	6.13	(0.90)

A - TEAM EDUTECH LIMITED

Statement of Material Adjustments to Audited Profit and Loss Account for Restatements

(Amount - ₹ in Lacs)

Sr. No.	Particulars	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A	Net Profit/(Loss) for the year	7.21	340.83	7.84	(0.93)
B	Add/(Less): Adjustment for				
	1. Provision for Income tax	0.22	0.22	(0.82)	-
	2. Provision for Deferred tax	0.01	0.01	0.01	0.03
	Net Impact of Material adjustment	0.23	0.23	(0.82)	0.03
C	Adjusted Profit/(Loss) for the year	7.44	341.06	7.03	(0.90)

Treatment of various items adjusted in restated Profit and Loss Accounts

1. Provision for tax for earlier years and excess/ (short) provision for income taxes

Excess of short provision for income tax have been adjusted in the year to which it relates

2. Provision for deferred tax for earlier years and excess/ (short) provision for income taxes

Excess of short provision for deferred tax have been adjusted in the year to which it relates.

A-TEAM EDUTECH LIMITED (Standalone)
STATEMENT OF CASH FLOWS

(Amount - ₹ in Lacs)

	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A. Cash Flow From Operating Activities				
Net Profit/ (Loss) before Tax	10.52	531.69	14.67	(0.93)
Adjustments for -				
Depreciation/ Amortisation	0.62	3.80	2.31	-
Non - Cash Expenses	-	-	-	-
Income tax paid	(5.51)	-	-	-
Interest Received	(1.28)	(4.43)	(1.48)	-
Interest Payments	0.08	0.44	0.34	0.01
Operating Profit/(Loss) before Working Capital changes	4.43	531.49	15.83	(0.92)
Change in Working Capital				
(Increase)/Decrease in Sundry Debtors	(18.50)	(813.62)	(395.81)	(5.71)
(Increase)/Decrease in Loans & Advances	(48.46)	87.18	(221.86)	(0.25)
(Increase)/Decrease in Inventories	-	153.90	(124.90)	(29.00)
Increase/(Decrease) in Current Liabilities	2.59	(355.95)	407.04	-
(Increase)/Decrease in Miscellaneous Expenditure	(16.55)	-	-	-
Cash generated from Operations	(80.92)	(928.50)	(335.52)	(34.96)
Net Cash Flow From/(used in) Operating Activities	(76.49)	(397.01)	(319.69)	(35.88)
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets	(15.21)	-	(14.34)	-
Purchase of Investments	-	(5.00)	-	-
Interest Received	1.28	4.43	1.48	-
Net Cash Flow From Investing Activities	(13.93)	(0.57)	(12.86)	-
C. Cash Flow From Financing Activities				
Increase/ (Decrease) in Secured Loans	(15.39)	0.64	14.75	-
Increase/ (Decrease) in Unsecured Loans	50.00	-	(30.68)	30.68
Increase in Equity Capital	0.35	422.23	409.75	1.00
Share Application Money Received Pending Allotment	(48.00)	25.77	17.61	4.62
Interest Payments	(0.08)	(0.44)	(0.34)	(0.01)
Net Cash Flow From Financing Activities	(13.11)	448.20	411.10	36.29
Net Cash In Flow/ (Out Flow) (A+B+C)	(103.53)	50.62	78.55	0.41
Opening Balance of Cash and cash equivalents	129.58	78.96	0.41	-

Closing Balance of cash and cash equivalents	26.06	129.58	78.96	0.41
Components of Cash & Cash Equivalents at the end of the year				
Cash in Hand	2.21	2.21	0.23	-
Balances in Scheduled Banks	-	-	-	-
in Current Accounts	23.84	46.86	3.73	0.41
in Fixed Deposit Accounts	-	80.51	75.00	-

THE ISSUE

Issue Details	
Equity Shares offered* #	81,81,818 Equity Shares
<i>Of which:**</i>	
A. Qualified Institutional Buyers Portion	QIB Portion of 40,90,909 Equity Shares constituting at least 50% of the Issue
<i>of which</i>	
Mutual Fund Portion	2,04,545 Equity Shares constituting 5% of the QIB Portion
Balance of QIB portion	38,86,364 Equity Shares
B. Non-Institutional Portion	12,27,273 Equity Shares constituting not less than 15% of the Issue
C. Retail Portion	28,63,636 Equity Shares constituting not less than 35% of the Issue
Equity Shares outstanding prior to the Issue	1,00,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,81,81,818 Equity Shares
Use of Proceeds	For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 38 of the Draft Red Herring Prospectus for information on use of Issue Proceeds.

**The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on August 11, 2011 and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act at the AGM held on September 29, 2011.*

Our Company is considering a Pre-IPO Placement of upto 25 Lacs Equity Shares and aggregating upto ₹ 3,950 Lacs with certain investors. The pre-IPO Placement is at the discretion of our Company. If undertaken, our Company will complete the issuance of such equity shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of the allotment made in the Pre-IPO Placement subject to the Issue to the public being at 25% of the post Issue paid-up equity share capital.

*** Allocation to all categories shall be made on a proportionate basis subject to valid Bids received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM, and the Designated Stock Exchange; and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price. If at least 50% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded. For more information, please refer to chapter titled ‘Issue Procedure’ beginning on page 211 of the Draft Red Herring Prospectus.*

GENERAL INFORMATION

Our Company was originally incorporated as “*Sweadi Marketing Private Limited*” a private limited company under the provisions of the Companies Act, 1956 pursuant to Certificate of Incorporation dated December 3, 2008 issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands (“*RoC*”). The name of our Company was changed to “*A-Team Edutech Private Limited*” pursuant to a fresh certificate of incorporation consequent upon change of name dated May 13, 2011 issued by the RoC. Thereafter our Company was converted into a public limited company under the Companies Act, 1956 and consequently our Company’s name was changed to its present name “*A-Team Edutech Limited*” pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated June 30, 2011 issued by RoC. Our Company’s CIN is U74990TN2008PLC070063.

Registered Office of our Company

A-Team Edutech Limited

B2-2, Vijayaraghava Manor No. 1,
Vijayaraghava Road, Teynampet,
Chennai – 600 018, Tamil Nadu
Tel: +91 44 2434 7333 / 4212 5200
Fax: +91 44 4212 4030
Email: info@ateamedutech.com
Website: www.ateamedutech.com

For details of change in the name and Registered Office of our Company, please refer to the chapter titled “*History and Other Corporate Matters*” beginning on page 84 of the Draft Red Herring Prospectus.

Corporate Office of our Company

A-Team Edutech Limited

122, SKS Buildings,
Perundurai Road,
Erode - 638 011
Tamil Nadu.
Tel: +91 424 650 1969, 650 4606
Fax: +91 424 427 0969

Address of the RoC

Registrar of Companies Chennai, Tamil Nadu

Block No. 6, B Wing, 2nd Floor,
Shastri Bhawan Complex,
26 Haddows Road,
Chennai – 600 034.
Tamil Nadu
Website: www.mca.gov.in

Our Board of Directors

The following table sets out details regarding our Board as on the date of the Draft Red Herring Prospectus:

Sr. No.	Name, Designation and Occupation	Age	DIN	Address
1.	<i>Dr. Senniyappan Raju</i> <i>Designation:</i> Chairman <i>(Non-Executive and Non-Independent)</i> <i>Occupation:</i> Business	73	03512506	No. 58/2, Palakattu Thottam, Near New Teachers Colony, Erode - 638 011, Tamil Nadu.
2.	<i>Senthil Kumar</i>	42	02437374	No. 102, Abirami Apartments Complex, 3, First Floor,

Sr. No.	Name, Designation and Occupation	Age	DIN	Address
	<i>Designation: Managing Director (Executive and Non-Independent)</i>			Palayapalayam, Erode - 638 011, Tamil Nadu.
	<i>Occupation: Business</i>			
3.	Adith Kumar <i>Designation: Director (Non- Executive and Non-Independent)</i>	27	02416207	No. 1C, Ramcon Rajam Apartments, No. 90 Buzullah Road, T. Nagar, Chennai – 600 017, Tamil Nadu.
	<i>Occupation: Business</i>			
4.	Putheneri Sriraman Srinivasan <i>Designation: Director (Non-Executive and Independent)</i>	72	00104166	No. 22, Old No 1895, 18th Street, Thiruvalluvar Kudieruppu, Anna Nagar West, Chennai, 600040, Tamil Nadu.
	<i>Occupation: Professional</i>			
5.	M. Ramani <i>Designation: Director (Non-Executive and Independent)</i>	67	00008741	B-15, Ground Floor, Dafoidil, Raheja Enclave, Race Course, Coimbatore – 641 018, Tamil Nadu.
	<i>Occupation: Professional</i>			
6.	Dr. Arun Varma <i>Designation: Director (Non- Executive and Independent)</i>	59	03564823	58, 1 st Floor, Kamdar Nagar, 2 nd Street, Mahalingapuram, Chennai – 600 034, Tamil Nadu
	<i>Occupation: Professional</i>			
7.	Jayaprakash Gandhi <i>Designation: Director (Non- Executive and Independent)</i>	50	03565658	Amarprakash Building, 165, Sathyanarayana Street, Swarnapuri, Salem – 636 004, Tamil Nadu.
	<i>Occupation: Professional</i>			
8.	Sankaran Agneeswaran Sivakkumar <i>Designation: Director (Non-Executive and Independent)</i>	44	03600973	5-2, Ward No. 18, West Circular Road, Mandavellipakkam, Chennai – 600 020, Tamil Nadu.
	<i>Occupation: Professional</i>			

For detailed profile of our Chairman, Managing Director and other Directors, refer to chapters titled “Our Management” and “Our Promoters and Promoters Group and Group Entities” on pages 91 and 106 respectively of the Draft Red Herring Prospectus.

Company Secretary and Compliance Officer

Taher Noor Sayed

A-Team-Edutech Limited,

B2-2, Vijayaraghava Manor No. 1,

Vijayaraghava Road, Teynampet,

Chennai – 600 018, Tamil Nadu

Tel: +91 44 2434 7333 / 4212 5200

Fax: +91 44 4212 4030

Email: cs@ateamedutech.com

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and / or the Book Running Lead Manager, i.e., Onelife Capital Advisors Limited, in case of any pre-Issue

or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

For all Issue related queries and for redressal of complaints, investors may also write to the BRLM. All complaints, queries or comments received by SEBI shall be forwarded to the BRLM, who shall respond to the same.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB or the Syndicate / Sub – Syndicate Members to whom the Bid was submitted (at ASBA Bidding Locations), giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSBs or details of the Syndicate / Sub – Syndicate Members to whom the Bid was submitted (at ASBA Bidding Locations) where the ASBA Form was submitted by the ASBA Bidder.

BOOK RUNNING LEAD MANAGER

Onelife Capital Advisors Limited

96/98, Mint Road
Fort, Mumbai – 400 001
Maharashtra

Tel: +91 22 4333 3000

Fax: +91 22 4333 3011

Email: ateam.ipo@onelifecapital.in

Website: www.onelifecapital.in

Contact Person: Hiral Bhutta, Sumit Gupta

REGISTRAR TO THE ISSUE

Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,
Sakinaka Telephone Exchange Lane,
Off Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072, Maharashtra

Tel No: +91- 22- 6191 5400

Fax No: +91- 22- 6191 5444

Website: www.shareproservices.com

Email: ateam.ipo@shareproservices.com

Contact Person: Subhash Dhingreja/ Satheesh H K

SEBI Registration No: INR000001476

LEGAL ADVISORS TO THE ISSUE

M/s. Crawford Bayley & Co.

State Bank Buildings, 4th Floor,
N.G.N. Vaidya Marg, Fort,
Mumbai - 400 001
Maharashtra

Tel: +91 22 2266 8000

Fax: +91 22 2266 3978

Email: sanjay.asher@crawfordbayley.com

LEGAL ADVISORS TO OUR COMPANY

M/s. Lakshmmi Subramanian & Associates

81, MNO Complex, Greams Road,
Chennai – 600 006, Tamil Nadu

Tel : 91 – 44 – 2829 2272

Fax : 91 – 44 – 2829 2273

Email : srisecadmin@gmail.com

Contact Person : Ms. Lakshmmi Subramanian

STATUTORY AUDITORS TO OUR COMPANY*

Vivekanandan Associates, Chartered Accountants

New No. 9/1, (Old No. 22/1)
XII Avenue, Vaigai Colony,
Ashok Nagar, Chennai – 600 083

Tel: +91 44 2471 6433

Fax: +91 44 2471 7046

E-mail: nsubramanians@gmail.com

Contact Person: S. Dehaleesan

** Our current auditors M/s. Vivekanandan Associates, Chartered Accountants, were appointed on September 29, 2011, in place of our outgoing auditors, M/s. Brahmananad & Co., Chartered Accountants. The said change in our statutory auditors was made in order to comply with Section (IX) of Part A of Schedule VIII of SEBI (ICDR) Regulation and to also ensure compliance with the Clause 41 (I) (c) (i) of the listing agreement. The erstwhile auditors of our Company, M/s. Brahmananad & Co., did not hold certificate issued by the 'Peer Review Board' of the ICAI. Therefore, our Company had appointed M/s. Vivekanandan Associates, as the auditors, who hold the certificate issued by the 'Peer Review Board' of ICAI dated September 21, 2010. M/s. Vivekanandan Associates, have reaudited the financial statements for the Financial Year ended March 31, 2011.*

ADVISOR TO THE ISSUE

Atherstone Capital Markets Limited

121,12th Floor, 'A' Wing,
Mittal Court, Nariman Point,
Mumbai - 400 021

Tel: +91 22 321 53271

Fax: +91 22 661 52989

E-mail: ranjan.agarawal@atherstone.in

Contact Person: Ranjan Agarawal

BANKERS TO OUR COMPANY

IDBI Bank

No. 37, P.M. Tower,
Greens Road, Thousand Lights,
Chennai – 600 006

Tel: +91 44 2829 5392

Fax: +91 44 2829 5370

Website: www.idbi.com

E-mail: suresh.b@idbi.co.in

Contact Person: Mr. Suresh

IPO GRADING AGENCY

[•]

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

[•]

REFUND BANKER

[•]

SYNDICATE MEMBERS

[•]

Statement of Responsibility of the BRLM

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

Sr. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Conducting a Due diligence of the Company including its operations/management/business/plans/legal, etc. Drafting and design of the Offer Document, and of statutory advertisement including a memorandum containing salient features of the Prospectus. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and SEBI including finalisation of the Prospectus and RoC filing, including co-ordination with Auditors for preparation of financials and drafting and approving all statutory advertisements.
3.	Drafting and approval of all publicity material including the statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.
4.	Appointment of other intermediaries' viz., Registrar to the Issue, Printers, Advertising Agency, Bankers to the Issue.
5.	Preparation of road show presentation and frequently asked questions;
6.	International institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • Finalising the list and division of investors for one-to-one meetings; and • Finalising the road show schedule and the investor meeting schedules.
7.	Domestic institutional marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • Finalising the list and division of investors for one-to-one meetings; and • Finalising the road show schedule and the investor meeting schedules.

Sr. No.	Activity
8.	Non-institutional and retail marketing of the Issue, which will cover, <i>inter alia</i> : <ul style="list-style-type: none"> • Formulating marketing strategies and preparation of publicity budget; • Finalising media and public relations strategy; • Finalising centres for holding conferences for press, brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; • Finalising collection centres and arranging for selection of Underwriter and execution of an underwriting agreement; and • Coordination with the Stock Exchanges for book building software, bidding terminals and mock trading.
9.	Pricing, managing the book and coordination with Stock-Exchanges.
10.	The post bidding activities including management of escrow accounts, co-ordinate non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to bidders etc.
11.	Post-Bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, coordination with the Registrar to the Issue and Bankers to the Issue, intimation of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalisation of trading, dealing of instruments and dispatch of certificates and demat of delivery of shares with the various agencies connected with these activities such as the Registrar to the Issue, the Bankers to the Issue and the bank handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and for enabling them to discharge their responsibilities through suitable agreements with the Company.

Credit Rating

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

IPO Grading Agency

[●]

IPO Grading

This Issue has been graded by [●], and has been assigned the “IPO Grade [●]” indicating [●] through its letter dated [●], which is valid for a period of [●] months. The IPO grading is assigned on a five point scale from 1 to 5 wherein an “IPO Grade 5” indicates strong fundamentals and “IPO Grade 1” indicates poor fundamentals.

A copy of the report provided by [●], furnishing the rationale for its grading will be annexed to the Red Herring Prospectus and will be made available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on working days from the date of filing of the Red Herring Prospectus, until the Bid/Issue Closing Date.

Expert Opinion

Except the report of [●] in respect of the IPO grading (a copy of which will be annexed to the Red Herring Prospectus), furnishing the rationale for its grading and the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Draft Red Herring Prospectus, our Company has not obtained any other expert opinion.

Trustees

This is being an issue of Equity Shares, the appointment of trustee is not required.

Appraisal and Monitoring Agency

The objects of the Issue have not been appraised by any agency. The Objects of the Issue and means of finance, therefore, are based on internal estimates of our Company. As the net proceeds of the Issue will be less than ₹ 50,000 Lacs, under the sub-regulation (1) of Regulation 16 of SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

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

Book Building Process

Book Building refers to the process of collection of Bids made by the investors on the basis of the Red Herring Prospectus. The Issue Price shall be determined by our Company in consultation with the BRLM after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- a) Our Company,
- b) BRLM,
- c) Syndicate Member(s) who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The BRLM shall appoint the Syndicate Members,
- d) Registrar to this Issue,
- e) Banker(s) to this Issue, Refund Bank(s); and
- f) Self Certified Syndicate Banks.

This being an Issue for Equity Shares representing more than 25% of the post-Issue equity share capital of our Company, Equity Shares will be offered to the public for subscription in accordance with Rule 19(2)(b)(i) of the SCRR and SEBI ICDR Regulations.

The Issue is being made in compliance with Regulation 26(2) of the SEBI ICDR Regulations and through the 100% Book Building Process wherein at least 50% of the Issue shall be Allotted on a proportionate basis to QIB Bidders. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be allocated on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be allocated on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money shall be refunded forthwith.

Our Company is considering a Pre-IPO Placement of upto 25 Lacs Equity Shares and aggregating upto ₹ 3,950 Lacs with certain investors. The pre-IPO Placement is at the discretion of our Company. If undertaken, our Company will complete the issuance of such equity shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of the allotment made in the Pre-IPO Placement subject to the Issue to the public being at 25% of the post Issue paid-up equity share capital.

Under-subscription if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with BRLM and the Designated Stock Exchange. In accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allotees shall be not less than 1,000.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLM to manage the Issue and procure subscriptions to the Issue.

Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all non- retail Investors i.e. QIBs and Non Institutional Investors are mandatorily required to utilise the ASBA facility to submit their Bids and participate in this Issue.

Attention of all QIBs is specifically drawn to the fact that all QIBs are required to pay the entire Bid Amount at the time of the submission of the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date. Further, allocation to QIBs will be on a proportionate basis. For further details, please refer to the chapter titled ‘Terms of the Issue’ and ‘Issue Procedure’ beginning on pages 204 and 211 respectively, of the Draft Red Herring Prospectus.

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

Steps to be taken by the Bidders for making a Bid or application in this Issue:

1. Check eligibility for making a Bid. For further details, please refer to chapter titled “Issue Procedure” beginning on page 211 of the Draft Red Herring Prospectus. Specific attention of ASBA Bidders is invited to the chapter titled “Issue Procedure” beginning on page 211 of the Draft Red Herring Prospectus;
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid-cum-Application Form, as the case may be;
3. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
4. Ensure that you have mentioned your PAN in the Bid-cum-Application Form or ASBA Bid-cum-Application Form (for further details, please refer to the chapter titled “Issue Procedure” beginning on page 211 of the Draft Red Herring Prospectus). Bidders are specifically requested not to submit their GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
5. Ensure the correctness of your Demographic Details (as defined under the paragraph titled “Bidder’s Depository Account Details”, in the chapter titled “Issue Procedure” beginning on page 211 of the Draft Red Herring Prospectus), given in the Bid-cum-Application Form, and the details recorded with your Depository Participant; and
6. Bids by ASBA Bidders have to be submitted to the SCSBs at the Designated Branches or Members of the Syndicate (at ASBA Bidding Locations). ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSBs to ensure that their ASBA Bid-cum-Application Form is not rejected.

Illustration of Book Building and Price Discovery Process

(Investors should note that this illustration is solely for the purpose of illustration and is not specific to this Issue and excludes information pertaining to Bidding by Anchor Investors)

Bidders (including ASBA Bidders) can bid at any price within the price band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 Equity Shares and receipt of five bids from Bidders details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE (www.bseindia.com) and the NSE (www.nseindia.com) during the bidding period.

The illustrative book shown below shows the demand for the shares at various prices and is collated from bids from various investors.

Number of Equity Shares Bid for	Bid Price (₹)	Cumulative Equity Shares Bid for	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

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

Bid / Issue Program:

Bidding / Issue Period:

BID / ISSUE OPENS ON	[●]
BID / ISSUE CLOSSES ON (QIB BIDDERS)*	[●]
BID / ISSUE CLOSSES ON (EXCEPT QIB BIDDERS)	[●]

**Our Company may consider closing the Bidding by QIB Bidders one Working Day prior to the Bid/Issue Closing Date subject to the Bid/Issue period being for a minimum of three Working Days.*

Bids and any revision in Bids shall be accepted only between **10 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid / Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or in case of Bids submitted through ASBA Form, the Designated Branches or the Syndicate/Sub-syndicate members (at ASBA Bidding Locations) except that on the Bid / Issue Closing Date (which for the QIBs may be a day prior to that of the other Bidders), the Bids shall be accepted only between **10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. in case of Bids by QIBs, (ii) until 4.00 p.m. in case of Bids by Non Institutional Bidders, and (iii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Stock Exchanges within half an hour of such closure.

Due to limitation of the time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid / Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are requested to note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, our Company, BRLM, Syndicate Members, Sub-Syndicate members and the SCSBs will not be responsible. Bids will be accepted only on Working Days. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time.

Our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations, provided that the Cap Price is less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least two Working Days before the Bid / Issue Opening Date.

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

Withdrawal of the Issue:

In accordance with the SEBI ICDR Regulations, our Company, in consultation with BRLM, reserve the right not to proceed with this Issue at anytime after the Bid / Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Bid / Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. If Issue is withdrawn after the Bid Closing Date and a fresh public offering is intended, a fresh offer document will be filed with SEBI.

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

If our Company withdraws the Issue and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus with SEBI.

Underwriting Agreement

After the determination of the Issue Price but prior to filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be issued in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member(s) do not fulfil their underwriting obligations. The Underwriting shall be to the extent of the bids uploaded by the Underwriter including through its syndicates / sub-syndicates. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are several and are subject to certain conditions to closing, as specified therein.

The Underwriter has indicated their intention to underwrite the following number of Equity Shares:

Name, address and contact information of the Underwriter/(s)	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ Lacs)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with RoC)

The abovementioned amount is indicative and this would be finalised after determination of the Issue Price and actual Allocation of the Equity Shares. The above Underwriting Agreement is dated [●] and has been approved by the Board of Directors of our Company on [●].

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriter are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The above Underwriting Agreement has been accepted by the Board of Directors acting through the Chairman of our Company and our Company has issued letters of acceptance to the Underwriter.

Notwithstanding the above table, the BRLM and the Syndicate Members shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the Equity Shares to the extent of the defaulted amount as specified in the Underwriting Agreement. The BRLM shall be responsible for bringing in amounts devolved in the event that the other members of the Syndicate do not fulfil their underwriting obligations.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Issue. The underwriting agreement shall list out the role and obligations of each Syndicate Member.

CAPITAL STRUCTURE

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

No.	Particulars	Amount (in ₹ Lacs)	
		Aggregate nominal value	Aggregate value at Issue Price
A. Authorised Share Capital			
	2,00,00,000 Equity Shares	2,000	
B. Issued, Subscribed and Paid-Up Share Capital before the Issue			
	1,00,00,000 Equity Shares	1,000	
C. Present Issue in terms of the Draft Red Herring Prospectus[#]			
	Public Issue of 81,81,818 Equity Shares ^{##}	818.18	[●]
D. Issued, Subscribed and Paid-Up Share Capital after the Issue			
	1,81,81,818 Equity Shares	1,818.18	[●]
E. Securities Premium Account			
	Before the Issue		NIL
	After the Issue*		[●]

[#] The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on August 11, 2011 and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act at the AGM held on September 29, 2011.

^{##} Our Company is considering a Pre-IPO Placement of upto 25 Lacs Equity Shares and aggregating upto ₹ 3,950 Lacs with certain investors. The pre-IPO Placement is at the discretion of our Company. If undertaken, our Company will complete the issuance of such equity shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of the allotment made in the Pre-IPO Placement subject to the Issue being at least 25% of the post Issue paid-up equity share capital.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion would be met with spill over from any other category or combination of categories, at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange. If at least 50% of the Issue is not allocated to the QIBs, the entire subscription monies shall be refunded. Investors may note that in case of over-subscription in the Issue, allotment to QIBs Bidders, Non-institutional Bidders and Retail Bidders shall be on a proportionate basis.

*The Securities Premium Account after the Issue shall be determined after Book Building Process.

**At least 50% of the Issue shall be allotted to QIBs. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

NOTES TO THE CAPITAL STRUCTURE

1. Details of increase in authorised Share Capital:

Since the incorporation of our Company, the authorised share capital of our Company has been altered in the manner set forth below:

Particulars of Change		Date of Shareholders' Meeting	AGM/EGM
From	To		
₹ 1,00,000 consisting of 10,000 Equity shares of ₹ 10 each.		On incorporation	-
₹ 1,00,000 consisting of 10,000 Equity shares of ₹ 10 each.	₹ 4,00,00,000 consisting of 40,00,000 Equity shares of ₹ 10 each.	July 31, 2009	EGM
₹ 4,00,00,000 consisting of 40,00,000 Equity shares of ₹ 10 each.	₹ 8,50,00,000 consisting of 85,00,000 Equity shares of ₹ 10 each.	March 30, 2010	EGM
₹ 8,50,00,000 consisting of 85,00,000 Equity shares of ₹ 10 each.	₹ 10,00,00,000 consisting of 1,00,00,000 Equity shares of ₹ 10 each.	May 9, 2010	EGM
₹ 10,00,00,000 consisting of 1,00,00,000 Equity shares of ₹ 10 each.	₹ 20,00,00,000 consisting of 2,00,00,000 Equity shares of ₹ 10 each.	August 16, 2011	EGM

2. History of Equity Share Capital of our Company

Date of Allotment / Fully Paid-up	No. of Equity Shares allotted	Face value (₹)	Issue Price (₹)	Nature of consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Paid-up Capital (₹)	Cumulative security premium (₹)
December 3, 2008	10,000	10	10	Cash	Initial Subscription ⁽¹⁾	10,000	1,00,000	Nil
August 20, 2009	30,000	10	10	Cash	Preferential allotment ⁽²⁾	40,000	4,00,000	Nil
August 28, 2009	37,500	10	10	Cash	Preferential allotment ⁽³⁾	77,500	7,75,000	Nil
September 22, 2009	75,000	10	10	Cash	Preferential allotment ⁽⁴⁾	1,52,500	15,25,000	Nil
October 30, 2009	15,00,000	10	10	Cash	Preferential allotment ⁽⁵⁾	16,52,500	1,65,25,000	Nil
November 24, 2009	12,00,000	10	10	Cash	Preferential allotment ⁽⁶⁾	28,52,500	2,85,25,000	Nil
January 2, 2010	11,47,500	10	10	Cash	Preferential allotment ⁽⁷⁾	40,00,000	4,00,00,000	Nil
March 31, 2010	1,07,500	10	10	Cash	Preferential allotment ⁽⁸⁾	41,07,500	4,10,75,000	Nil
April 5, 2010	42,22,300	10	10	Cash	Preferential allotment ⁽⁹⁾	83,29,800	8,32,98,000	Nil
April 5, 2011	3,533	10	10	Cash	Preferential allotment ⁽¹⁰⁾	83,33,333	8,33,33,330	Nil
May 21, 2011	16,66,667	10	Nil	Consideration other than cash	Allotment of bonus shares ⁽¹¹⁾	1,00,00,000	10,00,00,000	Nil

- Initial allotment of 9,999 Equity Shares and 1 Equity Share to the subscribers to the MoA of our Company being Adith Kumar and Kannan Ramaswamy respectively.
- Preferential allotment of 30,000 Equity Shares to Aries Ventures Private Limited.
- Preferential allotment of 37,500 Equity Shares to Aries Ventures Private Limited.
- Preferential allotment of 75,000 Equity Shares to Aries Ventures Private Limited.
- Preferential allotment of 15,00,000 Equity Shares to Aries Ventures Private Limited.
- Preferential allotment of 12,00,000 Equity Shares to Aries Ventures Private Limited.
- Preferential allotment of 9,48,200 Equity Shares to Aries Ventures Private Limited and 1,99,300 Equity Shares to Lalitha Subramanian.

8. *Preferential allotment of 1,07,500 Equity Shares to Lalitha Subramanian.*
9. *Preferential allotment of 55,575 Equity Shares each to Adith Kumar, Kannan Ramaswamy, Sridevi Subramanian and Hemaram Mahaveer and 40,00,000 Equity Shares to Hemaram Mahaveer jointly with Sridevi Subramanian.*
10. *Preferential allotment of 3,533 Equity Shares to Kannan Ramaswamy.*
11. *Our Company vide a Board resolution dated May 16, 2011 and vide a shareholders' resolution on the EGM dated May 20, 2011, issued 16,66,667 Equity Shares of ₹ 10 each as bonus shares to the existing shareholders as on March 31, 2011 in the ratio of 2 Equity Shares for every 10 Equity Shares held by capitalizing ₹ 1,66,66,670 out of the General Reserves of our Company.*

3. Equity Shares issued for consideration other than cash by our Company.

Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Issue/Allotment of the Equity Shares	Name of the Allottee	No. of Equity Shares	Face Value (in ₹)	Nature of Allotment	Benefit accruing to Our Company
May 21, 2011	To the existing shareholders of the Company as on March 31, 2011	16,66,667	10	Bonus issue*	-

* *The Equity Shares issued pursuant to the bonus issue are not ineligible as per Regulation 33 of the SEBI ICDR Regulations as the same are neither resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company nor from the bonus issue against Equity Shares which are ineligible for minimum Promoters' contribution.*

4. Details of Promoters' contribution and Lock-in

The Equity Shares held by the Promoters were acquired / allotted in the following manner:

Details of build-up of shareholding of the Promoters and lock-in

Date of Allotment / acquisition / transaction and when made fully paid up	Nature of acquisition (Allotment/ transfer)	Number of Equity Shares	Face value per Equity Share (in ₹)	Issue/ transfer price per Equity Share (in ₹)	Consideration (cash/other than cash)	% of pre issue capital	% of post issue capital
(A) Senthil Kumar							
October 16, 2009	Purchased from Aries Ventures Private Limited	1,42,500	10	10	Cash	1.43	0.78
October 31, 2009	Purchased from Aries Ventures Private Limited	15,00,000	10	10	Cash	15.00	8.25
December 1, 2009	Purchased from Aries Ventures Private Limited	12,00,000	10	10	Cash	12.00	6.60
January 15, 2010	Purchased from Aries Ventures Private Limited	9,48,200	10	10	Cash	9.48	5.22
April 23, 2010	Purchased from Sridevi Subramanian	55,575	10	5	Cash	0.56	0.31
April 23, 2010	Purchased from Adith Kumar	55,575	10	5	Cash	0.56	0.31
April 26,	Purchased from	3,06,800	10	5	Cash	3.07	1.69

2010	Lalitha Subramanian							
April 27, 2010	Purchased from Hemaram Mahaveer and Sridevi Subramanian	15,04,060	10	10	Cash	15.04	8.27	
April 29, 2010	Purchased from Kannan Ramaswamy	55,575	10	5	Cash	0.56	0.31	
April 30, 2010	Purchased from Hemaram Mahaveer	55,575	10	10	Cash	0.56	0.31	
April 1, 2011	Transferred to Adith Kumar	(4,90,000)	10	10	Cash	(4.9)	(2.70)	
May 18, 2011	Transferred to Susee Cars & Trucks Private Limited	(19,700)	10	10	Cash	(0.20)	(0.11)	
May 21, 2011	Bonus Allotment	10,66,772	10	--	Other than Cash	10.67	5.87	
May 27, 2011	Transferred to Kannan Ramaswamy	(80,932)	10	10	Cash	(0.81)	(0.45)	
Total (A)*	--	63,00,000[#]	10	--	--	63.00	34.65	
<i>[#] Out of the 63,00,000[#] Equity Shares 36,36,500 Equity Shares shall be locked in for a period of three years and the remaining 26,63,500 Equity Shares shall be locked in for a period of one year.</i>								
(B) S. Sivagami								
April 27, 2010	Purchased from Hemaram Mahaveer and Sridevi Subramanian	23,29,544	10	5	Cash	23.30	12.81	
May 21, 2011	Bonus Allotment	4,65,909	10	--	Other than Cash	4.66	2.56	
May 27, 2011	Transferred to Kannan Ramaswamy	(95,453)	10	10	Cash	(0.95)	(0.52)	
Total (B)**	--	27,00,000[#]	10	--	--	27.00	14.85	
<i>[#] The 27,00,000 Equity Shares shall be locked in for a period of one year.</i>								

As per clause (a) sub-regulation (1) Regulation 32 of the SEBI ICDR Regulations and in terms of the aforesaid table, an aggregate of 20% of the post-Issue Equity Share Capital of our Company shall be locked in by our Promoters for a period of three (3) years from the date of Allotment (“minimum Promoters’ contribution”).

The Promoter’s contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 36,36,500 Equity Shares, held by them, for a period of three years from the date of Allotment in the Issue.

The balance pre-Issue Equity Share capital of our Company, i.e. 63,63,500 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Issue. Equity Shares offered by the Promoters for the minimum Promoter’s contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

We confirm that the minimum Promoters’ contribution of 20% which is subject to lock-in for three years does

not consist of:

- a) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets;
- b) Equity Shares acquired during the preceding three years resulting from a bonus issue by utilisation of revaluation reserves or unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters' contribution;
- c) Equity Shares acquired by Promoters during the preceding one year at a price lower than the price at which equity shares are being offered to public in the Issue; or equity shares pledged with any creditor.

The share certificates for the Equity Shares in physical form, which are subject to lock-in, shall carry the inscription 'non-transferable' and the non-transferability details shall be informed to the depositories. The details of lock-in shall be included in the Prospectus to be filed with the RoC.

Further, our Company has not been formed by the conversion of a partnership firm into a company.

Equity Shares locked-in for one year

In addition to 20% of the post-Issue shareholding of our Company locked-in for three years as the minimum Promoters contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 63,63,500 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories. Pursuant to proviso (b) to Regulation 37 of the SEBI ICDR Regulations, Equity Shares held by VCFs or FVCIs for at least one year prior to filing of the Draft Red Herring Prospectus with SEBI would not be subject to the above lock-in.

Other requirements in respect of 'lock-in'

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 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 Takeover Code as applicable.

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked in as per the provisions of Regulation 36 of the SEBI ICDR Regulations, may be transferred to and amongst Promoters / members of the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of transferees for the remaining period and compliance of Takeover Code, as applicable.

In terms of Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- If the specified securities are locked-in in terms of sub-regulation (a) of Regulation 36 of the SEBI ICDR Regulations, the loan has been granted by such bank or institution for the purpose of financing one or more of the objects of the issue and the pledge of specified securities is one of the terms of sanction of the loan;
- If the specified securities are locked-in in terms of sub-regulation (b) of Regulation 36 of the SEBI ICDR Regulations and the pledge of specified securities is one of the terms of sanction of the loan.

5. Our shareholding pattern

The table below represents the shareholding pattern of our Company, before and after the proposed Issue:

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of share Holding
(A)	Promoter and Promoter Group							
1	Indian							
(a)	Individuals/ Hindu Undivided Family / Nominee of Promoter	4	91,99,676	0	91.99	91.99	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	0	0	0	0	0	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(e)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(1)	0	0	0	0	0	0	0
2	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0	0	0	0
(b)	Promoter Companies	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0
(d)	Any Other (specify)	0	0	0	0	0	0	0
	Sub-Total (A)(2)							
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	91,99,676	0	91.99	91.99	0	0
(B)	Public Shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0
(c)	Central Government/ State Government(s)	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Foreign Bodies Corporate	0	0	0	0	0	0	0
	Sub-Total (B)(1)	0	0	0	0	0	0	0
2	Non-institutions							
(a)	Bodies Corporate	1	19,700	0	0.19	0.19	0	0
(b)	Individuals							
	i. Individual shareholders holding nominal share capital	0	0	0	0	0	0	0

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of share Holding
	up to ₹ 1 Lac.							
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 Lac.	2	2,80,625	0	2.81	2.81	0	0
(c)	Any Other	0	0	0	0	0	0	0
	1. N R I	0	0	0	0	0	0	0
	2. Directors & Relatives	1	4,99,999	0	5.00	5.00	0	0
	3. Foreign Company	0	0	0	0	0	0	0
	4. Trust	0	0	0	0	0	0	0
	Sub-Total (B)(2)	4	8,00,324	0	8.00	8.00	0	0
	Total Public Shareholding (B) = (B)(1)+(B)(2)	4	8,00,324	0	8.00	8.00	0	0
	TOTAL (A)+(B)	8	1,00,00,000	0	100.00	100.00	0	0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
(a)	Promoter and Promoter group	0	0	0	0	0	0	0
(b)	Public	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	8	1,00,00,000	0	100.00	100.00	0	0

Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Promoter and Promoter Group”

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		No. of Shares held	As a % of grand total (A) + (B) + (C)	No.	As a percentage	As a % of grand total (A) + (B) + (C) of sub-clause (I)(a)	Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	As a % total number of convertible securities of the same class	
(I)	(II)	(III)	(IV)	(V)	(VI) = (V) / (III)* 100	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL		Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(*) The term “encumbrance” has the same meaning as assigned to it in regulation 28(3) of the SAST Regulations, 2011.

6. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.
7. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
8. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
9. Except as disclosed herein, our Company has not issued any Equity Shares during a period of one year preceding the date of the Draft Red Herring Prospectus at a price lower than the Issue price.

Date of Allotment	Nature of Allotment	Name of the Allottees	No. of Shares	Issue Price (₹)	Whether part of Promoter Group
April 5, 2011	Preferential allotment	Kannan Ramaswamy	3,533	10	No
May 21, 2011	Bonus Issue	Adith Kumar	1,00,000	--	No
		Kannan Ramaswamy	706	--	No
		Senthil Kumar	10,66,772	--	Yes
		S. Sivagami	4,65,909	--	Yes
		Sennyappan Raju	16,640	--	Yes
		Jayaprakash	16,640	--	Yes

10. Except as stated in the DRHP, 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 Red Herring Prospectus with SEBI until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
11. During the past six months immediately preceding the date of filing draft offer document with the Board, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group (as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI ICDR Regulation or the directors of the company which is a promoter of the Company and/or the Directors of the Company, except as mentioned below:

Name of the transferee	Name of the transferor	No. of Equity Shares	Transfer price per Equity Share (₹)	Date of transfer
Susee Cars & Trucks Private Limited	Senthil Kumar	19,700	10	May 18, 2011
Hemaram Mahaveer	Adith Kumar	1,00,000	10	May 19, 2011
Kannan Ramaswamy	Senthil Kumar	80,932	10	May 27, 2011
Kannan Ramaswamy	S. Sivagami	95,453	10	May 27, 2011

12. Our Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Red Herring Prospectus.
13. Our Company, our Promoters, our Directors and the BRLM to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Red Herring Prospectus.
14. There are no safety net arrangements for this public issue.

15. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, 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 the Promoter 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 for 3 years.
16. As on the date of filing of the Draft Red Herring Prospectus with SEBI, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
17. Our Company shall allot at least 50% of the Issue to QIBs on a proportionate basis. 5% of the QIB Portion shall be reserved for Mutual Funds only subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except in the QIB category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.
18. All the Equity Shares of our Company are fully paid up as on the date of the Draft Red Herring Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
19. As per RBI regulations, OCBs are not allowed to participate in this Issue.
20. Following are the details of the shareholding of the Promoters and the members of the Promoter Group in our Company as on the date of the Draft Red Herring Prospectus:

(Face value of Equity Shares of ₹10 each)

Name of the Shareholders	Number of Equity Shares	% of Pre-Issue Equity Capital	% of Post – Issue Equity Capital
(A) Promoters			
Senthil Kumar	63,00,000	63.00	34.65
S. Sivagami	27,00,000	27.00	14.85
Total (A)	90,00,000	90.00	49.50
(B) Promoter Group			
Sennyappan Raju	99,838	1.00	0.55
Jayaprakash	99,838	1.00	0.55
Total (B)	1,99,676	2.00	1.10
Total (A) + (B)	91,99,676	92.00	50.60

21. Particulars of top ten shareholders:

(a) Particulars of the top ten shareholders as on the date of the Draft Red Herring Prospectus:

Sr. No	Name of shareholder	No. of Shares	% of the Issued Capital
1.	Senthil Kumar	63,00,000	63.80
2.	S. Sivagami	27,00,000	27.00
3.	Sennyappan Raju	99,838	1.00
4.	Adith Kumar	4,99,999	5.00
5.	Kannan Ramaswamy	1,80,625	1.80
6.	Jayaprakash	99,838	1.00
7.	Hemaram Mahaveer	1,00,000	1.00
8.	Susee Cars and Trucks Private Limited	19,700	0.20
Total		1,00,00,000	100.00

(b) Particulars of top ten shareholders ten days prior to the date of the Draft Red Herring Prospectus:

Sr. No	Name of shareholder	No. of Shares	% of the Issued Capital
1.	Senthil Kumar	63,00,000	63.00
2.	S. Sivagami	27,00,000	27.00

Sr. No	Name of shareholder	No. of Shares	% of the Issued Capital
3.	Senniyappan Raju	99,838	1.00
4.	Adith Kumar	4,99,999	5.00
5.	Kannan Ramaswamy	1,80,625	1.80
6.	Jayaprakash	99,838	1.00
7.	Hemaram Mahaveer	1,00,000	1.00
8.	Susee Cars and Trucks Private Limited	19,700	0.20
	Total	1,00,00,000	100.00

(c) Particulars of the top ten shareholders two years prior to the date of the Draft Red Herring Prospectus

Sr. No	Name of shareholder	No. of Shares	% of the then Issued Capital
1	Senthil Kumar	16,42,500	99.00%
2	Adith Kumar	9,999	1.00%
3	Kannan Ramaswamy	1	Negligible
	Total	16,52,500	100.00%

22. Our Company has not raised any bridge loan against the proceeds of this Issue.
23. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
24. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
25. A Bidder cannot make a Bid for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
26. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this issue.
27. We have 8 shareholders as on the date of filing of the Draft Red Herring Prospectus.
28. Our Promoters and the members of our Promoter Group will not participate in this Issue.
29. Our Company has not made any public issue since its incorporation.
30. Neither the BRLM, nor their associates hold any Equity Shares of our Company as on the date of the Draft Red Herring Prospectus.
31. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus with SEBI and the Bid/Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
32. For the details of transactions by our Company with our Promoter Group, Group Companies during the quarter ended June 30, 2011 and the last three Fiscals i.e., 2009, 2010 and 2011, please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” for standalone and consolidated statements in the chapter titled ‘*Financial Information*’ beginning on pages 139 and 170 respectively of the Draft Red Herring Prospectus.
33. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the section titled “*Our Management*” beginning on page 91 of the Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of this Issue are to raise funds for:

- (i) Setting up of Corporate Office
- (ii) Content Development
- (iii) Setting up cloud computing Infrastructure
- (iv) Setting up of A-Team learning development centres internationally
- (v) ERP Portal for College Management
- (vi) Marketing and Brand Building
- (viii) Advantage of Listing on Stock Exchanges

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

Utilization of the Net Proceeds

The details of utilization of Net Proceeds are as per the table set forth below:

		(₹ in Lacs)
Sr. No	Particular	Amount
1	Setting up of Corporate Office	753.88
2	Content Development	1,515.50
3	Setting up cloud computing Infrastructure	3,173.97
4	Setting up of A-Team learning development centres internationally	1,030.51
5	ERP Portal for College Management	1,170.00
7	Marketing and Brand Building	1,000.00
8	General Corporate Purposes	[●]
9	Issue Expenses	[●]
Total		[●]

Means of Finance

The above Cost of Project is proposed to be financed as under:

		(₹ in Lacs)
Sr. No.	Means of Finance	Amount
1.	Proceeds of the Initial Public Offering	[●]
Total		[●]

The entire requirements of the objects detailed above are intended to be funded from the issue proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance excluding the amount to be raised through the proposed public issue.

The fund requirement and deployment are based on management's internal estimates and have not been appraised by any bank or financial institution or any independent entity. Our plans are subject to a number of variables, including possible cost overruns, receipt of government approvals, and changes in management's views of the desirability of current plans, among others.

In case of any variations in the actual utilization of funds earmarked for the objects set forth above, increased fund deployed for a particular object may be met with by surplus funds, if any available in respect of any other object for which the funds are being raised in the Issue, subject to applicable law, and/or our Company's internal accruals, and/ or the term loans/working capital loans that may be availed from the Banks/ Financial Institutions. In the event of any shortfall in the Issue proceeds, the requirement shall be satisfied from internal accruals.

Details of the Objects

1. Purchase / Setting up of Corporate Office

Our company has entered into a memorandum of understanding dated October 29, 2011 to purchase Land at Old Door No.76, New Door No.2, East Jones Road, Saidapet, Chennai-600015 with Mr. N. Guhan admeasuring 8,456 sq. ft. at a rate of approximately ₹ 4,730 per sq. ft. which amounts to ₹ 4,00,00,000 (Four crore only). The new office premises will augment our current office premises and will house our employees across various teams.

Further we plan to build an office at this site for which we have obtained a quote from M/s Define Design Concepts dated October 15, 2011. The details of which are given below the estimated outlay.

The Estimated outlay as per quotation and MOU for setting up corporate office computing are as follows:

(₹ In Lacs)				
Sr. No	Particulars	Rate Per Sq. Ft.	Total Area	Total Cost
1	Land	4,730	8,456	400.00
2	Construction Cost, Furnishing and Landscaping	4,238	8,350	353.88
Total				753.88

Details of quote for commercial building

(₹ In Lacs)					
Sr. No	Particulars	Area	Unit	Rate	Amount
I.	Civil Works	8350	Sq. Ft.	1,000	83.50
II.	Elevation Works	8350	Sq. Ft.	200	16.70
III.	Electrical (Including Transformer and Related Work)	8350	Sq. Ft.	150	12.53
IV.	Plumbing (For external and internal pipeline for plumbing and sanitary)	8350	Sq. Ft.	75	6.26
V.	Lifts (2 nos. of machine rooms less Lift)	8350	Sq. Ft.	-	25.00
VI.	Generator (250 KW)	8350	Sq. Ft.	-	15.00
VII.	Fire Fighting equipment	8350	Sq. Ft.	50	4.18
VIII.	Air Conditioning	8350	Sq. Ft.	175	14.61
IX.	Landscaping	8350	Sq. Ft.	50	4.18
X.	Interiors	8350	Sq. Ft.	1,500	125.25
XI.	Miscellaneous (including consultancy fee, CDMA deposit, etc.)	8350	Sq. Ft.	-	2.00
	Work Value			-	309.20
XII.	Contingencies (5% of Work Value)	8350	Sq. Ft.	5%	15.46
Total estimated Value (Excluding Fee)					324.66
Cost per sq. ft. (excluding fees)					3,888
XIII.	Architectural Fees	8350	5% of Total Value		16.23
XIV.	Interior Design Fees	8350	3% of Total Value		9.74
XV.	Other Consultants Fees (such as structural, Electrical, Plumbing, HVAC, Landscape, Lighting etc.)		1% of Total Value		3.25
Grand Total					353.88

2. Content Development:

As a part of our customer penetration strategy, we plan to build new delivery platform which will help us in delivering content to students in electronic format (Audio/ Video). It will enable students to upgrade themselves from physical reading to an e-book.

This method of delivery of content would have two parts which are namely:

- (i) Content
- (ii) Platform

Content: We propose to prepare 21,925 hours of content for this delivery model from ‘EdServ Softsystems Limited’, which would have lectures on all subjects that are currently being offered by our clients.

The content would be in Audio and Video form encompassing:

- Audio/Videos of Lectures on all engineering subjects covering the entire AICTE curriculum
- Audio/Videos of Lectures on Professional Courses.

The Audio/Video content would be supplemented with reference material and work books in e-book formats along with assignment material.

Platform: We plan to use cloud based delivery platform using the internet or intranet system of our client for delivery of content depending on infrastructure and requirement. This service would need a platform that we would additionally build for hoisting the data and content. This platform would be accessible only through a secured login.

Through this service we are trying to upgrade our customers to a level where our revenue becomes linked to the content.

The Estimated expenditure on building the delivery platform and creation of content as per quotation received from EdServ Softsystems Limited on November 1, 2011 is as follows

Sr. no.	Particulars	Duration (In hours)	Rate/hour (₹)	Total (₹ in Lacs)
1	Audio, Video Content#	21,925	6,000	1,315.50
2	Delivery Platform	Management Estimates		200.00
	Total			1,515.50

Based on quote received from Edserv Softsystems Limited dated November 1, 2011

Details of Content

Sr. No.	Content Development	Hours of Audio/Video Content
	<u>IT Pre E - Learning courses</u>	
1	Office Productivity Courses	360
2	Internet Application Courses	270
3	Open Office 3.0 Course	180
4	Operating System Course	160
5	CAD/CAM Courses	180
6	DTP Courses	220
7	Graphic Designing Courses	660
8	2D and 3D Animation courses	320
9	Video Editing Courses	220
10	Web Designing Courses	130
11	Program Language Courses	290
12	Java Programming Courses	160
13	Net Programming Courses	590
14	Web Development courses	220
15	Database Programming courses	330
16	Accounting Courses	240
	<u>Core Engineering Courses - Anna University</u>	
17	Basic of Digital Electronics	1,680
18	Engineering Mathematics	1,340

19	Digital Signal Processing	1,760
20	VLSI Design with Verilog HDL	1,925
21	Electronics Circuit Design	1,400
22	Engineering Mechanics	1,250
23	Engineering Drawing	1,125
24	Electrical Machines and Drives	1,650
25	Computer Graphics and Drafting	1,230
26	Computer Aided Manufacturing	1,600
27	Total Quality Manufacturing	975
28	Design of pressure Vessels and Piping	1,460
Total		21,925

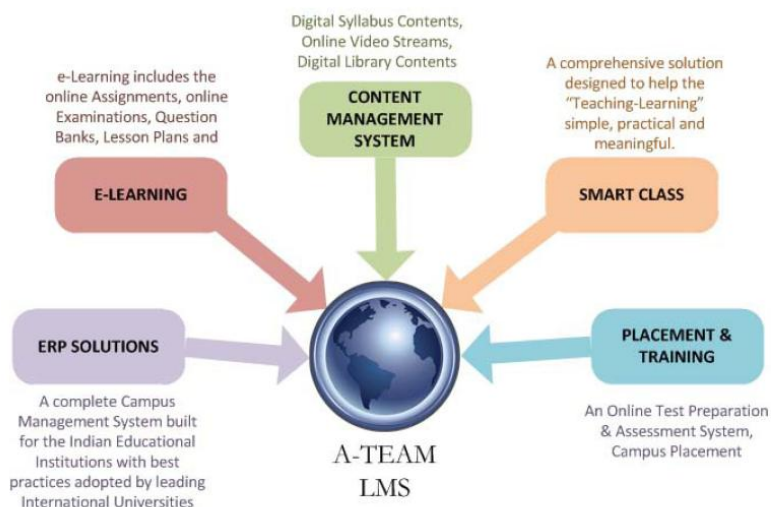
3. Set up of Cloud Computing:

With the ever increasing availability of content digitally, storage space has to increase in proportion. This is true for most growing enterprises that are not only growing in terms of manpower and number of clients but also in terms of their services and operations. These activities have resulted in additional data creation; exchange and accumulation, which require additional storage space. The problem is compounded by the inclination of most enterprises to store data on their own servers for maintaining data integrity.

The advantages of a cloud computing setup are:

- No capital expenditure on servers and software's, which result in lower spending on infrastructure
- Low spend requirement on technology change
- Lower spend on hiring network managers
- Easier to manage network with professional expertise

Structure of A-Team Learning Management System (LMS)



We intend to purchase the following equipments for the proposed cloud computing facility. We have relied upon the following quotations for cloud computing and details of the same are summarized as follows:

A. Cost of setting up centralized Data Center

Sr. No.	Particulars	Supplier	Quotation Date	Cost (₹ Lacs)
1	Blade server systems with enterprise virtual array (EVA) storage systems with redundancy from enclosure to CPU Level and Network Components – core switch, routers, load balancers, fire walls	Hewlett-Packard India Sales Private Limited	October 17, 2011,	920.15
2	Software and application licenses	Hewlett-Packard	October 24,	48.75

		India Sales Private Limited	2011,	
3	Ductable cooling system (Make Carrier)	Sainik Engineers	October 20, 2011,	10.20
4	Power Back up (Modulon 80kVA True Online Double Conversion PWM UPS with 120 minutes battery backup)	Delta Power Solutions (India) Pvt. Ltd	October 27, 2011,	26.84
5	Space with raised access flooring, false ceiling, cable trays	Management Estimate		15.00
6	Fire protection and security systems	Management Estimate		10.00
Total				1,030.94

B. Cost of setting up a center at client location

Sr. No.	Particulars	Supplier	Quotation Date	Cost per centre (₹ Lacs)
1.	Blade Servers, Core Switches and other hardware component for setting up of spoke centres	Hewlett-Packard India Sales Private Limited	October ,21 2011	18.66
2.	Firewall and installation and support charges for one year	Raksha Technologies Private Limited	October 24, 2011	7.59
3.	Unitile raised access flooring	United Access Floors Private Limited	October 20, 2011	2.33
Total				28.57

Cost of setting up Cloud Computing Infrastructure

Sr. No.	Particulars	Cost (₹ Lacs)
A	Cost of setting up the central data centre	1,030.94
B	Cost of setting up 75 hub data centres (75x28.57)	2,143.04
Total		3,173.97

4. Setting up of A-Team learning development centers internationally:

We intend to build an international presence by opening learning development centres in Dubai, Sri Lanka and Singapore.

The estimated cost for establishment of these offices would comprise of advance rent and deposit for lease/license arrangements, broker commissions, investment into furniture and fixtures, installation of computers and other office equipments. Since these offices are going to be similar on manpower requirement the equipment are standard in nature and the estimated costs remain largely the same. However, the rents and deposits for lease/license arrangements and expenses towards furnishing may vary slightly based on country.

The estimate of expenses required to set up the learning development centres are as follows:

Sr. No.	Particulars	Cost (₹ Lacs)*
1	Deposits	425.15
2	IT and other Office Equipments	173.75
3	Furniture and Fixtures	330.00
4	Brokers Commissions	20.30
5	Hiring and other miscellaneous costs	81.31
TOTAL		1,030.51

*Based on Management estimates

We have not entered into any definitive arrangements for establishing any office. Further, no second hand equipment and instruments have been purchased or are proposed to be purchased from the Net Proceeds. Presently, no expenditure has been incurred by us towards this objective. A significant portion of the net issue proceeds would be utilised for development of this business line. This is a new business activity for the company with no performance track record.

5. Enterprise Resource Planning (ERP) Portal for College Management:

Our Company proposes to extend our business to services and infrastructure management. We plan to build a product specifically for management of campus called as A-Team Campus management system (A-TCMS). This system would covers the entire gamut of campus administration related activities, such as Fee Processing, Payroll Management, Inventory, Library Management, Student's Reports & Performance Reviews and more. It also facilitates effective communication between the College Management, Parents, Students and Faculties.

Through this portal we plan to streamline the processes of collages and increase their productivity and also create and maintain a central database of all students and knowledge material which can be used commercially by us for other purposes.

Benefits to an institution using this service are:

1. Streamlined day-to-day administrative operations
2. Hassle-free and on demand report generations for reviews
3. Easy, progressive communication between students, faculty, parents and institution management
4. e-Commerce integration for fees collections
5. Efficient monitoring of students and staffs
6. Measurable increase in productivity

The quotations for setting up portal are as follows:

		(₹ in Lacs)
Sr. No.	Particulars	Estimates
1	Requirement analysis institutions and to arrive at the detailed functional requirement*	100.00
2	Specification Analysis and Planning *	75.00
3	Architecture and detailed designing*	300.00
4	Implementation*	500.00
5	Testing*	75.00
6	Deployment*	120.00
Total		1170.00

*Based on management estimates

6. Marketing and Brand Building:

Our business is built on credentials and driven by trust and competitiveness of our services. Our business has grown on the relationships that our company has established over last couple of decades. To enter the next level of growth we would have to expand our client base by offering a wider basket of services.

We believe that brand building would be an important element of our corporate strategy in the near future. This initiative would be divided in two parts, viz. Corporate brand building and brand building around the services of our company. We intend to leverage our brand for business generation and attracting the best talent from the industry. Most of our branding and marketing initiatives would be client segment specific, but on a recurring and multi-year basis. We have earmarked a budget of ₹ 500 lacs per year for the next two years for this purpose as a minimum necessary investment, totalling to ₹ 1000 Lacs. Most of these expenses would be in terms of event sponsorships, advertisements in trade publications and conducting networking events. The motive would be build-on business opportunity for our enterprise from a long term perspective.

		(₹ in Lacs)
Sr. No.	Particulars	Estimates*
1.	Electronic Media	250
2.	Print Media	350
3.	Outdoor	300
4.	Event and Sponsorship	100
Total		1000

*Based on Management estimates

7. General Corporate Purposes:

Our Company intends to deploy the balance of the Proceeds of the Issue aggregating ₹ [●] towards general corporate purposes, including but not restricted to strategic initiatives, business acquisitions, organic growth opportunities strengthening of our marketing capabilities and contingencies which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors.

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

Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change.

8. **Issue Expenses:**

The expenses for the issue includes among others, underwriters, management fees, selling commission, printing and distribution expenses, legal fees, statutory advertising expenses and listing fees payable to the exchange. The estimated issue expenses would be ₹ [●].

Sr. No.	Activity	Amount	Percentage of Issue Expenses	Percentage of Issue Size
1.	Lead Management Fees, Underwriting and Selling Commission	[●]	[●]	[●]
2.	Advertisement and Marketing Expenses	[●]	[●]	[●]
3.	IPO Grading Expenses	[●]	[●]	[●]
4.	Printing and Stationery Expenses	[●]	[●]	[●]
5.	Others (Registrar fees, Legal fees, Booking Building software, Stamp Duty, etc.)	[●]	[●]	[●]
	Total	[●]	[●]	[●]

*will be incorporated after finalization of the Issue Price.

Schedule of Implementation:

Sr. No.	Activity	Expected date of Commencement	Expected date of Completion
1	Purchase/ Setting up of the corporate office	Q1 FY 13	Q2 FY 14
2	Content Development	Q1 FY 13	Q3 FY 13
3	Set up of Cloud Computing	Q1 FY 13	Q4 FY 13
4	To set up A-Team learning development centre internationally	Q1 FY 13	Q4 FY 13
5	ERP Portal for College Management	Q1 FY 13	Q1 FY 14
7	Marketing and Brand Building	Q1 FY 13	Q4 FY 14
8	General Corporate Purposes	Q1 FY 13	Q4 FY 13
9	Issue Expenses	Q1 FY 13	Q1 FY 13

Proposed Year Wise deployment of Funds:

The overall cost of the proposed objects and the proposed schedule of deployment of funds are set out below:

Sr. No.	Objects	Amount (₹ Lacs)	FY 13	FY 14
1	Setting up of Corporate Office	753.88	635.92	117.96
2	Content Development	1,515.50	1,515.50	-
3	Setting up cloud computing Infrastructure	3,173.97	3,173.97	-
4	Setting up of A-Team learning development centres internationally	1,030.51	1,030.51	-
5	ERP Portal for College Management	1,170.00	936.00	234.00

Sr. No.	Objects	Amount (₹ Lacs)	FY 13	FY 14
7	Marketing and Brand Building	1,000.00	500.00	500.00
8	General Corporate Purposes	[•]	[•]	[•]
9	Issue Expenses	[•]	[•]	[•]

Funds Deployed

We have not incurred any expenditure for the above mentioned objects as of date of the Draft Red Herring Prospectus.

Interim Use of Funds

The Company, in accordance with the policies set up by the Board, will have flexibility in deploying the proceeds received from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the funds in high quality interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments. Such investments would be in accordance with investment policies approved by our Board of Directors from time to time. The company confirms that pending utilization of the Issue proceeds shall not use the funds for any investment in the Equity markets.

Appraisals

Our project has not been appraised by any bank or financial institution.

Shortfall in Issue Proceeds

In the event of any shortfall, the quantum of funds to be deployed in Business Ventures by the Company would be reduced accordingly.

Monitoring of Utilizations of Funds

The Board will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the Balance Sheet of our Company for the relevant fiscals subsequent to the Issue.

Pursuant to Clause 49 of the Listing Agreement, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditors of our Company.

Furthermore, in accordance with clause 43A of the Listing Agreement, our Company shall furnish to the stock exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the process of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the Proceeds will be paid by our Company as consideration to our Promoters, our Directors, our Company's key Managerial Personnel or companies promoted by our Promoters except in the normal course of business.

BASIC TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, ASBA Bid-cum-Application Form the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer chapter titled “*Main Provisions of Articles of Association*” beginning on page 247 of the Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

Sharing of Expenses

Except for the listing fees and non-statutory advertisement and marketing expenses, which will be borne by our Company, expenses relating to the Issue will be borne by our Company in proportion of the Equity Shares contributed to the Issue. For further details in this regard, please refer chapters titled “*Other Regulatory and Statutory Disclosures – Issue Related Expenses*” and “*Objects of the Issue*” on pages 201 and 38, respectively of the Draft Red Herring Prospectus.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) of wide circulation, and one regional (Tamil) daily newspaper of wide circulation, where the Registered Office of our Company is situated, at least two Working Days prior to the Bid/ Issue Opening Date.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all 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 Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and

- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer chapter titled “*Main Provisions of Articles of Association*” beginning on page 247 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. Our Company shall ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing date.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 12 Working Days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. For further details please refer to the chapter titled “*Terms of the Issue*” beginning on page 204 of the Draft Red Herring Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for Disposal of Odd Lots

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoter’s minimum contribution lock-in in the Issue as detailed in the chapter titled “*Capital Structure*” on page 28 of the Draft Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details, please refer chapter titled “*Main Provisions of the Articles of Association*” on page 247 of the Draft Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company, in consultation with the BRLM, on the basis of the assessment of market demand for the offered Equity Shares by the Book Building Process. The face value of the Equity Shares of our Company is ₹10 and the Issue Price is ₹ [●] times of the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should review the entire Draft Red Herring Prospectus, including the sections “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Financial Statements*” beginning on pages number xiv, 57, 70 and 112 respectively, of the Draft Red Herring Prospectus to get a more informed view before making an investment decision.

Qualitative Factors

1. Our company operates in a high growth industry.
2. Our strong long standing relationship with customers has resulted in high repeat business.
3. We also offer turnkey solutions to our customers.

For more details on quantitative factors, please refer to sections titled “*Industry Overview*”, “*Our Business*” and “*Risk Factors*” on pages 57, 70 and xiv respectively, of the Draft Red Herring Prospectus.

Quantitative Factors

Information presented in this section is derived from our standalone and consolidated restated financial statement in accordance with Indian GAAP standards.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows

1. Weighted Average Earnings Per Share (“EPS”).

Financial Period	Weight	Standalone		Consolidated	
		Basic EPS (₹)	Diluted EPS (₹)	Basic EPS (₹)	Diluted EPS (₹)
Year ended March 31, 2009	1	(9.00)	(9.00)	NA	NA
Year ended March 31, 2010	2	0.49	0.49	NA	NA
Year ended March 31, 2011	3	4.12	4.12	8.38	8.38
Weighted Average		0.72	0.72	8.38	8.38
Quarter ended June 30, 2011		0.08	0.08	0.75	0.75

Note:

1. Earnings per share calculations are in accordance with Accounting Standard – 20 ‘Earnings per Share’ issued by the Institute of Chartered Accountants of India.
2. The face value of each Equity Share is ₹ 10/-.
3. Earnings figures used are those after extra-ordinary items.
4. The Basic earnings per share (₹) are calculated by dividing the net profit after tax, as restated, for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.
5. The Diluted earnings per share (₹) has been computed by dividing net profit after tax, as restated, attributable to equity shareholders by weighted average number of dilutive potential equity shares outstanding during the period.

2. Price Earnings Ratio (“P/E”) in relation to Issue Price of 10 per share.

Particulars	P/E ratio
P/E ratio in relation to the Floor Price	[●]
P/E ratio in relation to the Cap Price	[●]
P/E based on EPS for the year ended March 31, 2011	[●]
P/E based on Weighted average EPS	[●]

Particulars	P/E ratio
Industry P/E*	
Highest	16.0 Times
Lowest	3.6 Times
Industry Composite	10.3 Times

* Source: Annual filings of the companies on Bombay Stock Exchange

3. Returns on Net Worth (“RoNW”)

Financial Period	Weight	Standalone basis RoNW (%)	Consolidated basis RoNW (%)
Year ended March 31, 2009	1	(19.07)	NA
Year ended March 31, 2010	2	1.60	NA
Year ended March 31, 2011	3	22.77	19.45
Weighted Average		8.74	19.45
Quarter ended June 30, 2011		0.63	4.07

Note: The RoNW has been computed by dividing net profit before extraordinary items and after tax as restated by net worth including share application money and excluding revaluation reserve, if any, at the end of the year.

4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS for the year ended March 31, 2011

- At the higher end of the price band [●] %
- At the lower end of the price band [●] %

5. Net Assets Value per Equity Share (“NAV”)

Financial Period	Weight	Standalone basis Net Asset Value per Equity Share (₹)	Consolidated basis Net Asset Value per Equity Share (₹)
Year ended March 31, 2009	1	47.19	NA
Year ended March 31, 2010	2	30.92	NA
Year ended March 31, 2011	3	14.83	18.83
Weighted Average		25.59	18.83
Quarter ended June 30, 2011		12.90	15.73

Note: The NAV per share has been computed by dividing net worth, as restated, including share application money and excluding revaluation reserve, if any, at the end of the year/period by weighted average number of equity shares outstanding at the end of the year/period

6. Comparison of Accounting Ratios with Industry Peers

Comparison of accounting ratios of our company with accounting ratios of peers in the industry, which are to some extent similar in business; for FY 2011 is as under:

Name of the Company*	Share Price Nov 2, 2011(BSE)	Face Value	Market Capitalisation (in ₹ Lacs)	EPS March 2011	Book Value (Per Share) Mar 2011	RoNW % March 2011	PE x
A – Team Edutech Limited	NA	10	NA	8.38	18.83	19.45	NA
Peer Group							
Educomp Solutions Limited	273	2	260,645	35.80	225.85	15.85%	7.6
Edserv Softsystems Limited	94	10	14,697	26.46	98.61	26.83%	3.6
Everonn Education Limited	378	10	71,950	35.54	273.63	12.99%	10.6
Aptech Limited	125	10	61,159	8.91	55.94	15.92%	14.1
NIIT Limited	48	2	79,411	3.01	25.22	11.95%	16.0
Core Education and Technologies Limited	280	2	305,389	20.62	108.36	19.03%	13.6

**Source: All the financial information for Peer Group mentioned above are on consolidated basis apart from NIIT limited and is sourced from the annual reports of the respective company for the year ended March 31, 2011.*

Note 1: Basic EPS refers to the basic EPS calculated by dividing the Net Profit sourced from the annual reports of the respective company for the year ended March 31, 2011 by number of shares outstanding as on March 31, 2011 sourced from company information section in Bombay Stock Exchange.

Note 2: P/E Ratio has been computed based on the closing market price of equity shares on the BSE as on November 2, 2011, divided by the basic EPS.

Note 3: RoNW is computed as net profit after tax divided by closing net worth. Net worth has been computed as sum of equity share capital and reserves & surplus (excluding revaluation reserve) minus miscellaneous expenditure sourced from the balance sheet of the respective companies for year ending March 31, 2011.

Note 4: Book Value is computed as the closing net worth divided by the closing outstanding number of equity shares as on records of BSE of March 31, 2011.

The Issue Price of ₹ [●] per Equity Share has been determined by our Company in consultation with the BRLM on the basis of assessment of the market demand from investors for the offered Equity Shares through the Book Building Process. The BRLM believes that the Issue Price of ₹ [●] is justified in view of the above qualitative and quantitative parameters.

The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value of the Equity Shares.

Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular the sections titled “Risk Factors”, “Our Business” and “Financial Statements” beginning on pages xiv, 70 and 112 respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

To
The Board of Directors
A-Team Edutech Limited,
B-2/B, Vijayaraghava Apartments
No. 1, Vijayaraghava Road,
T. Nagar, Chennai
Tamilnadu 600018

Dear Sirs,

Statement of Tax Benefits

We hereby report that the enclosed annexure states the tax benefits available to A-Team Edutech Limited (herein after referred as “Company”) and its shareholders under the tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependant upon fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, each investor is advised to consult their 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 / or 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 Vivekanandan Associates
Chartered Accountants
Firm’s Registration No. 05268 S

Place: Chennai
Date: 19.08.2011

(S. Dehaleesan)
Partner
Membership No: 27312

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO A-TEAM EDUTECH LIMITED AND TO ITS SHAREHOLDERS

I. SPECIAL SPECIFIC TAX BENEFITS

A. Benefits available to the company under the Income Tax Act, 1961 (“The I.T. Act”)

- Under section 10(34) of the I.T. Act, dividend income (whether interim or final) referred to in section 115-O of the I.T Act, received by the Company, is exempt from tax in the hands of Company
- By virtue of section 10(35) of the I.T. Act, the following income shall be exempt, in the hands of the Company:
 - a. Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or
 - b. Income received in respect of units from the Administrator of the specified undertaking; or
 - c. Income received in respect of units from the specified company:

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

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

- Under section 32 of the I.T. Act, the Company is entitled to claim depreciation, subject to the conditions specified therein, at the prescribed rates on its specified assets used for its business
- Under section 35D the Company is entitled to amortise such certain preliminary expenditure including expenditure in connection with the issue, for public subscription, of shares of the company, being under writing commission, brokerage and charges for drafting, typing, printing, advertisement, etc., of the prospectus.
- By virtue of Section 115JAA of the IT Act, Tax Credit of MAT paid shall be allowed in future year in which tax becomes payable on the total income computed in accordance with the provisions other than section 115JB. Carry forward of such Tax Credit shall not be allowed beyond the tenth assessment year immediately succeeding the assessment year in which tax credit becomes allowable.

B. To the Members of the Company

B1. Under the Income Tax Act, 1961

1. All Members

- By virtue of Section 10(38) of the Income Tax Act, 1961, income arising from transfer of a long term capital asset, being an equity share in the Company is exempt from tax, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force and such transaction is chargeable to the Securities Transaction Tax under that Chapter. However, the long-term capital gain of a share holder being a company shall be subject to income tax computed on book profit under section 115JB of the Income Tax Act, 1961
- By virtue of Section 111A inserted by Finance (No.2) Act, 2004, Short term capital gain on transfer of equity share of the Company shall be chargeable to tax @ 15%, if the transaction of such sale has been entered into on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that Chapter

2. Resident Members

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from a domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the shareholders.
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto ₹ 50 lacs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956;

If only part of the capital gain 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 within three years from the date of their acquisition.

- Under Section 54F of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the Company will be exempt from capital gain tax, if the net consideration from such shares are used for purchase of 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 residential house property within a period of three years after the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted within three years from the date of their acquisition.
- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and education cess) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and education cess) (without indexation), at the option of the Shareholders.

3. Non Resident Indians/Members (other than FIIs and Foreign Venture Capital Investors)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend income from domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the recipients.

Tax on Investment Income and Long Term Capital Gain

- A non-resident Indian (i.e. an individual being a citizen of India or person of Indian Origin) has an option to be governed by the provisions of Chapter XIIA of the Income Tax Act, 1961 viz. "Special Provisions Relating to Incomes of Non-Residents"
- Under Section 115E of the Income Tax Act, 1961, where shares in the Company are subscribed for in convertible Foreign Exchange by a Non Resident Indian, capital gains arising to the non-resident on transfer of shares held for period exceeding 12 months shall be concessionaly taxed at the flat rate of 10% (plus applicable surcharge and education cess) without indexation benefit but with protection against foreign exchange fluctuation. Capital gain on transfer of Foreign Exchange Assets, not to be charged in certain cases.
- Under provisions of Section 115F of the Income Tax Act, 1961, long term capital gains 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 in any savings certificates referred to in clause 4B of Section 10 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 or any such savings certificates are transferred or converted within three years from the date of their acquisition.

Other Provisions

- Under the first proviso to Section 48 of the Income Tax Act, 1961, in case of a non-resident, in computing the capital gains arising from transfer of shares of the Company acquired in convertible foreign exchange (as per exchange control regulations) protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gains are invested upto ₹ 50 lacs within a period of 6 months from the date of transfer in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, a Company formed and registered under the Companies Act, 1956;
 - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted within three years from the date of their acquisition.
- Under Section 54F of the Income Tax Act, 1961 and subject to the condition and to the extent specified therein, long term capital gains 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 other conditions, if the net consideration from such shares are used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted within three years from the date of their acquisition.
- Under Section 112 of the Income Tax Act, 1961 and other relevant provisions of the Act, long term capital gains arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months shall be taxed at a rate of 20% (plus applicable surcharge and Education Cess) after indexation as provided in the second proviso to Section 48; indexation not available if investments made in foreign currency as per the first proviso to section 48 stated above) or at 10% (plus applicable surcharge and Education Cess) (without indexation), at the option of assessee.

4. Mutual Funds

- In terms of Section 10 (23D) of the Income Tax Act, 1961, mutual funds registered under the Securities and Exchange Board of India Act 1992 and such other mutual funds set up by public sector banks or public financial institutions authorized by the Reserve Bank of India and subject to the conditions specified therein, are eligible for exemption from income tax on their entire income, including income from investment in the shares of the company.

5. Foreign Institutional Investors (FIIs)

- By virtue of Section 10(34) of the IT Act, income earned by way of dividend from another domestic company referred to in Section 115-0 of the IT Act, is exempt from tax in the hands of the institutional investor

- The income by way of short term or long term capital gains realized by FIIs on sale of shares in the Company would be taxed at the following rates as per Section 115AD of the Income Tax Act, 1961.
 - Short term capital gains - 30% (plus applicable surcharge and Education Cess)
 - Short term capital gains covered U/s 111A- 15% (plus applicable surcharge and Education Cess)
 - Long term capital gains - 10% (without cost indexation) plus applicable surcharge and Education Cess (shares held in a company would be considered as a long term capital asset provided they are held for a period exceeding 12 months)
- Under Section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains arising on the transfer of shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in the bonds issued by
 - National Highways Authority of India constituted under section 3 of National Highways Authority of India Act, 1988;
 - Rural Electrification Corporation Limited, registered under the Companies Act, 1956;
 - If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the new assets are transferred or converted within three years from the date of their acquisition.

6. Venture Capital Companies / Funds

- In terms of Section 10 (23FB) of the Income Tax Act, 1961, all Venture Capital Companies Funds set up to raise funds for investment and registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on all their income, including income from dividend.

B2. Under the Wealth Tax Act, 1957

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of Section 2 (ea) of Wealth Tax Act, 1957 hence Wealth Tax Act will not be applicable.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2011 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non residents, taxability of capital gains 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 fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her participation in the issue.
4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

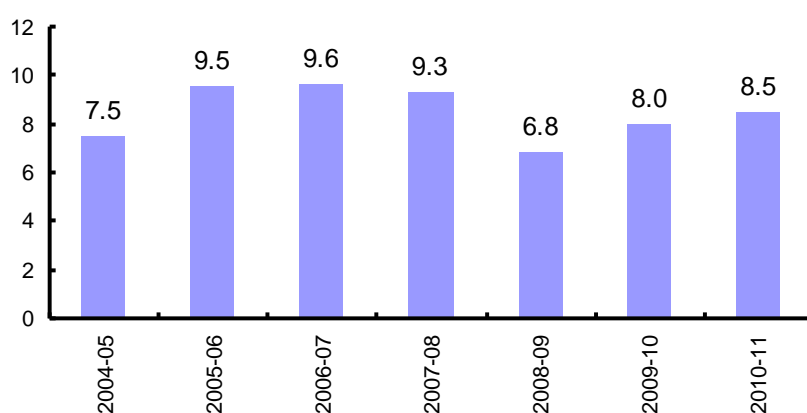
SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Indian Economy

Indian economy registered a growth of 8.5 per cent in 2010-11, as against 8.6 per cent in advance estimates. The downward revision in the GDP growth rate is mainly on account of lower performance in mining & quarrying, manufacturing & trade, hotels, transport, & communication and financing, insurance, real estate & business services than anticipated. Economic activities which showed significant growth in 2010-11 over the corresponding period last year were agriculture, forestry & fishing (6.6 per cent), construction (8.1 per cent), trade, hotels, transport & communications (10.3 per cent) and insurance, real estate & business services (9.9 per cent). (Source: MOSPI)

GDP Growth Rate



(Source: MOSPI and Planning commission)

Prime Ministers Economic Advisory council in its earlier projection in July 2010 and January 2011 had placed growth rate of Indian economy for Fiscal 2012 at 9 percent. However the inflationary situation and investment slowdown have necessitated a downward revision. The counsel expects economy to grow at 8.2 percent during the fiscal with agriculture growing at 3.0 percent, industry at 7.1 percent and services a 10 percent. This downgrade was a result of external conditions which in culmination with inflationary pressure and other factors India.

(Source: http://eac.gov.in/reports/eco_out1112.pdf)

More over a poll of more than 20 economists, conducted by Reuters in July, showed the median estimate for GDP growth target of fiscal 2012 down to 7.9 percent from 8.3 percent in the previous poll in May.

(Source : <http://www.indicus.net/Media/index.php/mediahome/1697-indian-economic-growth-seen-hurt-by-inflation-rate-pressures>)

Even after the downgrades for short term by various bodies, long term growth forecasts for the country continue to hold as earlier India is still expected to be one of the top four world economies by 2030.

Education

Education or teaching in the broadest sense is any act or experience that has a formative effect on the mind, character or physical ability of an individual. In its technical sense education is the process by which society deliberately transmits its accumulated knowledge, skills and values from one generation to another.

(Source: <http://www.aicte-india.org/education.htm>)

Education and Literacy

The difference between education and literacy is widely discussed topic in the recent times. It is true that the word literacy indicates one's ability of reading and writing. Whereas education denotes one's ability of understanding and analyzing a given issue better using the tools acquired by the person during the course of getting educated.

Indian Education System

India with over 1 billion population has the second largest education system in the world after china. This sector is powered by public as well as private sector, with control and funding coming from 3 levels: federal, state and local.

A single word that describes the education system in the country is divergent. On one end we have Kerala with 93.9% literacy rate (2011 census) and on the other we have Bihar with only 63.8% literates (2011 census). But another facet of this situation is that this gap has improved significantly in last 10 years where the gap between literacy rates for two states has reduced from 43.9 percentage points (2001) to 30.1 percentage points (2011). The general rate of literacy in the country has climbed up from 64.8% in 2001 to 74.04% in 2011. However the government is still trying hard to achieve the target of 85% literacy as set out by planning commission to be achieved by year 2012

Today Indian education system is trying to move ahead from strength to strength despite all the limitations posed by limited resources that can be pledged towards education. Its education infrastructure is slowly improving with every passing year and en as on date churning out some of the world's best professionals. A important element of this change is the participation of private sector in the sector at various levels. Today private sector is not only an important force in empowering the education ancillary services but also running the temples of learning to enlighten the students of this country.

This change has come about with the fact that a significant part of Indian population has started saving for their children's higher education. With education gradually being looked at as an investment as opposed to an inevitable expense, the higher education market size in India is expected to grow by over US\$30 billion in the next five years. With this change people were fast in lapping up this huge opportunity in a recession proof sector.

Literacy Rate in India

Year	1961	1971	1981	1991	2001	2011
Rate/ Percentage	28.3%	34.4%	43.6%	52.2%	64.8%	74.0%

(Source: http://articles.economicstimes.indiatimes.com/2011-03-31/news/29366142_1_literacy-rate-centage-points-males;MOSPI and http://planningcommission.nic.in/data/datatable/1705/final_132.pdf)

In the last 50 years, education has been a priority sector for the government of India. As can be seen in the above data, literacy rate in India has been evolving at a constant pace over last 50 years which has gained momentum in the last 30 years. This change has come about with the increasing realization of importance of education in well being and growth of a nation. Till 1991 population was seen as a problem in the country. But then came the services boom which changed the mindset of policy makers and public. Since then the focus on education was rekindled and the sector gain attention.

Indian Education Sector: - A Fast Growing Market

During a study conducted in 2010 the Associated Chambers of Commerce and Industry of India found that about 55% of the country's middle class households have started saving for their children's higher education. With education gradually being looked at as an investment as opposed to an inevitable expense, the higher education market size in India is expected to grow by over US\$30 billion in the next five years. The association's report revealed that the government is planning to spend about 5% of its GDP revenues in the next five years on education. Subsequently, India's market for primary, secondary and tertiary education could be over US\$50 billion by the year 2015.

India's education market is estimated to be about US\$25 billion with its higher education market being put at

just less than US\$15 billion. On the other hand, the primary, secondary and higher secondary education market are valued at US\$10 billion according to current estimates. According to the study about 9% of middle level households saved for education a few years back which has risen to 55% over the period.

ASSOCHAM remained hopeful that in the next five years, the total market size of Indian education might go beyond US\$50 billion due to higher GDP spending expectations on the sector, an increase in disposable income for urban areas and the planned increase in enrolment to higher education of 15% from its lows at 9% currently.

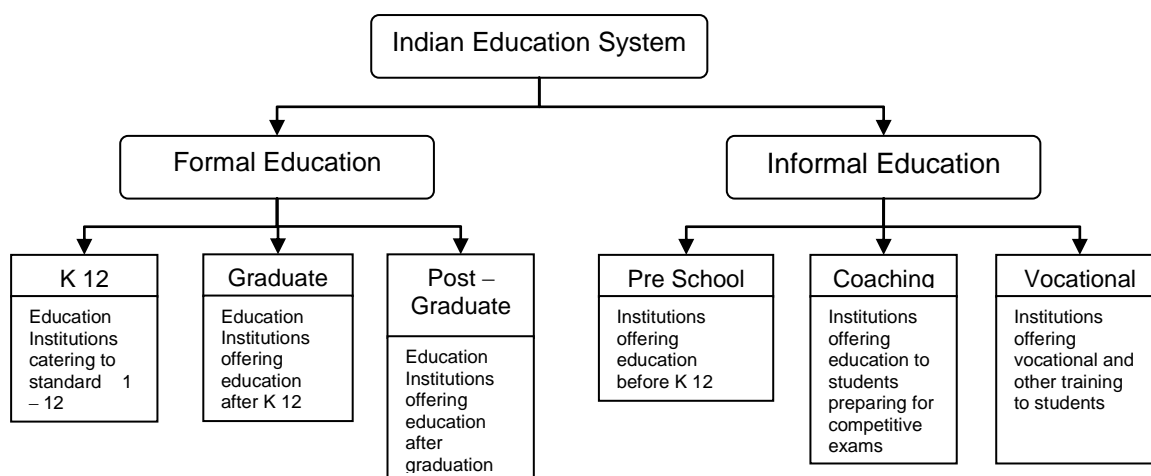
ASSOCHAM projections pointed out that the 2009/2010 fiscal year witnessed about 15% of the country's urban per capita monthly household income spent on education. When the gross enrolment ratio is contrasted against a global average of 23%, 54.6% for developed countries and 23% for Asian countries; India has a low of 10%. Many constraints in the education sector in the country have over the time pushed students to private institutions. About 45,000 Indian students spend a total of US\$30 billion on overseas education.

Access to education remains an issue in India despite the government's massive investments in the sector. However, a new government law that makes education mandatory for all children and compels private schools to reserve one quarter of their admissions for students from impoverished backgrounds is expected to bridge the inequalities.

(Source: <http://www.investinindia.com/news/investment-potential-indian-education-industry-expected-cross-50-billion-mark-2015>)

Indian Education System: - Structure

Indian education system can broadly be classified in formal and informal education system. Basic difference between these two systems is that of regulation. Formal system is regulated by various bodies constituted by central and state government, whereas the informal system is not governed by any direct regulations. Another difference between two systems is the course they teach. On one hand we have various government bodies like NCERT deciding the course for the formal system on the other hand informal system prescribes its own course which is some time in conjunction or similar to formal system but does not strictly adhere to the guidelines.



The sector that supports / services entire education and training sector both formally and informally is the educational services sector. Education services have been existent in the country since education sector came up. The scope of these services is very large encompass services like

- Transport Fleet Management
- Printing and Publication :- Done for reference material other than that published by AICTE
- Management
 - Canteen
 - Hostel
 - Facility
- Information Technology Infrastructure

- Payroll Management
- Examination Management
- Event Management
- Exams Management

Some of these services are outsourced by the institution and some of them spring up near institutions with need. For example if a school does not have a bus to ferry its pupil it can outsource it to someone or not take the responsibility at all. In case the responsibility is not taken by the school then several arrangements around the school would come up like autos, minibuses, vans etc.

The above list and illustration are just indicative, educational services sector can encompass various activities that are carried. The exceptions to these services are the services that have to be provided by any institution under the statute under which it has been formed.

All the government institutions and most private institutions would offer the services to students through their own staff or not offer them at all. These institutions would not outsource any services either due to absence of precedents or lack of qualified agencies / agents that could give specialized services like these. Another reason behind keeping these services in-house was man power that was cheap as well as abundant.

This scenario started changing rapidly with India moving towards knowledge economy. It became more and more difficult to find skilled manpower to oversee ancillary activities that were not core to imparting education. With this problem came a solution, “an organization should outsource all non core activities”. Some new age private sector universities took the lead in this and showed the way which was followed by others.

Structure of Public Sector Education Institutions in India

Central Government is responsible for major policy relating to higher education in the country. It provides grants to University Grants Commission (UGC) and establishes central universities in the country. The Central Government is also responsible for declaration of Education Institutions as ‘Deemed to be University’ on the recommendation of the UGC. State Governments are responsible for establishment of State Universities and colleges, and provide plan grants for their development and non-plan grants for their maintenance.

University Grants Commission (UGC) is responsible for coordination, determination and maintenance of standards, release of grants. Professional councils are responsible for recognition of courses, promotion of professional institutions and providing grants to undergraduate programmes and various awards. The statutory professional councils are:

- All India Council of Technical Education (AICTE)
- Medical Council of India (MCI)
- Indian Council for Agricultural Research (ICAR)
- National Council for Teacher Education (NCTE)
- Dental Council of India (DCI)
- Pharmacy Council of India (PCI)
- Indian Nursing Council (INC)
- Bar Council of India (BCI)
- Central Council of Homeopathy (CCH)
- Central Council for Indian Medicine (CCIM)
- Council of Architecture
- Distance Education Council
- Rehabilitation Council
- State Councils of Higher Education

(Source: <http://www.education.nic.in/uhe/uhe-overview.asp>)

Technical Education in India

Technical education in India contributes a major share to the overall education system and plays a vital role in the social and economic development of our nation. In India, technical education is imparted at various levels such as: craftsmanship, diploma, degree, post-graduate and research in specialized fields, catering to various aspects of technological development and economic progress.

India's technical institutions attract some of the best and brightest students in the world. The Indian Institutes of Technology are world renowned and their graduates are represented in some of the world's leading corporations.

AICTE was set-up in November 1945 as a national level Apex Advisory Body to conduct survey on the facilities on technical education and to promote development in the country in a coordinated and integrated manner and to ensure the same AICTE was vested with statutory authority for planning, formulation and maintenance of norms and standards, quality assurance through accreditation, funding in priority areas, monitoring and evaluation, maintaining parity of certification and awards and ensuring coordinated and integrated development and management of technical education in the country.

The purview of AICTE (the Council) covers programmes of technical education including training and research in Engineering, Technology, Architecture, Town Planning, Management, Pharmacy, Applied Arts and Crafts, Hotel Management and Catering Technology etc. at different levels.

(Source: http://www.gov.in/sectors/education/education_overview.php)

Technical Education in India: - Present Scenario

Technical education at all levels in the country is witnessing a consistent growth pattern marked by the setting up of new Institutions and the improvement of the existing ones in tune with the quality assurance norms set by the National Board of Accreditation (NBA). The Council believes in providing a proper impetus to Institutions in generating competent engineers and scientists and encourages them to think beyond the curriculum while imparting training for the advancement of knowledge.

The growth of Technical Education before independence in the Country has been very slow. The number of Engineering Colleges and Polytechnics (including Pharmacy and Architecture Institutions) in 1947 was 44 and 43 respectively with an intake capacity of 3200 and 3400 respectively.

With the efforts put in and initiatives taken during successive Five Year Plans and particularly due to policy changes in the eighties to allow participation of Private and Voluntary Organizations in the setting up of Technical Institutions on self-financing basis, the growth of Technical Education has been phenomenal.

Growth of different programs in technical Education

Year	Engineering	Management	MCA	Pharmacy	Architecture	HMCT	Total	Added during the Year
2005-06	1,475	1,888	1,576	629	118	70	5,756	383
2006-07	1,511	2,031	1,619	665	116	64	6,066	250
2007-08	1,668	2,062	1,642	854	116	81	6,423	417
2008-09	2,388	2,734	1,768	1,021	116	87	8,114	1,691
2009-10	2,942	3,482	1,888	1,054	106	93	9,565	1,451
2010-11	3,241	3,858	1,937	1,102	125	101	10,364	799

Growth of seats in different programs in technical Education

Year	Engineering	Management	MCA	Pharmacy	Architecture	HMCT	Total	Added during the Year
2005-06	499,697	122,663	61,991	32,708	4,379	4,435	725,873	40,691
2006-07	500,986	144,372	63,394	39,517	4,543	4,242	807,054	81,181
2007-08	653,290	185,780	78,692	52,334	4,543	5,275	979,914	182,860
2008-09	841,018	227,989	82,578	64,221	4,543	5,794	1,226,133	246,219
2009-10	1,071,896	273,732	121,123	72,836	4,133	6,387	1,550,107	323,974
2010-11	1,324,246	378,907	135,173	103,867	4,933	7,061	1,954,482	404,375

(Source: AICTE: All India Council For Technical Education Approval Process Handbook (2011 – 2012))

Particulars	In India	In Tamil Nadu
Total Number of universities and university level institutions in India (2008 – 09)	409	

Number of Engineering/Technology/ Architecture institutions	2,466	344
Number of polytechnics	1,742	314
Enrolment (excluding open universities) by level/courses (all categories of students): Engineering/ Technology/ Architecture/ Design:		
Post Graduate Degree	95,185	27,115
Under Graduate degree	16,63,619	1,81,468
Total Enrollment in Higher education	18,648,923	1,277,159
Gross Enrollment ratio	13.8	17.6

(Source: <http://education.nic.in/stats/Abstract2008-09.pdf>)

Education in Tamil Nadu

Tamil Nadu is eleventh largest state in India by area and seventh largest state by population. The state's literacy rate increased from 73.47% in 2001 to 80.3% in 2011 which is above the national average. The state also ranks amongst the topmost in country on human development index. It also produces the largest number of engineering graduates in the country every year.

Literacy Rate in the state

Year	1961	1971	1981	1991	2001	2011
Rate (%)	36.39	45.40	54.39	62.66	73.47	80.33

This phenomenal growth is a result of the vision of the state and thrust on elementary education by the government with private participation. The government in state has always come up with innovative strategies to give education a fillup. The recent development being a special programme for distribution of laptops amongst Class 12 students, arts and science college students, engineering students and polytechnic college students.

The vision of the Government of Tamil Nadu in the realm of Higher Education is to make institutions of higher education emerge as centres of innovation, excellence and development. The major focus is on Quality. The mission is to provide world class quality education, while opening the portals of higher education to students from rural and backward areas and marginalized families. The aim is to develop, recognize and enhance talent and skills in our youth, to equip and enable them to meet the emerging challenges and demands of the century. The emphasis is also on inclusion in higher education. This aim manifests itself in the target of the state to achieve a gross enrolment ratio of 25% by 2025.

Technical Education in Tamil Nadu has seen an astounding growth in last 6 years with total number of technical colleges increasing by 95% from 291 to 491. This growth was more pronounced in terms of increase in number of colleges during the period 2008-09 – 2010-11 where the number of institutions increased by 43% to touch 491 in 2010-11 from 344 in 2008-09.

Particulars	2008 -09	2010-11
Total Number of universities and university level institutions in India (2008 – 09)		
Number of Engineering/Technology/ Architecture institutions	344	491
Number of Polytechnics	314	432
Enrolment (excluding open universities) by level/courses (all categories of students): Engineering/ Technology/ Architecture/ Design:		
Admission in engineering colleges		1,54,923
Admission in Polytechnics		1,16,852
Post Graduate Degree	27,115	40,571
Under Graduate degree	1,81,468	2,21,654
Total Enrollment in Higher education	1,277,159	
Gross Enrollment ratio	17.6	

In the academic year 2010-11 there were 1,87,599 seats available for technical courses in the state across 491 colleges. Of these over 97% seats were in self financed engineering colleges. Moreover of the 491 technical colleges 462 (94%) belonged to the category of self-financed colleges.

Total admissions in the state in engineering courses in academic year 2010-11 were 1,54,923 of which 1,49,992 (97%) were in self financed courses. Besides this there were 1,16,852 admissions in 432 polytechnic colleges of which 94,078 were taken in 365 Self-financing Polytechnics.

(source: http://www.censusindia.gov.in/Tables_Published/A-Series/A-Series_links/t_00_006.aspx; http://www.censusindia.gov.in/2011-provresults/prov_data_products_tamilnadu.html; http://www.tn.gov.in/policynotes/pdf/higher_education.pdf; <http://education.nic.in/stats/Abstract2008-09.pdf>)

Growth Drivers of Indian Education Sector

In the last 60 years Indian literacy rate has grown steadily. This growth rate compounded with exponential growth in population of the country only indicates towards the exogenous and endogenous factors of growth that are at play in the country contributing to the growth of nation eventually. Some of these factors are as follows

Demographic dividend

Break up of population in percentage

Age	2001	2006	2011	2016 (E)
0-4	12%	10%	10%	9%
5-19	34%	32%	30%	27%
20-24	9%	9%	10%	10%
25-29	8%	8%	9%	9%
30-59	31%	32%	34%	36%
60 +	7%	8%	8%	9%

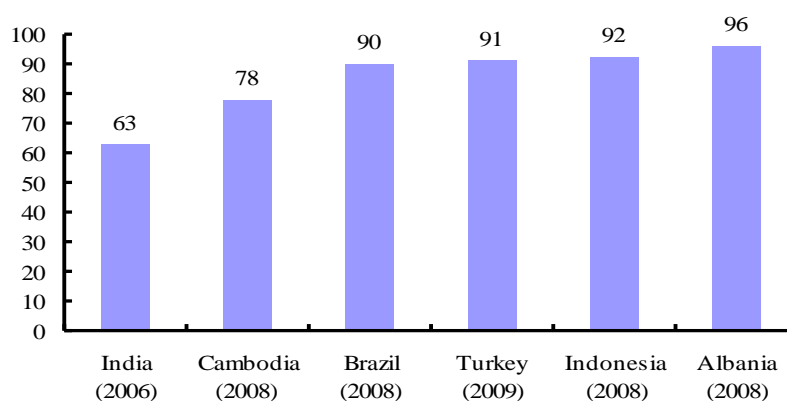
Break up of specific groups (In Millions)

Age	2001	2006	2011	2016 (E)
20 to 24	91.0	103.0	118.0	120.8
25 to 29	82.9	90.0	102.0	116.9

(Source : http://mospi.nic.in/Mospi_New/site/India_Statistics.aspx?status=1&menu_id=14)

As can be seen in the tables above India is a young country with just a little less than half the population in the age bracket (5-29) where education can be imparted. This entire demographic shift has in the past been accompanied by educational institutes to enlighten the mind of the people of this country.

Adult (15+) Literacy Rate (in %)



(source : <http://unstats.un.org/unsd/demographic/products/socind/literacy.htm>)

The above statistics show the condition of literacy in the select age group of 15+ which is lower than country like Brazil and Cambodia amongst others. With this rate of education it would be very difficult to sustain an economy which today is primarily driven by services.

Moreover the current concentration of age bracket which is 5-19 would slowly shift towards 20-29. This shift again needs to be accompanied by building in the capacity for imparting higher education. This change is reflected in the increasing number of institutions offering degree and diploma course.

Government Impetus

Government impetus has been the driving force behind the growth in education sector as it is also the regulator for the same. It has came up with various programs like mid day scheme; education for all etc. to ensure education for all in the country.

The Eleventh Plan places greater emphasis on education as a central instrument for achieving rapid and inclusive growth by expanding access, improving quality and bridging regional, social and gender gaps at all levels of education. In the eleventh plan Indian government tried to expand, include and improve the quality of education throughout the higher and technical education system by enhancing public spending, encouraging private initiatives, and initiating the long overdue major institutional and policy reforms.

Government has set a target of increasing the Gross Enrolment Ratio (GER) from the present level of about 12% to 15% by the 2011- 12 which would result in additional 75 lacs enrolments in universities and colleges. It further plans to take this to 30% by the year 2020. Various new initiatives are being taken by the Government for achieving the same.

Apart from these measures Indian government has put various policies and acts in place to give a boost to the sector for harnessing the demographic dividend of the country. The government has also identified right to education as an effective tool of empowerment for removing social imbalances. Moreover in the union budget of 2011-12 it has increased allocation to education sector by 24% (over previous budget) spread over existing and new schemes.

(Source : Annual Plan 2010-2011, http://planningcommission.nic.in/plans/annualplan/ap1011/AP_10_11pdf_Eng.pdf <http://www.aicte-india.org/mhrd.html>; <http://education.nic.in/stats/AboutSurvey.pdf>)

Migration towards Knowledge Economy

Over past few years the contribution of services sector has been on the rise in India. The share of services in India's GDP at factor cost (at current prices) has increased rapidly; from 30.5% in 1950-51 to 55.2% in 2009-10. This share goes upto 63.4% If construction is also included.

The growth in the services sector in India has been led by the IT-ITeS sector which has become a growth engine for the economy, contributing substantially to increases in the GDP, employment, and exports. This sector has improved its contribution to India's GDP from 4.1 per cent in 2004-05 to 6.1 per cent in 2009-10 and an estimated 6.4 per cent in 2010-11. The industry has also helped expand tertiary education significantly. Top seven States that account for about 90 per cent of this sector's exports have started six to seven times more colleges than other States.

(Source : <http://indiabudget.nic.in/es2010-11/echap-10.pdf>)

Education: A hedge against recession

Enrolments to attain higher education have been increases with recession and give a fillup to the sector. This phenomenon can be attributed to the fact that, during recession, there is a renewed focus on skills, training and unavailability of enough quality jobs. Recent studies have shown that education as a sector is not only recession proof but as a matter of fact does better during the times of recession.

(Source: <http://www.livemint.com/2009/07/01231644/8216Recessionproof8217.html> and http://dooneducation.com/blog/unaffected_education)

Challenges before Indian Education System

Some of the main challenges before the Education System in India pertain to:

Access- While availability of elementary schools within a reasonable distance from habitations is now fairly universal, same cannot yet be said in regard to Secondary Schools and Colleges. Pockets still exist in many remote parts of the country where the nearest Secondary School or College is much too far for everyone to be able to attend. Besides the physical availability of institutions, other barriers to access – e.g. socio-economic, linguistic – academic, physical barriers for the disabled, etc. – also need to be removed.

Quality-The challenge of quality in Indian education has many dimensions, e.g.

- Providing adequate physical facilities and infrastructure,
- Making available adequate teachers of requisite quality,
- Effectiveness of teaching-learning processes,
- Attainment levels of students, etc

Besides the need to improve quality of our educational institutions in general, it is also imperative that an increasing number of them attain world-class standards and are internationally recognized for their quality.

Relevance - Education in India needs to be more skill-oriented – both in terms of life-skills as well as livelihood skills. In sheer numerical terms, India has the manpower to substantially meet the needs of a world hungry for skilled workers, provided its education system can convert those numbers into a skilled work-force with the needed diversity of skills.

Management- Management of Indian education needs to build in greater decentralization, accountability, and professionalism, so that it is able to deliver good quality education to all, and ensure optimal utilization of available resources.

Resources- India's stated national policy - ever since 1968 - has been to raise public expenditure on Education to the level of 6% of GDP. On the other hand, in 2004-05, outlay of Central and State Governments for Education amounted to about 3.5% of GDP. Thus, the gap in allocations for Education is still substantial, and needs to be urgently bridged.

Cloud Computing

Cloud computing is a technology model that allows on-demand network access to a shared pool of computing resources like servers, network, storage and applications. This means an organisation need not invest in buying, maintaining, and hosting its own IT infrastructure. Companies can avail of third-party services for all IT requirements and pay according to their use of the infrastructure. Other than global players like Amazon, Google, IBM, HP, Cisco and Oracle, Indian players like TCS and Netcore offer these services. This cloud model promotes availability and is composed of five essential characteristics, three service models, and four deployment models

Essential Characteristics:

On-demand self-service- A consumer can unilaterally provision computing capabilities, such as server time and network storage, as needed automatically without requiring human interaction with each service's provider.

Broad network access- Capabilities are available over the network and accessed through standard mechanisms that promote use by heterogeneous thin or thick client platforms (e.g., mobile phones, laptops, and PDAs).

Resource pooling- The provider's computing resources are pooled to serve multiple consumers using a multi-tenant model, with different physical and virtual resources dynamically assigned and reassigned according to consumer demand. There is a sense of location independence in that the customer generally has no control or knowledge over the exact location of the provided resources but may be able to specify location at a higher level of abstraction (e.g., country, state, or datacenter). Examples of resources include storage, processing, memory, network bandwidth, and virtual machines.

Rapid elasticity- Capabilities can be rapidly and elastically provisioned, in some cases automatically, to quickly scale out, and rapidly released to quickly scale in. To the consumer, the capabilities available for provisioning often appear to be unlimited and can be purchased in any quantity at any time.

Measured Service- Cloud systems automatically control and optimize resource use by leveraging a metering

capability at some level of abstraction appropriate to the type of service (e.g., storage, processing, bandwidth, and active user accounts). Resource usage can be monitored, controlled, and reported, providing transparency for both the provider and consumer of the utilized service.

Service Models:

Cloud Software as a Service (SaaS)- The capability provided to the consumer is to use the provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through a thin client interface such as a web browser (e.g. web-based email). The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage, or even individual application capabilities, with the possible exception of limited user-specific application configuration settings.

Cloud Platform as a Service (PaaS)- The capability provided to the consumer is to deploy onto the cloud infrastructure consumer-created or acquired applications created using programming languages and tools supported by the provider. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, or storage, but has control over the deployed applications and possibly application hosting environment configurations.

Cloud Infrastructure as a Service (IaaS)- The capability provided to the consumer is to provision processing, storage, networks, and other fundamental computing resources where the consumer is able to deploy and run arbitrary software, which can include operating systems and applications. The consumer does not manage or control the underlying cloud infrastructure but has control over operating systems, storage, deployed applications, and possibly limited control of select networking components (e.g., host firewalls).

Deployment Models:

Private cloud- The cloud infrastructure is operated solely for an organization. It may be managed by the organization or a third party and may exist on premise or off premise.

Community cloud- The cloud infrastructure is shared by several organizations and supports a specific community that has shared concerns (e.g., mission, security requirements, policy and compliance considerations). It may be managed by the organizations or a third party and may exist on premise or off premise.

Public cloud- The cloud infrastructure is made available to the general public or a large industry group and is owned by an organization selling cloud services.

Hybrid cloud- The cloud infrastructure is a composition of two or more clouds (private, community, or public) that remain unique entities but are bound together by standardized or proprietary technology that enables data and application portability (e.g., cloud bursting for load balancing between clouds).

(source: http://csrc.nist.gov/publications/drafts/800-145/Draft-SP-800-145_cloud-definition.pdf)

The Advantage

Various companies and providers claim various advantages of going on the cloud, but the marquee advantage is that of reduction in expenditure on Infrastructure cost by as much as 40 – 50%. Apart from cost arbitrage, cloud computing also saves users from risk of technology turning obsolete as any change in technology has to be taken care of by the service provider rather than the client.

(Source: <http://www.business-standard.com/india/news/smes-take-to-cloud-services/444679/>)

The Market

Some independent studies estimate the size of cloud computing market in 2010 to be under USD 400 million. It is estimated to cross USD 4.5 billion by 2015. Of this private cloud adoption will dominate and account for \$3.5 billion in revenues, growing at over 60%.

It is also estimated that that the segment will create 1 Lacs jobs by 2015 from 10,000 today. With the overall environment of cloud adoption fast evolving in India, cloud computing will account for a significant share in the total IT spend of enterprises. Total cloud spend as a percentage of the total IT spend is expected to rise from 1.4% in 2010 to 8.2% in 2015. IT/ITeS, telecom, BFSI, manufacturing and government sectors will contribute

largest to the cloud market in India, with nearly 78% of the total market.

(Source : http://articles.economictimes.indiatimes.com/2011-07-19/news/29790777_1_cloud-adoption-cloud-market-zinnov-management-consulting)

Indian Information Technology Hardware Industry

Indian IT Hardware industry has emerged as vibrant, dynamic and diversified manufacturing sectors in India. The growing convergence of information, communication and entertainment has given a new impetus to the Sector. Moreover this industry occupies prominent position in current scenario of advanced/modern technology. It plays a vital role in various sectors including automobile, communication, telecom, defense, agriculture, etc. Demand for the industry emanate from three sources

1. Household use
2. Office use
3. Industrial use

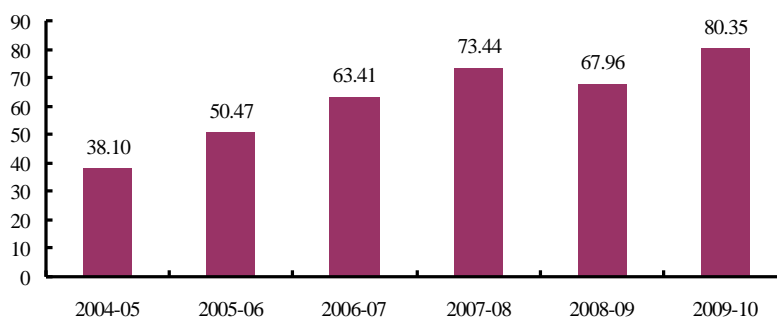
This demand is fuelled by following factors

1. Growth in Industrial production
2. Increase in usage of services like telecom, internet and broadband services by young generation
3. Increase in disposable income with middle class
4. Changing life style
5. Reducing cost of Hardware
6. Launch of new products with advanced technical skills, etc.

This segment includes personal computers, servers, data processing equipment and peripherals such as monitors, keyboards, disk drives, printers, modems, and other attachments. The computer manufacturing industry is essentially import intensive/assembly oriented. Multinational brands like Acer, Lenovo, HP, dominates the Indian PC markets; they have their assembly units in India. However, the Indian companies like Wipro, HCL, Zenith, etc facing tough competition by the MNCs. Several MNC have set up their product design centres and technology labs in India to take advantage of low-cost talent pool.

Given below are some statistics for the sector:

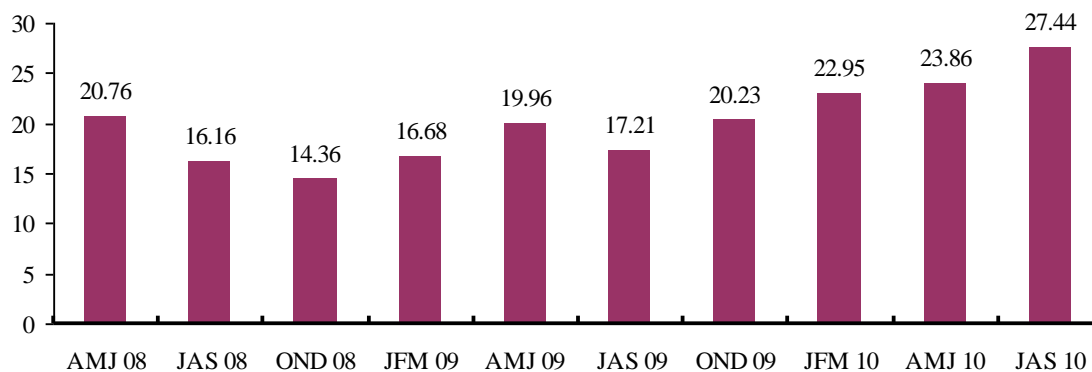
Total Personal Computer Sales (Annual In Lakhs)



Total PC (Desktops & Notebooks) Sales: 2004-2010

- CAGR 2004-10: 16 %
- Growth in fiscal 2010 over 2009: 18 %

Quarterly PC Sales (In Lakh)



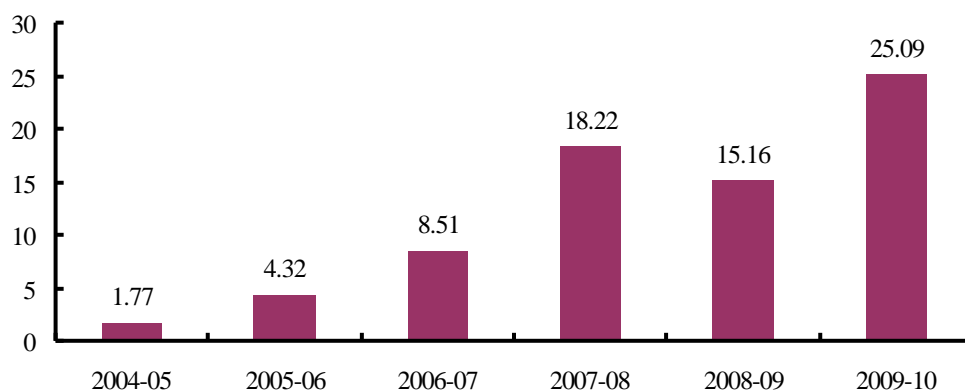
JFM : January, February, March

AMJ: April, May, June

JAS: July, August, September

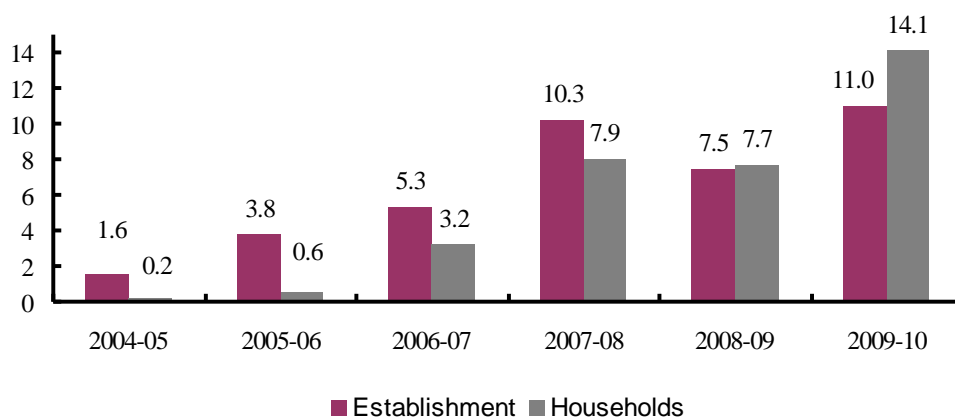
OND: October, November, December

Notebook and Netbook Sales (Annual In Lakhs)



- Annual sales increased 65% 2009-10 as compared to 2008-09;
- CAGR: 70%
- Over 185 thousand Net-books were sold in 2009-10
- H1/2009-10 accounted for 44% of the consumption, while H2 for 56%
- Households accounted for 56% of the market growing at 83%, Businesses accounted for 44% of the market growing at 47% on an annual basis

Notebook Sales by User (Annual In Lakhs)



IT Hardware products sales in India:

Product	Total Installs			Total Revenue (in Rs Crores)		
	Fiscal 2009	Fiscal 2010	% Growth	Fiscal 2009	Fiscal 2010	% Growth
Computers						
Desktop PCs	5,279,648	5,525,992	5%	10,325	11,267	9%
Notebooks	1,516,459	2,508,564	65%	5,886	9,577	63%
Servers	119,591	101,827	-15%	1,886	1,836	-3%
Printers						
Dot matrix	393,951	383,597	-3%	263	257	-2%
Inkjet	751,683	812,310	8%	155	177	14%
Laser	472,022	525,882	11%	594	660	11%
Line	5,274	4640	-12%	60	54	-10%
Other Peripherals						
Key boards	5,333,717	5,756,923	8%	Not Available		
Monitors	5,490,425	5,754,091	5%			
UPS systems	1,518,433	2,324,480	53%			
Networking Products						
Network Interface Card	3,912,191	3,454,721	-12%	Not Available		
Hub	159,178	161,602	2%			

(Source: IT Industry annual performance overview: 2009-10; <http://www.mait.com/industry-statistics.php>)

OUR BUSINESS

Business Overview

A-Team Edutech Limited (ATEL) is an Educational Infrastructure Management Company with registered office in Chennai. We are primarily engaged in consultancy, content development, network architecture and other business services pertaining to information technology infrastructure. We provide IT equipment on standalone basis as well as turnkey business solutions to our customers.

We also offer specialised preparatory packages for students of our clients. A major chunk of these equipment are procured from Hewitt Packard (HP) with whom we have been associated since 1998 and are a premium business partner in India.

ATITL has ventured into providing complete business and infrastructure management solutions to leading education groups in south India. We have entered into Memorandum of Understanding (MoU) with 10 educational societies/Trusts/ Institutes for managing certain aspects of institutes as on August 15, 2011. The standard cluster of services that are being offered to these institutes includes:

- Admission and Registration Management
- Student Management
- Human Resource Management
- Academic Management
- Examination Management which includes Pre- Exam and Post Exam
- Front Office Management
- Payroll Management
- Financial Accounting Management
- Budgeting and Planning
- Library Management
- Purchase and Inventory Management
- Setting up IT infrastructure as per norms with state of the art upgrades as required
- Marketing and promotional activities
- Asset and Estate Management
- Fees Management
- Transport Fleet Management
- Hostel and Housekeeping Management
- Event Management
- Sports Club Management
- General Administration
- Alumni Management
- Canteen Management
- Facility Management
- Document Flow Management
- Affiliated College Management
- Research Management
- Funds and Revenue Management
- Right to Information Management
- Security Management
- Audit and Governance

These contracts are for a tenure of 10 years under standard condition with varied date of commencements.

With over 200 clients in the education sector majority of which are government accredited educational institutions / colleges we are focused on the southern Indian state of Tamil Nadu, with over 90% of clientele emanating from this region. We have also ventured into Kerala and some places in northern India. Our segment of choice and specialization in this industry is that of technical institutions and Polytechnic colleges. They contribute significantly to our build-up of revenues.

A-Team Computers (ATC) was founded as a proprietary firm in the year 1987 by Mr. Senthil Kumar. The company was in the business of selling assembled computers, peripherals and accessories at Erode, Tamil Nadu. In 1992, with increasing demand and growth for IT hardware products in India, the company shifted its focus

from retail sales to institution. Later, with increasing brand consciousness in the India consumers, the company in 1998, became a sub-distributor of Hewitt Packard (HP), a Fortune 500 company. Since then, the company has been primarily dealing with HP’s products and is one of the top five performers in the Asia Pacific region within their institutional sales segment. The rationale for partnering with HP as its preferred partner was HP’s exhaustive product range that encapsulated the entire IT product requirement spectrum.

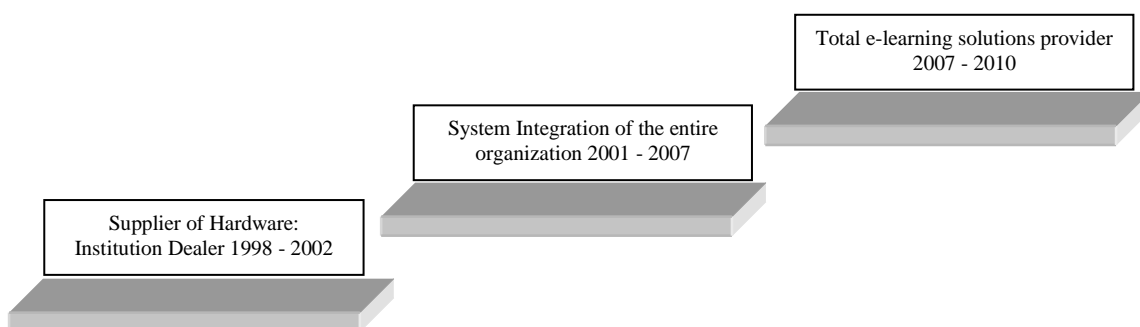
The direction of business and dedication to the education space emanates from the experience and guidance of our Chairman, Mr. Senniyappan Raju, who is a renowned Tamil teacher turned epigraphist.

The growth trajectory of our company can be represented in three phases.

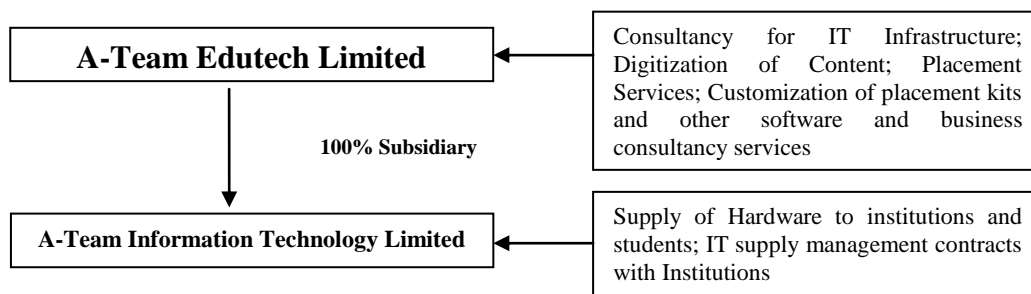
Level I: ATC initially started selling computer as hardware/machine in form of a product to educational institutions to establish relationship. ATC till this time was a pure IT product and services vendor to the institutions it was servicing.

Level II: Gradually ATC moved up the value chain to become a system integrator. ATC at this juncture began selling hardware as a business solution. Here, hardware was bundled with network architecture services, LAN, Ethernet and other value added services that took care of entire IT Infrastructure needs of a client. With introduction of these services, ATC moved ahead from being an IT vendor to a solution provider.

Level III: Since 2007, ATC has moved further up the value chain and became an e-learning solutions provider to its partners. ATC started offering integrated e-learning solutions to the institutions. The components of the products supplied included software and content apart from hardware and consultancy. The company started providing e-learning solutions instead of only products.



Through a business purchase agreement dated April 1, 2010, A-Team Computers sold all its business and contracts to our subsidiary company, A-Team Information Technology Limited (ATITL). A- Team computers still executes projects as few contracts are in transition phase. The relationships and contracts with customers have been exclusively transferred to ATITL. The company has successfully added 20 new clients in fiscal 2011. The business transfer will be completed by December 2011.



A-Team Information Technology Limited (ATITL) is our 100% subsidiary, which was incorporated in the year 1995 as a Public Limited company, with its registered office at Erode. In the year 1997, ATITL became a private Internet Service Provider (ISP) offering dial up connections through tie-up with BSNL. The volumes in this business dried up after introduction of broadband services in India.

IT Infrastructure Management Services

A TEL provides Information Technology Infrastructure Management Services to its client education institutions through its subsidiary ATITL. This service can be limited by the exact client specification in terms of products, services and timelines.

A. Institution

ATITL provides IT hardware infrastructure to education institutions on a turnkey basis. This service scope includes the end to end requirement assessment, viability assessment, procurement, setup and after sales service agreements of information technology infrastructure at the client location. This infrastructure enables the build-up of the technology infrastructure for the client keeping the following aspects in priority:

1. AICTE guidelines
2. Business and Service Delivery Management (Enterprises Resources Planning and Management)
3. Faculty and human resources requirements
4. Student expectations
5. Use of latest technology infrastructure
6. Knowledge sharing through e-learning databases and
7. Placement services
8. Future requirement of the institution

B. Student

With increasing competition and sophistication of technology, reputation and the success of institutions is pegged on the benchmark of the quality of the final placements that its students obtains. To excel on this parameter institutions have started to work on the overall development of the students. E-learning comes as a quality enhancing tool for these educational institutions and enable them go the extra mile by improvising skills of the students with knowledge and practical exposures beyond the standard curriculum requirements.

We pioneered the idea of supplying an e-ware kit to every student connected to our client institute through a server installed in their campus for imparting this service. These kits consist of a laptop/ handheld device which is preloaded with all the necessary software required for the curriculum, along with necessary user interfaces and other value add features that a student will require during his academic course (supplied by ATEL proprietary e-learning module). This kit also includes certain certification courses (job-oriented) which come to the students as an extra-input without incurring any additional cost. ATITL supplies these kits to the institutions for distribution to the students.

Turnkey Solutions

ATITL provides turnkey technology solutions to our customers. We divide this delivery process in three parts. First is technology consultancy to identify the needs of a specific customer based on on-site asset assessments/ future plans. Second segment being the actual supply of equipments (IT Hardware) as per assessed and orders placed. Third part of this vertical business delivery is the installation and after sales and service commitments of these products.

ATITL has an in-house team of experts which studies, designs and suggests the blue print of these technology solutions to the customer. The part of consulting regarding business solutions and technical requirements is served by ATEL, where our (ATEL) specialized skills go into sustainability studies of the infrastructure for future upgrades, both in case of increase in number of users, and increased and larger application software modules being installed and employed. After such a detailed plan approval of the blue print is done by the client, we order these equipments from our partners. Our preferred vendor for supplying all hardware equipments is Hewlett-Packard. Some of these equipments are also sourced indigenously depending on requirements of customer.

The installation of these equipments is carried out by our in-house technical team in collaboration with the Hewlett-Packard team. After sales services of equipment contract is again executed through us for the client. The maintenance and training of these networks/ equipments is carried on jointly with upgrades of content being solely our responsibility for the client.

Our approach provides complete solutions to buyers and fulfills his need of a reliable and cost-effective technology solution. Existing client positive feedbacks and our existing service relationships of them enable increased confidence necessary to provide us with the opportunity to partner into their service and business critical applications. Due to this critical nature of our services (from both business and service perspective) and the implications to our clients, majority of our sales happen at the top management levels of the education institutions. Most of these customers have been with us for long periods of time and have gradually upgraded themselves from buying a product into a buyer of a solution.

The solutions provided by the company in this segment can be categorized under three segments:

1. A-Team Solutions
2. Value Added Services
3. Multi Seat Solutions

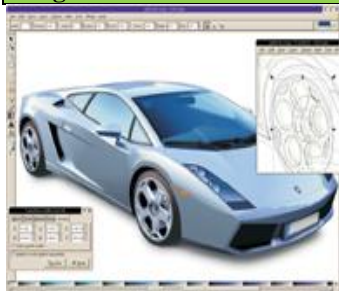
1. **A-Team Solutions:**

EduCenter (DRS)



EDUCENTRE is a comprehensive system through which we offer e-learning solutions to students. These solutions empower students with access to classroom and other learning sessions in text, video and audio format remotely. Students can also access department-wise Syllabus, Lab Manuals, Lesson Plans, Question Banks, Teaching Materials, etc. through a distant location as well as from college laboratory and students dormitory.

Design Lab



Design lab creates a simulated learning and R&D environment for professionals. We in collaboration with HP, provide workstations and software from independent software vendors (ISV) to develop a real-time design environment with aid of advanced engineering graphics software. Design Lab gives its users a hands-on experience of the software and techniques used in the industry which increases their employability.

Pro Curve University



Pro Curve University is a program in which networking division of HP provides Networking Certification Courses for students. The program comprises multiple certification levels within each focus area providing a comprehensive framework for a student's career development. Pro Curve University also offers an infrastructural sharing model for the institutions.

Software



A wide range of academic software solutions & consultations are available through open source & Independent Software Vendors (ISV) like Microsoft, Oracle, Adobe and AutoCAD. A-Team also specializes in Institutional ERP solutions, which aid the efficient management of work processes, fee, payroll, asset management, etc.

Firewall & Security



Clients explore all types of softwares and websites on the internet, the security of IT infrastructure is of paramount importance while still delivering the complete academic tools and services. A-Team provides a comprehensive security solution from Anti-Virus protection to Software / Hardware Firewall. Our security solutions cover up from the core of the base servers to the edge of the campus networks & also the wireless modules. Our security solutions cover up from the core of the base servers to the edge of the campus networks & the wireless modules.

Learning Management System (LMS)

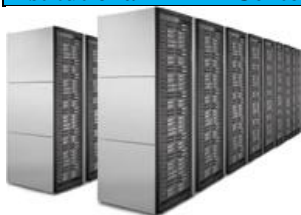


Through LMS, we automate and digitize the learning experience for students. LMS enables the teacher to give assignments to students and students to submit them back to the teacher & get it evaluated online. Some of other features of the package include Chat, Database, Discussion Forums, Glossary, Lesson, Quiz modules etc.

2. Value Added Services:

These are the value added services that are provided by us:

Institutional DATA Center



We set up state of the art Data Centers for our clients. These Data Centers are the backbone of all IT facilities of the institute that houses information and applications at a central location as well as route the internet traffic of the clients to appropriate locations. A typical DATA Centre is equipped with Servers, Storage, Back-ups, Core Switch, Firewall etc.

Campus Wide Network



We provide custom networking solutions to our clients. We understand the requirement of our customers and design the network accordingly. These networks are based on both wireless and Optical fiber networks.

E-Class Room with Active Boards



We also provide active boards for making classes more interactive for students and faculties. The board is a large interactive display that combines a white board, computer and a front projector. The content can either be written on the white board or projected using a computer and the projector.

Digital Library



Information storage and delivery on-demand is the most challenging part of developing an IT system for an institution. We help our clients address this problem through digital library solutions. Digital library can archive any digital format of the academic contents, be it Video, Audio or Text. We have also created a small digital library of our own which we share with our clients at the onset of these services and keep updating the library periodically.

Digital Syllabus Content



It is a multimedia based learning solution where all the subjects in the curriculum of institutions are digitized with animations, illustrations & easily understandable voice aids. A student can have access to these contents through campus Wi-Fi within the campus and through internet when outside the campus.

R & D Initiatives



Researchers, faculties and students from academic institutions are hosted at HP Labs for their research activities. In some cases, this aid is also in the form of a cash grant to the institution for upgrading R&D facilities. We have previously helped some of our clients tap the HP Lab's Open Innovation-Internship and Fellowship program.

3. Multiseat Solutions:

Multiseat

Multi seat solution is an innovative technology developed by HP and Microsoft, designed specially for Educational Institutions. It enables multi user experience from a single PC. In this solution several PC's are connected to one server and all the connected PC's doesn't necessarily have processors or storage space.. The processing and storage of data happens on the server which acts as the powerhouse of this setup. The setup is optimal for general usage in the computer labs of any institution. This network cannot support high intensity usage like CAD/Cam for which an institution would need machines with higher processing capacities and specialised software suites.

Benefits

- Independent user sessions accessed simultaneously from an single PC
- Lower capital costs
- 70-80% lesser Power Consumption - Lower Running Cost
- Simplified Maintenance & Support

Multi Point Server

This offering enables multiple users to simultaneously share a single PC and work on different applications.

- Each user gets own personal windows desktop experience with monitor keyboard, and mouse (using off-the-shelf components)
- Up to 10 users on a single host computer
- Direct Connect, via USB or video card
- Based on now windows server 2008 R2

Placement Solutions

Some of our clients located in rural interiors of Tamil Nadu find it difficult to engage global recruiters to fulfil their placement requirements. It has resulted in a condition where the admission numbers have started to drop due to non-placement of students even after completing a technical course, endangering their repure and brand in the education services space. To capitalise and address on this gap, we have tied up with First Job Private Limited (FJPL) on December 03, 2010 as a Strategic Partner in India for a span of twenty years.

FJPL specialises in providing comprehensive placement assistance and has readymade solutions for our existing customers. FJPL portal has about 125,000 questions meant for competitive exams such as Union Public Service Commission, State Public Service Commissions, All Public Sector Banks, Railway Recruitment Board, Staff

Selection Commission, University Grant Commission, Multi-National Companies and also those modules which are designed for various campus recruitments and examinations conducted by large and medium sized companies.

A corporate using this service has access to several quality profiles from similar background coming from a variety of institutes. Moreover, with all the information available at the initial level of screening itself, the selection can be conducted easily at a negligible cost with reduced timelines. The authenticity of this information can be guaranteed as the information is obtained from the institution itself (our clients) which is same as sourced at the time of admission and thus factual and reliable for making selection decisions for companies. Educational Institutions can also use this tool to monitor student's usage and performance using its dash board view over a period of time and improve their internal systems to deliver better quality students in future.

The various facets of this product are

1. **Student Database:** We along with FJPL create and maintain a database of students enrolled. This database is created using information drawn from institute's records. This information is made available to potential recruiters who need trained manpower. ATEL is the rightful owner of this database at all times.
2. **Soft Skills Training:** We upload various training videos and other study materials such as questions asked in interviews on the network of the institute. These are also pre-loaded on the machines provided to the students enrolled with us. The material aids in preparation for interviews and other activities undertaken by recruiters during campus placement process.
3. **Industry Feedback Program:** During the entire recruitment process, ATEL works very closely with recruiters and tries to understand their requirements. ATEL addresses these requirements through our client base by systematic improvements in ensuring quality selection of students, standardized delivery of services and student specific feedback and improvement programmes. This feedback is summarised in next year's program of ATEL and is supplied to our client institutes in form of action plans for their improvement.
4. **Certification Courses:** Several global IT companies give job oriented training at the end of which they give a certification to the candidate. This training and certification comes at a huge cost in the open market. A-Team while buying the license of their products also undertakes these certifications to be given to its clients' student base as a value added service. Students can prepare for these tests using the content and tutorial placed on the intranet of his institute. He is eligible to appear for these tests and obtain certification by paying a nominal fee.

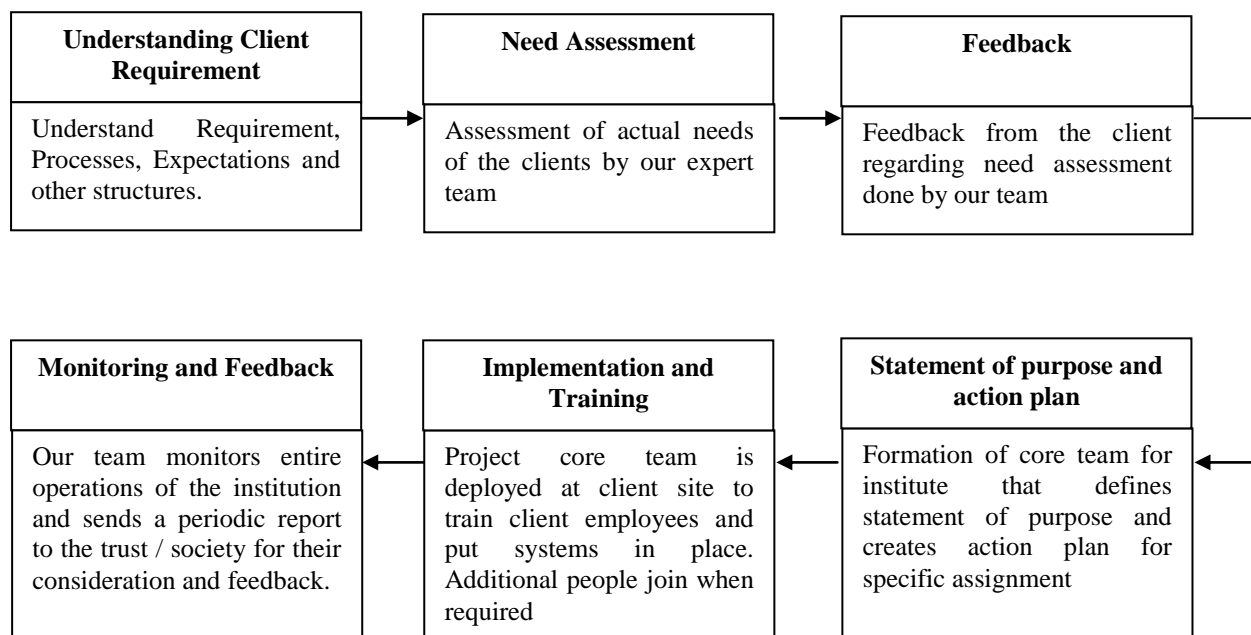
ATEL started taking such turnkey contracts during the fiscal 2011 and were successful in signing 10 contracts with institutions/ societies/ Trusts based in Tamil Nadu. Our subsidiary, ATITL is responsible for servicing the technology requirements of these clients and the rest will be done by ATEL. These institutions have entered into an agreement to avail our services for a period of 10 years.

Our Processes

All the institutions with whom we have entered into turnkey agreements have previously been our clients. Hence, we at ATEL understand their standards, processes and management structure. We understand their exact challenges and hurdles while designing our business proposition. Before taking up a contract, we try to re-verify and understand their expectations, priorities and goals of the institute as these are long-term projects with important growth considerations.

Based on the feedback from client institutions, our team makes a statement of purpose and an action plan to be implemented. This plan strives to improve the internal systems through streamlining and documentation of all the processes concerned with respective departments. In the second stage, we would put in administrators or single point of contact that would ensure adherence to the process and co-ordinate with our central system.

We have different teams that step-in at various instances to provide required and pre-defined services. We focus and monitor the processes mentioned above through the institute's staff and mentored by our team representatives at the campus.



Our Strategy

Brand "A-Team"

We propose to further increase the brand recognition vis-à-vis competition through various brand building efforts, communication and various promotional initiatives. The same would enhance the visibility of our brand and enhance our business positioning and credibility as a serious long-term services provider in the education space.

Focussed on Education Sector

We cater to the needs of education sector, particularly engineering and polytechnic institutes. We believe that this high growth segment needs additional attention and professional support to grow in size, quality and service offerings in a sustainable manner. Our focus is to partner with institutes and become an integral part of their growth agenda.

Innovative Services

We plan to bring all our clients on common platforms like the cloud computing and offer them services that are scalable, and entail lower fixed costs. We are also trying to create our own content like webcast of lectures and services like problem solving sessions, which would help students in getting the best guidance. Such content would be prepared and presented by the leading players in the industry and academics. We also integrate all our client campuses in a region to harmonise the information and content flow between them and enhance the sharing and learning experience. Our innovations are directed to provide both strategic and immediate advantages to our customers.

Moving up the Value Chain

We as a company continuously strive to move up the value chain in terms of our learning and experiences. Only then we can guide and advise our customers. Through constant and focused efforts, we have converged ourselves into a solution company and are on the verge of converging ourselves into a complete education solutions company. We would keep improving our business model to bring the best services to our customers and constantly move up their value chain as well.

Our Business Model:

We were an early entrant in the information technology industry in 1987 through A – Team computers. Over the period we realised that

4. Indian consumers are cost sensitive
5. Sector specialisation would help in long term and
6. Capitalisation on cross-selling opportunities would be best way of gaining volume traction for our business

Information Technology Solutions Business

The cornerstone of our information technology business is value proposition that we bring on the table for clients:

5. Education Focused: We have been focused on education space since a long time. This paradigm shift has resulted in rapid growth opportunities now for us.
6. Something for Everyone: We have been in this industry for over 2 decades now and understand the needs of our customers well. We offer customised solutions to all our clients which vary from branding to solutions. This helps us serve our customers better. This is one of the reasons we service over 200 clients in the education space
7. Value: The differentiating factor in our service is low price and the value that we add to our client's business through defining solutions. We achieve this by focussing on the long term objectives of both our vendors and customers. Our vendors need more consumers to give them traction in terms of size and offer better products and services. This leads them to subsidise their products and we have used it to our client's advantage while keeping an eye on quality service at all times. Thus, we are able to deliver differentiated solutions to our customers.
8. Volumes: Our experience tells us that volumes are inversely proportional to prices and we have tried to use this fact to deliver best services to our consumers. Servicing a large customer base has helped us in building the necessary volumes in business and creates a sustainable competitive advantage in form of a wide, diversified base of repeat customers who have similar requirements.

Our Strengths

5. Existing working relationships with over 200 colleges and some of world's largest vendors in information technology space
6. Experienced management with strong domain knowledge
7. Established brand in the education segment
8. High Repeat Business
9. High cross sales opportunities with existing clients with potential to add new business activities

Manpower:

As on the date of the Draft Red Herring Prospectus A-Team Group has 84 employees and our Company has 12 employees.

Competition

Our company doesn't face any major competition due to our niche activity of business.


Information Technology


Information Technology plays a major role in our business; sourcing hardware and installation of relevant software is a part of our day to day operations. In order to expand our business and stay in lines with industry developments, we need to extend our servers and bring in the appropriate infrastructure for setting up of cloud computing facilities in campuses; which forms a part of the Objects of the Issue.

For further details please refer the chapter titled “*Objects of the Issue*” beginning on page 38 of the Draft Red Herring Prospectus.

Intellectual Property

Our Company does not own or otherwise possess any registered intellectual property rights.

In pursuance of the Deed of Assignment of Trade Mark and in consideration of the sum of ₹ 31,200 (Rupees Thirty One Thousand Two Hundred only) our Company has agreed to acquire and accept the assignment of and ATITL has assigned, assured and transferred all its rights, interest and benefits in the trade mark which it has acquired from M/s. A-Team Computers, a proprietary concern, in terms of the Business Purchase Agreement dated April 1, 2010 in respect of which application for registration whereof has been made and is pending approval “” (“**Assigned Trade Mark**”) (as more particularly set out in Schedule “A” to the Deed of Assignment of Trade Mark). The assignment of trademark to our Company by ATITL is non-exclusive in nature and ATITL shall be entitled to use the Assigned Trade Mark and also to assign the Assigned Trade Mark to any of its subsidiaries or group entities, at its discretion.

APPLICATION NO	TRADE NAME	CLASS	SERVICES
1979044		9	Computers, Computer allied products, networking materials, Printers & spares and parts thereof

Insurance

We maintain burglary and fire insurance coverage for our registered premises at Chennai the details of which are as under:

Sr. No	Type of Insurance	Amount Insured	Policy Number	Insurance Company
1.	Burglary	500,000	010100/46/11/04/00000024	United India Insurance Company Limited
2.	Fire and Special Perils	500,000	010100/11/11/11/00000065	United India Insurance Company Limited

Burglary and Fire Insurance of our Corporate Office at Erode:

Sr. No	Type of Insurance	Amount Insured	Policy Number	Insurance Company
1.	Burglary	500,000	010100/46/11/04/00000025	United India Insurance Company Limited
2.	Fire and Special Perils	500,000	010100/11/11/11/00000066	United India Insurance Company Limited

Property

The following table sets forth the location and other details of the leasehold properties of our Company and our Subsidiary:

Sr. No	Details of Deed / Assignment	Nature of right granted	Particulars of the Property, Description & Area	Consideration/ license fee/Rent	Tenure / Term	Existing Usage
1.	Lease Deed dated May 15, 2011 between A-Team	Lease	B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road,	Rental advance of ₹ 7.50 lacs.	11 months	Registered Office

Sr. No	Details of Deed / Assignment	Nature of right granted	Particulars of the Property, Description & Area	Consideration/ license fee/Rent	Tenure / Term	Existing Usage
	Information Technology Limited and our Company		Teynampet, Chennai – 600 018, admeasuring 1,100 square feet			
2.	Lease Deed dated August 1, 2011 between Sathish and A-Team Information Technology Limited	Lease	Number 121, 122, SKS Buildings, Perundurai Road, Sampath Nagar, Erode – 638 011, admeasuring	Monthly rent of ₹ 5,000.	11 months	Registered Office of A-Team Information Technology Limited and Corporate Office of our Company
3.	Lease Deed dated August 1, 2011 between Jayamohan and A-Team Information Technology Limited	Lease	Number 58/2 – Ground Floor, Thiruvika Nagar Main Road, New Teachers Colony, Erode – 638 011	Monthly rent of ₹ 5,000.	11 months	Godown of A-Team Information Technology Limited and our Company

KEY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant state legislation and local bye-laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company, its Subsidiaries and Specified Affiliates. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to Bidders and is neither designed nor intended to be a substitute for professional legal advice.

Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and labour laws apply to us as they do to any other Indian company. The statements below are based on 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. For details of government approvals obtained by us, please refer to the chapter titled “Government and Other Approvals” beginning on page 193 of the Draft Red Herring Prospectus.

LAWS RELATING TO INTELLECTUAL PROPERTY

The Copyright Act, 1957

A copyright is an exclusive right in respect of, literary, dramatic musical and artistic works, cinematographic films sound recordings and government works. The Copyright Act, 1957 provides for registration and transfer of copyrights. It lays down the provisions for infringement of copyrights and remedies available in regard, thereof. In music, dramatics, literary, artistic works copyright is granted for a certain period of time, up to a maximum of sixty years from the beginning of the calendar year next following the year in which the author dies. In respect of anonymous, posthumous works, copyright is granted for a certain period of time, up to a maximum of sixty years from the beginning of the calendar year next following the year in which the work is first published. Section 63 of the Act provides for the criminal liability for infringement of the copyright or any other right conferred upon under the Act.

The Trade Marks Act, 1999

The Trade Marks Act, 1999 governs the statutory protection of trademarks in India. The Act protects the trademarks for goods and services. It provides for the registration of the trademarks and lays down the conditions thereof. Also, assignment of trademarks has been provided for. Applications for a trademark registration may be made for in one or more international classes. Trademark registration is valid for 10 years unless cancelled. The trademark is required to be renewed else it lapses and the registration must be re-applied for. Though both registered and unregistered trademarks are protected under Indian law, the registration of trademarks offers significant advantages to the registered owner, particularly with respect to proving infringement.

LAWS RELATING TO CONTRACTS

Indian Contract Act, 1872

The Contract Act lays down the provisions which govern the enforceability of contracts in India. It provides for basic requirements which are essential to enter into a contract. Also, deals with the regulations in respect of indemnity, guarantee, bailment, pledge. The Act also states the circumstances when a contract can be declared ‘void’ or ‘voidable’, thereby distinguishing between them. It attaches importance to ‘free consent’ as a pre-requisite to enter into contracts. The Indian Contract Act lays down the remedies available in wake of a breach of contract.

LAWS RELATING TO INFORMATION TECHNOLOGY

The Information Technology Act, 2000

The Information Technology Act, 2000 (the “IT Act”) was enacted with the purpose of providing recognition to electronic transactions at the legal front. Further, the objective was to develop a mode for the authentication of electronic documentation through digital signatures. The IT Act lays down civil and criminal liability including fines and imprisonment for offences committed at cyberspace. These include offences relating to unauthorized

access to computer systems, modifying the contents of such computer systems without permit, damaging computer systems, the unauthorized disclosure of confidential information and computer fraud. Since the growth of the BPO sector is expanding, the Government has approved a recent amendment to the IT Act by incorporating the need for data protection as well.

LAWS RELATING TO SERVICE TAX

Finance Act, 1994

The Finance Act is a centralized regulation which levies service tax on provision of services by various entities. Since, our Company provides technological services to various colleges, it has to levy a service charge on these services and deposit it post collection with the relevant regulatory authority established under the Act.

VAT PROVISIONS

Tamil Nadu Value Added Tax Act, 2006

VAT is the most progressive way of taxing consumption rather than business. VAT is a multi-stage tax on goods that is levied across various stages of production and supply with credit given for tax paid at each stage of Value addition. Tamil Nadu Value Added Tax Act, 2006 governs the provisions pertaining to VAT applicable in the state of Tamil Nadu.

LAWS RELATING TO EMPLOYMENT AND LABOUR

Tamil Nadu Shops and Establishments Act, 1947

The Act lays down the provisions for regulating the holidays, wages, the working and employment conditions of the workers employed in shops and establishments, including, commercial establishments, fixing the number of working hours, rest intervals, annual leave, employment of women, maintenance of records and termination of service. The provisions of this act are applicable to all the persons employed in the establishment with or without wages.

Since the registered office of the company is in Chennai, the Tamil Nadu Shops and Establishments Act, 1947 is applicable.

The Minimum Wages Act, 1948

State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages may consist of a basic rate of wages and a special allowance, or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities, or an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any.

The Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972 (the “**Gratuity Act**”) an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement or resignation, superannuation or death or disablement due to accident or disease.

Employees Provident Fund and Miscellaneous Provisions Act, 1952

The Employees Provident Fund and Miscellaneous Provisions Act, 1952 (the “**EPF Act**”) provides for the institution of compulsory provident fund, pension fund and deposit linked insurance funds for the benefit of employees in factories and other establishments. A liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above.

Payment of Bonus Act, 1965

Pursuant to the Payment of Bonus Act, 1965 (the “**Bonus Act**”) an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

Employees State Insurance Act, 1948

The Employees State Insurance Act, 1948 (the “ESI Act”) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto.

Equal Remuneration Act, 1976

This statute provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotions etc.

The Maternity Benefits Act, 1961

The purpose of the Maternity Benefit Act is to regulate the employment of pregnant woman and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides, inter alia, for paid leave of 12 weeks, payment of maternity benefits and enacts prohibitions on dismissal, reduction of wages paid to pregnant women, etc.

Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 and Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960

The Employment Exchanges (Compulsory Notification of Vacancies) Act was enacted to provide for compulsory notification of vacancies to the employment exchanges and for the rendition of returns relating to employment situation by the employers. All establishments in public sector and such establishments in private sector excluding agriculture, where ordinarily 25 or more persons are employed fall within the purview of the Act. These establishments are required to notify all vacancies (other than those exempted) to the appropriate employment exchange as notified in the official Gazette by the State Government in the prescribed format.

HISTORY AND CERTAIN CORPORATE MATTERS

Corporate Profile and Brief History

Our Company was originally incorporated as “*Sweadi Marketing Private Limited*” a private limited company under the provisions of the Companies Act, 1956 pursuant to Certificate of Incorporation dated December 3, 2008 issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands (“**RoC**”) by our erstwhile promoter Adith Kumar. At the time of incorporation, our Company was engaged in the business of trading in commodities, medicinal products, turnkey projects particularly in agro sector.

In October 2009, Senthil Kumar, our existing Promoter took over the management of our Company from our erstwhile promoter Adith Kumar. Under the auspices of our Promoter Senthil Kumar, our Company has expended into the services sector and is currently along with its subsidiary ATITL providing turnkey solutions in the field of information technology and services, cost efficient solutions, management of overall infrastructure for colleges/universities and provide such facilities that enable the students to hone themselves with such skill-sets that would enhance their employability.

As a part of consolidation process in January 2011 our Company acquired 49,956 equity shares of A-Team Information Technology Limited from our Promoter, Senthil Kumar. Post the acquisition of the said equity shares A-Team Information Technology Limited became a wholly owned subsidiary of our Company.

The name of our Company was changed to “*A-Team Edutech Private Limited*” pursuant to a fresh certificate of incorporation consequent upon change of name dated May 13, 2011 issued by the RoC. Thereafter, our Company was converted into a public limited company under the Companies Act, 1956 and consequently our Company’s name was changed to its present name “*A-Team Edutech Limited*” pursuant to a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated June 30, 2011 issued by RoC. Our Company’s CIN is U74990TN2008PLC070063.

A-Team Information Technology Limited

A-Team Information Technology Limited (“**ATITL**”), our Subsidiary, was incorporated in the year 1995 which is engaged in the business of designing, inventing, preparing, owning, making use of, exporting, importing, selling, or otherwise disposing off and generally to deal in and with computers, data processing machines, software, computer communication equipments, types, cards, memory equipments or any other equipments and materials of every kind and description useful in connection with its business.

Vide a business purchase agreement dated April 1, 2010, ATITL acquired the business, including all assets and liabilities, of M/s. A-Team Computers (“**ATC**”) a proprietary concern of our Promoter, Senthil Kumar. Senthil Kumar, started ATC in 1987 at Erode, Tamil Nadu as a dealer for computers and accessories. The primary focus of ATC was on selling assembled computers, peripherals and accessories to the retail and industrial customers in four major business districts around Erode, Tamil Nadu. However, as a matter of business convenience and till such time that the assets / business of M/s. A-Team Computers is completely transferred to ATITL, M/s. A-Team Computers is carrying on the business for and on behalf of ATITL.

Presently, ATITL is an institutional dealer of computers & accessories offering wide range of HP products and solutions specifically customized for educational institutions like engineering, medical, arts & science, polytechnic colleges and schools. It provides these institutes with necessary equipment and services that helps them to meet and manage their Information technological needs.

Changes in the Registered Office

From	To	Effective Date	Reason
Old No. 29, New No. 132, Rangoon Street, Thousand Lights, Chennai – Tamil Nadu- 600 006	No. IC, Ramcons Rajam Apartments, No. 90 Bazullah Road, T. Nagar, Chennai – Tamil Nadu - 600 017	June 1, 2010	Operational convenience
No. IC, Ramcons Rajam Apartments, No. 90 Bazullah Road, T. Nagar, Chennai – Tamil Nadu - 600 017	B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road, Teynampet, Chennai – Tamil Nadu – 600 018	May 16, 2011	Operational convenience

Shareholders

The total number of shareholders of our Company as on the date of filing the Draft Red Herring Prospectus is eight.

Mergers and Acquisitions

In January 2011, our Company acquired 49,956 equity shares of A-Team Information Technology Limited from our Promoter, Senthil Kumar. Consequent to the said acquisition A-Team Information Technology Limited has become a wholly owned subsidiary of our Company.

Changes in the Management

In October 2009, Senthil Kumar, our existing Promoter took over the management of our Company from our erstwhile Promoter, Adith Kumar.

Major Events, Milestones, Awards and Achievements

Period	Event
1998	M/s. A-Team Computers (acquired by our wholly owned subsidiary ATITL) entered into an agreement with Hewlett Packard (HP) for its solutions and products.
2008	Our Company was incorporated as “ <i>Sweadi Marketing Private Limited</i> ” under the provisions of the Companies Act <i>vide</i> certificate of incorporation dated December 3, 2008 issued by the Registrar of Companies, Tamil Nadu, Chennai, Andaman and Nicobar Islands. Our Company was incorporated.
	M/s. A-Team Computers (acquired by our wholly owned subsidiary ATITL) got awarded by ProCurve Networking as “ <i>Pro Curve Professional Partner</i> ”
2009	Senthil Kumar, our existing Promoter took over the management of our Company from our erstwhile Promoter, Adith Kumar.
2010	<i>Vide</i> a business purchase agreement dated April 1, 2010, ATITL acquired the business, including all assets and liabilities, of M/s. A-Team Computers (“ ATC ”) a proprietary concern of our Promoter, Senthil Kumar.
	Our Company entered into an agreement with First Job Private Limited pursuant to which our Company has acquired exclusive rights to sell the contents for soft skill training which First Job Private Limited hosts on its portal http://www.first-job.in which is sold to the users as an access.
	M/s. A-Team Computers (acquired by our wholly owned subsidiary ATITL) got awarded by Hewlett Packard India Sales Pvt. Ltd. as “ <i>HP Premier Business Partner</i> ”
	M/s. A-Team Computers (acquired by our wholly owned subsidiary ATITL) got awarded by Hewlett Packard India Sales Pvt. Ltd. as “ <i>Best Upcountry Partner</i> ”
2011	Acquisition of 49,956 equity shares of A-Team Information Technology Private Limited from Senthil Kumar by our Company. Consequent to the said acquisition A-Team Information Technology Private Limited has become a wholly owned subsidiary of our Company.
	Our Company was converted into a public limited company under the Companies Act and consequently our Company’s name was changed to its present name “ <i>A-Team Edutech Limited</i> ” <i>vide</i> a fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated June 30, 2011 issued by RoC.
	M/s. A-Team Computers (acquired by our wholly owned subsidiary ATITL) got awarded by Hewlett Packard India Sales Pvt. Ltd. as “ <i>HP PSG Premier Business Partner</i> ”
	M/s. A-Team Computers (acquired by our wholly owned subsidiary ATITL) got awarded by Hewlett Packard India Sales Pvt. Ltd. as “ <i>ESSN Gold Partner</i> ”

Details in relation to the Business of our Company

For details in relation to our business including description of our activities, services, market of each segment,

our growth, technology and market please refer to the chapter titled “*Our Business*” beginning on page 70 of the Draft Red Herring Prospectus.

Objects of our Company

The main objects of our Company, as contained in our Memorandum of Association, are as set forth below:

1. *To carry on the business of providing services for launching new products & brands and rejuvenating existing products and to buy, sell, assemble, exchange, market, pledge, distribute, install, service, maintain, or otherwise deal in all kinds of commodities, goods, articles, materials of all types and kinds for use in system engineering, computer software for any/all applications including system software, computer based image processing systems and things, cosmetic goods, all goods including office automation equipment, computer hardware equipment and components including computer peripherals, processor chips, printed circuit boards, food and beverages, steel products, agricultural products, medicines, medical supplies, consumer, engineering and industrial products and to carry on the business of online trading of all kinds of goods mentioned above.*
2. *To carry on the business of conceptualizing and preparing detailed sales promotion campaigns and to organize in part of India or abroad, sales promotion drives, seminars, exhibitions, fairs and other similar activities fro and on behalf of the customers and to provide qualitative and quantitative feedback on the effectiveness of the work.*
3. *To act as selling agents, sales organizers as well as consultants, agents, advisers for efficient methods of effecting sales and marketing goods economy in effecting sales and marketing goods, rendering of all services in connection with the above and to render services on modern management techniques essential to India industry in the field of Organization, planning, administration, personnel, finance and accounting, marketing and market research and economic planning and to carry on the business of man power consultants and to provide trained man power.*
4. *To carry on the business as advertising agents, advisers, consultants, agents for promotion of sales, or other business interests of any person and for that purpose to carry our market surveys, researches, training programs and purchasing or otherwise acquiring advertising space or time in hording, newspapers, cinemas, television or any other media of advertisement and making the same available to customers.*
5. *To carry on in India or elsewhere the design, development, implementation of software based contents, products, and services as technology aids and to provide teaching, education, training of technical and non-technical subject matter to people of all categories and calibre so at to train and orient manpower resource in the areas relating to Computers and other domains and verticals of both Information Technology as well as other sectors including finance, banking, telecom, healthcare, science, engineering, manufacturing, insurance, retail, and other related services and products.*
6. *To carry on in India or elsewhere the business of assemble, repair, install, maintain, convert, service, overhaul, test, buy, sell, exchange, modify, design, develop, export, and import renovate discover, research, improve, mechanize, mould, print, insulate, hire, let on hire, retailers agent, stockist, distributors, showroom owners, franchise or otherwise to deal in all sorts of items, systems, plants, machines, Instruments, apparatus, appliances, devices, articles or things of communications of different models, capacities, characteristics, applications and uses in all its branches such as telecommunications, wireless communications, computer communications, telephonic and telegraph communications, wave communications and to carry out all the forgoing activities for components, parts, fittings, fixtures, accessories, tools, devices and systems connected thereto.*
7. *To develop, buy and sell Software tools and information technology data processing, data acquisition,*

data transmission including development of packaged software for specific Segments and implementation, customized software development and also to do training on software development by others in India or abroad.

Changes in the Memorandum of Association

Since the incorporation of our Company, the following changes have been made to the MoA of our Company:

AGM/EGM and its date	Particulars of Change
EGM dated July 31, 2009	<p>Increase in Authorised Capital</p> <p>Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹ 1,00,000 consisting of 10,000 Equity shares of ₹ 10 each. to ₹ 4,00,00,000 consisting of 40,00,000 Equity shares of ₹ 10 each.</p>
EGM dated March 30, 2010	<p>Increase in Authorised Capital</p> <p>Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹ 4,00,00,000 consisting of 40,00,000 Equity shares of ₹ 10 each to ₹ 8,50,00,000 consisting of 85,00,000 Equity shares of ₹ 10 each.</p>
EGM dated February 9, 2011	<p>Change in Main Object Clause</p> <p>The main objects of our Company were amended by adding the following sub clauses after the then existing sub clause 4 as sub clauses 5, 6 and 7:</p> <p><i>“5. To carry on the business of manufacturing of narrow woven fabric (Hook – Loop Fastener) applied in all industries in particular garment, automobile, medical, home furnishings and aerospace and to carry on any other allied manufacturing activities that may be conveniently combined with existing activities.</i></p> <p><i>6. To buy, sell, distribute, manufacture, trade, deal, sell and export all kinds of Hand-loom and Power loom fabrics, Grudge and Non-grudge fabrics, Ready-made garments, Hosiery Goods, Make-ups, Towels, knitwear, and fabrics of all descriptions made out of manmade fabrics, silk cotton, yarn, wool, Jackets and outer wear in cotton, wool, leather, talon, decorative, hand and machine-made readymade garments carpets, artificial silk fabrics, nylon, wool, synthetics, cotton, woollen cloth and all sorts of apparel, carpets, rugs artificial silk fabrics, cotton, woollen cloth and all sorts of apparel, dressings materials.</i></p> <p><i>7. To carry on the business of manufacture and marketing of woven and non-woven garments of all descriptions and buy, sell, process, manufacture and otherwise deal with accessories of all descriptions for the manufacture of fashion garments including zippers, lining, wadding, threads, fasteners and other materials required in manufacture.”</i></p>
EGM dated May 9, 2011	<p>Change in Main Object Clause</p> <p>The main objects of our Company were amended by deleting the then existing sub clauses 1, 5, 6 and 7 and replacing them with the following sub clauses which now appear as sub clauses 1, 5, 6 and 7 of our MoA:</p> <p><i>“1. To carry on the business of providing services for launching new products & brands and rejuvenating existing products and to buy, sell, assemble, exchange, market, pledge, distribute, install, service, maintain, or otherwise deal in all kinds of commodities, goods, articles, materials of all types and kinds for use in system engineering, computer software for any/all applications including system software, computer based image processing systems and things, cosmetic goods, all goods including office automation equipment, computer hardware equipment and components including computer peripherals, processor chips, printed circuit boards, food and beverages, steel products, agricultural products, medicines, medical</i></p>

AGM/EGM and its date	Particulars of Change
	<p><i>supplies, consumer, engineering and industrial products and to carry on the business of online trading of all kinds of goods mentioned above.</i></p> <p>5. <i>To carry on in India or elsewhere the design, development, implementation of software based contents, products, and services as technology aids and to provide teaching, education, training of technical and non-technical subject matter to people of all categories and calibre so as to train and orient manpower resource in the areas relating to Computers and other domains and verticals of both Information Technology as well as other sectors including finance, banking, telecom, healthcare, science, engineering, manufacturing, insurance, retail, and other related services and products.</i></p> <p>6. <i>To carry on in India or elsewhere the business of assemble, repair, install, maintain, convert, service, overhaul, test, buy, sell, exchange, modify, design, develop, export, and import renovate discover, research, improve, mechanize, mould, print, insulate, hire, let on hire, retailers agent, stockist, distributors, showroom owners, franchise or otherwise to deal in all sorts of items, systems, plants, machines, instruments, apparatus, appliances, devices, articles or things of communications of different models, capacities, characteristics, applications and uses in all its branches such as telecommunications, wireless communications, computer communications, telephonic and telegraph communications, wave communications and to carry out all the forgoing activities for components, parts, fittings, fixtures, accessories, tools, devices and systems connected thereto.</i></p> <p>7. <i>To develop, buy and sell Software tools and information technology data processing, data acquisition, data transmission including development of packaged software for specific Segments and implementation, customized software development and also to do training on software development by others in India or abroad”</i></p>
	<p>Change in Name</p> <p>Change in the name of our Company from “<i>Sweadi Marketing Private Limited</i>” to “<i>A-Team Edutech Private Limited</i>”</p>
	<p>Increase in Authorised Capital</p> <p>Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹ 8,50,00,000 consisting of 85,00,000 Equity shares of ₹ 10 each to ₹ 10,00,00,000 consisting of 1,00,00,000 Equity shares of ₹ 10 each.</p>
EGM dated June 16, 2011	<p>Change in Name</p> <p>Change in the name of our Company from “<i>A-Team Edutech Private Limited</i>” to “<i>A-Team Edutech Limited</i>”.</p>
EGM dated August 16, 2011	<p>Increase in Authorised Capital</p> <p>Clause V of our Memorandum of Association was amended for increase in the Authorised Share Capital of our Company from ₹ 10,00,00,000 consisting of 1,00,00,000 Equity shares of ₹ 10 each to ₹ 20,00,00,000 consisting of 2,00,00,000 Equity shares of ₹ 10 each.</p>

Injunction or Restraining Order

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

Changes in activities of our Company during the last five (5) years

At the time of incorporation in the year 2008, our Company was engaged in the business of trading in commodities, medicinal products, turnkey projects particularly in agro sector, etc. Except for its foray into the business of providing IT solutions to educational institutions, which is our Company’s present line of business,

our Company has not changed its business activities. For further details, please refer to chapter titled "Our Business" beginning on page 70 of the Draft Red Herring Prospectus.

Time and cost overruns in setting up projects:

In respect of projects undertaken by our Company since its incorporation, there have been no time and cost overruns.

Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

Funds raising through equity or debt:

For details in relation to our funds raising activities through equity and debt, please refer to the chapters titled 'Financial Indebtedness' and 'Capital Structure' beginning on pages 191 and 28 respectively, of the Draft Red Herring Prospectus.

Defaults or Rescheduling of borrowings with financial institutions/banks:

There have been no defaults or rescheduling of borrowings with any financial institutions / banks as on the date of the Draft Red Herring Prospectus.

Strikes and lock-outs:

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lock-outs. As on the date of the Draft Red Herring Prospectus, our employees are not unionized.

Holding Company:

As on the date of the Draft Red Herring Prospectus our Company is not a subsidiary of any company.

Subsidiaries


As on the date of the Draft Red Herring Prospectus our Company has one wholly owned subsidiary namely A-Team Information Technology Limited. For details of our wholly owned subsidiary namely A-Team Information Technology Limited please refer to the section titled "Our Subsidiaries" beginning on page 109 of the Draft Red Herring Prospectus.

Joint Ventures

As on the date of the Draft Red Herring Prospectus, there are no joint ventures of our Company.

Other Agreements

Deed of Assignment of Trade Mark dated September 22, 2011 entered into between A-Team Information Technology Limited and our Company

Assignment of Trade Mark: In pursuance of the Deed of Assignment of Trade Mark and in consideration of the sum of ₹ 31,200 (Rupees Thirty One Thousand Two Hundred only) our Company has agreed to acquire and accept the assignment of and ATITL has assigned, assured and transferred all its rights, interest and benefits in the trade mark which it has acquired from M/s. A-Team Computers, a proprietary concern, in terms of the Business Purchase Agreement dated April 1, 2010 in respect of which application for registration whereof has been made and is pending approval "" ("Assigned Trade Mark") (as more particularly set out in Schedule "A" to the Deed of Assignment of Trade Mark).

Non-Exclusivity: The assignment of trademark to our Company by ATITL is non-exclusive in nature and ATITL shall be entitled to use the Assigned Trade Mark and also to assign the Assigned Trade Mark to any of its subsidiaries or group entities, at its discretion.

Except as disclosed in the Draft Red Herring Prospectus, there are no material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by our Company and there are no material agreements entered into by our Company more than two years before the date of the Draft Red Herring Prospectus.

Shareholders' agreement

Our Company does not have any subsisting shareholders' agreement as on the date of the Draft Red Herring Prospectus.

Strategic Partners

Our Company does not have any strategic partner(s) as on the date of the Draft Red Herring Prospectus.

Financial Partners

Our Company does not have any other financial partners as per Clause (VIII) (D) (7) of Part A, Schedule VIII of the SEBI ICDR Regulations.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) Directors on its Board. As on date of the Draft Red Herring Prospectus, our Board consist of 8 (eight) Directors. Dr. Senniyappan Raju is the Chairman of our Company and Senthil Kumar is the Managing Director of our Company. Further, in compliance with the requirements of Clause 49 of the Listing Agreement, our Board consist of 5 (five) Independent Directors.

The Board of Directors of our Company

The following table sets forth certain details regarding the members of our Company's Board as on the date of the Draft Red Herring Prospectus:

Sr. No.	Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
1.	<p>Dr. Senniyappan Raju</p> <p><i>Designation:</i> Chairman (Non-Executive and Non-Independent)</p> <p><i>Address:</i> No. 58/2, Palakattu Thottam, Near New Teachers Colony, Erode - 638 011, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 73 years</p> <p><i>Occupation:</i> Business</p> <p><i>DIN:</i> 03512506</p>	<p><i>Date of appointment:</i> As Chairman on November 10, 2010.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <p>1. A-Team Information Technology Limited</p> <p><i>Private Limited Companies:</i></p> <p>Nil</p>
2.	<p>Senthil Kumar</p> <p><i>Designation:</i> Managing Director (Executive and Non-Independent)</p> <p><i>Address:</i> No. 102, Abirami Apartments Complex 3, First Floor, Palayapalayam, Erode- 638 011, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 42 years</p> <p><i>Occupation:</i> Business</p> <p><i>DIN:</i> 02437374</p>	<p><i>Date of appointment:</i> As Managing Director on November 10, 2010.</p> <p><i>Term:</i> Three years with effect from November 10, 2010.</p>	<p><i>Public Limited Companies:</i></p> <p>1. A-Team Information Technology Limited</p> <p><i>Private Limited Companies:</i></p> <p>Nil</p>
3.	<p>Adith Kumar</p> <p><i>Designation:</i> Director (Non-executive and Non-Independent)</p> <p><i>Address:</i> No. 1C, Ramcon Rajam Apartments, No. 90 Buzullah Road, T. Nagar, Chennai– 600 017, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p>	<p><i>Date of appointment:</i> As Director on April 18, 2011.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <p>1. A-Team Information Technology Limited</p> <p><i>Private Limited Companies:</i></p> <p>1. Aries Strategic Solution Private Limited</p>

Sr. No.	Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
	<p>Age: 27 years</p> <p>Occupation: Business</p> <p>DIN: 02416207</p>		
4.	<p>Putheneri Sriraman Srinivasan</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> No. 22, Old No 1895, 18th Street, Thiruvalluvar Kudieruppu, Anna Nagar West, Chennai, 600040, Tamil Nadu.</p> <p><i>Nationality:</i> Indian</p> <p>Age: 72 years</p> <p><i>Occupation:</i> Professional</p> <p>DIN: 00104166</p>	<p><i>Date of appointment:</i> As Director on August 11, 2011.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <ol style="list-style-type: none"> 1. Maiam Global Foods Limited 2. IEC Fabchem Limited <p><i>Private Limited Companies:</i></p> <ol style="list-style-type: none"> 1. Aditya Envirotech Private Limited
5.	<p>M. Ramani</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> B-15, Ground Floor, Dafoidil, Raheja Enclave, Race Course, Coimbatore– 641 018, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p> <p>Age: 67 years</p> <p><i>Occupation:</i> Professional</p> <p>DIN: 00008741</p>	<p><i>Date of appointment:</i> As Director on August 5, 2011.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <ol style="list-style-type: none"> 1. Quantum Tubers Bio-tech (India) Limited 2. Golden Fries Limited 3. Hindusthaan Eco Ventures Limited 4. Vishnu Ganeshan Industries Limited <p><i>Private Limited Companies:</i></p> <ol style="list-style-type: none"> 1. Nalinum Builders and Developers Private Limited 2. Mother India Agrotech Plantations Private Limited 3. Sri Palaniappa Blue Metals (P) Limited
6.	<p>Dr. Arun Varma</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> 58, 1st Floor, Kamdar Nagar, 2nd Street, Mahalingapuram, Chennai – 600 034, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p> <p>Age: 59 years</p>	<p><i>Date of appointment:</i> As Director on July 1, 2011.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <p>NIL</p> <p><i>Private Limited Companies:</i></p> <p>NIL</p>

Sr. No.	Name, Designation, Address, Nationality, Age, Occupation and DIN	Date of Appointment as Director and Term of Office	Other Directorships
	<p><i>Occupation:</i> Professional</p> <p><i>DIN:</i> 03564823</p>		
7.	<p>Jayaprakash Gandhi</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> Giri Amarprakash Building, 165, Sathyanarayana Street, Swarnapuri, Salem – 636 004, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 50 years</p> <p><i>Occupation:</i> Professional</p> <p><i>DIN:</i> 03565658</p>	<p><i>Date of appointment:</i> As Director on July 1, 2011.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <p>NIL</p> <p><i>Private Limited Companies:</i></p> <p>NIL</p>
8.	<p>Sankaran Agneeswaran Sivakkumar</p> <p><i>Designation:</i> Director (Non-executive and Independent)</p> <p><i>Address:</i> 5-2, Ward No. 18, West Circular Road, Mandavellipakkam, Chennai – 600 020, Tamil Nadu</p> <p><i>Nationality:</i> Indian</p> <p><i>Age:</i> 44 years</p> <p><i>Occupation:</i> Professional</p> <p><i>DIN:</i> 03600973</p>	<p><i>Date of appointment:</i> As Director on August 5, 2011.</p> <p><i>Term:</i> Liable to retire by rotation at the next AGM.</p>	<p><i>Public Limited Companies:</i></p> <p>NIL</p> <p><i>Private Limited Companies:</i></p> <p>NIL</p>

Note:

- 1) None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Draft Red Herring Prospectus.
- 2) None of the Directors of our Company are / were Directors of listed companies the shares of which have been / were suspended from being traded on BSE and / or NSE at any time during the last 5 years from the date of the Draft Red Herring Prospectus.
- 3) Further, none of the Directors of our Company are / were Directors of listed companies which have been / were delisted from the BSE and/or NSE and/or any other stock exchanges.
- 4) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 5) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

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

Brief Profile of the Directors of our Company

Dr. Senniyappan Raju, aged 73 years, is the Chairman of our Company. He holds a Doctorate degree of Philosophy from Madurai Kamaraj University and a Masters Degree in Arts from the University of Madras. He is a teacher of Tamil, an epigraphist and an archaeologist. He has authored more than 200 books in Tamil on Tamil history and philosophy. He was not paid any remuneration or sitting fee in the Fiscal 2011.

Senthil Kumar, aged 42 years, is the Managing Director of our Company. He holds a diploma in Mechanical Engineering from the Nachimuthu Polytechnic, Pollachi. He has over two decades of experience in the technology market, computer retail business, paging services, internet service provider and IT-enabled services in the education sector. In 2008, he was awarded as “Jewel of NPT” by Sakthi Group of Companies, an industrial conglomerate in Southern India. He spearheads the formulation of the corporate strategies, growth and diversification plans of our Company and is in charge of its overall execution and management. He was not paid any remuneration for Fiscal 2011.

Adith Kumar, aged 27 years, is a non-independent and non-executive Director of our Company. He holds a Bachelor’s degree in Electronics and Communications from the Anna University and also holds Masters degree in Business Administration (MBA) from Great Lakes Institute of Management, Chennai. In the past he has been associated with companies like Henkel Marketing India Limited, where he was heading the sales operation for Tamil Nadu, Karnataka and Maharashtra. He has been presented the Indian Leadership Award for Industrial Development and Indian Achievers’ Award, 2011 for education excellence by the All India Achievers Foundation. He was not paid any remuneration or sitting fees in the Fiscal 2011.

Putheneri Sriraman Srinivasan, aged 82 years, is an independent Director of our Company. He is a qualified chartered accountant and is an associate member of the Institute of Chartered Accountants of India since October 20, 1966. He is also an associate member of the Institute of Cost and Works Accountants of India since September 12, 1970 and the Institute of Company Secretaries of India since January 1, 1981. He also holds a degree of Bachelor of Laws from the University of Calcutta. He was not paid any remuneration or sitting fees in the Fiscal 2011.

M Ramani, aged 67 years, is an independent Director of our Company. He is a fellow member of the Institute of Company Secretaries of India. He also holds a Bachelor’s degree in Commerce from the Madras University. He was associated with SIV Industries Limited from 1976 to 2004. Since then, he has been working as a freelance legal consultant. He was not paid any remuneration or sitting fees in the Fiscal 2011.

Dr. Arun Varma, aged 59 years, is an independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India since 1984. In the past he has been associated with Pricewaterhouse Coopers, National Insurance Company Limited, Keltron Limited, Fact Limited and Walk In Financial Services. He has over 20 years of experience in the field of financial management. He has not been paid any remuneration or sitting fees in the Fiscal 2011.

Jayaprakash Gandhi, aged 50 years, is an independent Director of our Company. He holds a degree of Master of Technology in Textile Technology from Anna University. He conducts career guidance programmes in India. He also runs a website <http://www.askjpgandhi.com/> that provides career guidance. He has not been paid any remuneration or sitting fees in the Fiscal 2011.

Sankaran Agneeswaran Sivakkumar, aged 44 years is an independent Director of our Company. He holds a degree of Bachelor of Commerce from the University of Madras. He has not been paid any remuneration or sitting fees in the Fiscal 2011.

Family relationship between Directors

Except as mentioned below none of our Directors are related to each other within the meaning of Section 6 of the Companies Act:

Name	Designation	Relationship with other Directors
Senthil Kumar	Managing Director	Son of Dr. Senniyappan Raju
Dr. Senniyappan Raju	Chairman	Father of Senthil Kumar

Borrowing power of the Board

The borrowing powers of our Board are regulated by Article 137 of the Articles of Association of our Company.

Pursuant to a special resolution passed at the Extra Ordinary General Meeting of our shareholders held on August 16, 2011 our Directors were authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to time, pursuant to the provisions of Section 293(1)(d) of the Companies Act, subject to an amount not exceeding ₹ 500 crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the chapter titled ‘Main Provisions of the Articles of Association’ beginning on page 247 of the Draft Red Herring Prospectus.

Terms and Conditions of Employment of the Directors

i. Managing Director

Senthil Kumar, Managing Director

Senthil Kumar is the Managing Director of our Company. He was appointed as the Managing Director of our Company for a term of three years commencing from November 10, 2010 *vide* board resolution dated November 10, 2010 and *vide* EGM resolution dated August 16, 2011. The remuneration payable to Senthil Kumar towards salary (inclusive of perquisites, performance bonus and allowances) in terms of the EGM resolution dated August 16, 2011 is ₹ 2,50,000 per month with effect from October 1, 2011. The terms of appointment for Senthil Kumar are as follows:

Tenure of Appointment	For a period of 3 (three) years with effect from November 10, 2010.
Basic Salary:	Unless otherwise decided by the Board of Directors, <ul style="list-style-type: none"> • salary: ₹ 2,50,000 per month with effect from October 1, 2011 • Commission: 1 per cent of the net profit
Other Terms and Conditions	<i>Category “A”</i> Housing: <ul style="list-style-type: none"> • Hiring unfurnished accommodation subject to a ceiling of 60 per cent of the salary. • Where accommodation is provided in a company-owned house, the Company shall deduct 20 per cent salary of the Managing Director. Car: <ul style="list-style-type: none"> • The Company shall provide a car with chauffeur to be used exclusively by him both for official and personal use. Gas, electricity and water: <ul style="list-style-type: none"> • Reimbursement of expenditure incurred on gas, electricity and water. Medical Reimbursement: <ul style="list-style-type: none"> • Expenses incurred for the Managing Director and family, subject to a ceiling of one month’s salary in a year or three months’ salary over a period of three years. Leave travel concession: <ul style="list-style-type: none"> • Expenses incurred for the Managing Director and his family, once in a year in

accordance with the company's policies.

Club fees:

- Fees for clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

Personal accident insurance:

- Premium not to exceed ₹ 1,000 per annum.

Category "B"

- Contribution to provident fund, superannuation fund, gratuity as per Company's policies.

Category "C"

- The provision for use of car for Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Managing Director.
- The Managing Director shall not be paid any sitting fees for attending meetings of the Board of Directors or its Committees of the Company.
- The Managing Director shall not be liable to retire by rotation as a Director.

Termination of Employment	The agreement may be terminated by the Company or Senthil Kumar by giving a notice in writing not less than three months before such termination. The agreement shall also be terminated if the appointment of Senthil Kumar is terminated during the term of this agreement due to any reason including/pursuant to, but not limited to any provisions of the Companies Act required such termination or requiring the removal of Senthil Kumar from his capacity as the Managing Director.
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ii. Independent Directors

Our independent Directors are entitled to sitting fees for attending meetings of the Board, or of any committee of the Board. Currently, the sitting fees payable by our Company to our Directors is ₹ 5,000 for every meeting of the Board attended by them and ₹ 3,000 for every meeting of the committee of the Board attended by them.

We have not paid any sitting fees to any of our Directors in the Fiscal 2011.

Shareholding of Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the Directors	No. of Equity Shares held	% of pre-issue paid-up Equity Share capital in our Company
1.	Dr. Senniyappan Raju	99,838	0.99
2.	Senthil Kumar	63,00,000	63.00
3.	Adith Kumar	4,99,999	4.99
	Total	68,99,837	68.98

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Managing Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be 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 our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

Our Directors do not have any interest in any property acquired by our Company before the date of the Draft Red Herring Prospectus or proposed to be acquired by us as on date of the Draft Red Herring Prospectus. For further details please refer to paragraph titled “*Property*” in the chapter titled “*Our Business*” on page 70 of the Draft Red Herring Prospectus.

Further, save and except as stated otherwise in “*Statement of Transactions with Related Parties*” on consolidated and standalone basis in the chapter titled “*Financial Information*” beginning on pages 139 and 170 respectively of the Draft Red Herring Prospectus and under the paragraph titled “*Interest of Promoter*” in the chapter titled “*Our Promoter Group and Group Entities*” beginning on page 106 of the Draft Red Herring Prospectus, our Directors do not have any other interests in our company as on the date of the Draft Red Herring Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

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

Details of Service Contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation.

Changes in the Board for the last three years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

Name of Director	Date of Appointment	Date of Cessation	Reason for Change
R. Kannan	December 3, 2008	August 5, 2011	Resignation
Hemaram Mahaveer	March 1, 2010	August 5, 2011	Resignation
Ramesh Govindarajan	March 1, 2010	April 18, 2011	Resignation
Senthil Kumar	November 10, 2010	--	Appointment
Dr. Senniyappan Raju	November 10, 2010	--	Appointment

Name of Director	Date of Appointment	Date of Cessation	Reason for Change
Adith Kumar	April 18, 2011	--	Appointment
Dr. Arun Varma	July 1, 2011	--	Appointed to broad base the board and comply with Corporate Governance norms pursuant to the provisions of Clause 49 of Listing Agreement to be entered into by our Company with the Stock Exchanges.
Dr. K. Balasubramani	July 1, 2011	--	
Jayaprakash Gandhi	July 1, 2011	--	
M Ramani	August 5, 2011	--	
Sankaran Agneeswaran Sivakkumar	August 5, 2011	--	
Putheneri Sriraman Srinivasan	August 11, 2011	--	
Dr. K. Balasubramani	July 1, 2011	September 19, 2011	Resignation

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 such Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Shareholder / Investor Grievance Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Further, Our Company undertakes to take all necessary steps to comply with all the requirements of Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Our Board has eight Directors out of which five are independent directors in accordance with the requirement of Clause 49 of the Listing Agreement.

In terms of Clause 49 of the Listing Agreement, our Company has constituted the following Committees of the Board:

1. Audit Committee
2. Remuneration Committee
3. Shareholders/Investors Grievance Committee

To enable efficient functioning with regards to the activities relating to this Issue we have constituted an Initial Public Offer (IPO) Committee.

1. Audit Committee

The Audit Committee was constituted *vide* Board resolution dated July 1, 2011 pursuant to Section 292A of the Companies Act and clause 49 of the Listing Agreement. It was reconstituted *vide* a Board Resolution dated August 11, 2011. As on the date of the Draft Red Herring Prospectus the Audit Committee consists of the following Directors:

Name of the Director	Designation in the Committee	Nature of Directorship
Putheneri Sriraman Srinivasan	Chairman	Independent and Non-Executive
Sankaran Agneeswaran Sivakkumar	Member	Independent and Non-Executive
Adith Kumar	Member	Non-Independent and Non-Executive
M Ramani	Member	Independent and Non-Executive

Our Company Secretary, Taher Noor Sayed is the secretary of the Audit Committee.

The terms of reference of our Audit Committee are given below:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditor.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference, but not restricted to:
 - a. Matters required to be included in the Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to the financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchanges;
7. Monitoring the, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
10. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
11. Discussing with internal auditors on any significant findings and follow up thereon.
12. 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.
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
15. To review the functioning of the 'whistle blower' mechanism, when the same is adopted by our Company and is existing.
16. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;
18. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial information and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
19. Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per Clause 49 of Listing Agreement

The recommendations of the Audit Committee on any matter relating to financial management, including the

audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

Meetings of Audit Committee

The Audit Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present. Since its constitution till the date of the Draft Red Herring Prospectus our Audit Committee has met once.

2. Remuneration Committee

The constitution of the Remuneration Committee was approved at a meeting of the Board of Directors held on July 1, 2011. It was reconstituted *vide* Board Resolution dated August 11, 2011. It was further reconstituted *vide* a Board Resolution dated September 19, 2011. As on the date of the Draft Red Herring Prospectus the Remuneration Committee consists of the following Directors:

<i>Name of the Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Sankaran Agneeswaran Sivakkumar	Chairman	Independent and Non-Executive
Dr. Arun Varma	Member	Independent and Non-Executive
Adith Kumar	Member	Non-Independent and Non-Executive

Our Company Secretary, Taher Noor Sayed is the secretary of the Remuneration Committee.

The scope of Remuneration Committee shall include but shall not be restricted to the following:

1. to ensure that our Company has formal and transparent procedures for the selection and appointment of new directors to the board and succession plans;
2. to develop and implement a plan for identifying and assessing competencies of directors;
3. to identify individuals who are qualified to become board members, taking into account a variety of factors, including, but not limited to:
 - a) the range of skills currently represented on the board;
 - b) the skills, expertise, experience (including commercial and/or industry experience) and particular qualities that make individuals suitable to be a director of our Company; and/or
 - c) the individual's understanding of technical, accounting, finance and legal matters;
4. to make recommendations for the appointment and removal of directors;
5. ensure that our Company has in place a programme for the effective induction of new directors;
6. to review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
7. to recommend to the Board, the remuneration packages of our Company's Managing / Joint Managing / Deputy Managing / Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
8. to be authorised at its duly constituted meeting to determine on behalf of the Board of Directors and on behalf of the shareholders with agreed terms of reference, our Company's policy on specific remuneration packages for Company's Managing / Joint Managing / Deputy Managing / Whole-time / Executive Directors, including pension rights and any compensation payment;
9. to implement, supervise and administer any share or stock option scheme of our Company; and
10. to attend to any other responsibility as may be entrusted by the Board within the terms of reference.

Meetings of Remuneration Committee

The Remuneration Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Remuneration Committee whichever is greater, but there should be a minimum of two independent members present. Since its constitution till the date of the Draft Red Herring Prospectus our Remuneration Committee has met once.

3. Shareholders/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee has been formed by the Board of Directors at the meeting held on July 1, 2011. It was reconstituted *vide* Board Resolution dated August 11, 2011. As on the date of the Draft Red Herring Prospectus the Shareholders/ Investors Grievance Committee consists of the following Directors:

<i>Name of the Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Dr. Arun Varma	Chairman	Independent and Non-Executive
Jayaprakash Gandhi	Member	Independent and Non-Executive
M Ramani	Member	Independent and Non-Executive
Sankaran Agneeswaran Sivakkumar	Member	Independent and Non-Executive
Adith Kumar	Member	Non-Independent and Non-Executive

Our Company Secretary, Taher Noor Sayed is the secretary of the Shareholders/ Investors Grievance Committee.

This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges and its terms of reference include the following:

1. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
2. Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
3. Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares
4. Issue of duplicate / split / consolidated share certificates;
5. Allotment and listing of shares;
6. Review of cases for refusal of transfer / transmission of shares and debentures;
7. Reference to statutory and regulatory authorities regarding investor grievances;
8. Ensure proper and timely attendance and redressal of investor queries and grievances.
9. To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.

4. IPO Committee

The Initial Public Offering Committee of our Company has been formed by the Board of Directors at the meeting held on August 11, 2011. As on the date of the Draft Red Herring prospectus The IPO Committee consists of the following Directors:

<i>Name of the Director</i>	<i>Designation in the Committee</i>	<i>Nature of Directorship</i>
Adith Kumar	Chairman	Non-Independent and Non-Executive
Senthil Kumar	Member	Non-Independent and Executive
Sankaran Agneeswaran Sivakkumar	Member	Independent and Non-Executive
Dr. Arun Varma	Member	Independent and Non-Executive

Our Company Secretary, Taher Noor Sayed is the secretary of the IPO Committee.

The broad terms of reference of the IPO Committee of our Company includes:

1. Evaluating the viability of the proposed IPO of the Company *vis-a-vis* market conditions, investors' interest and recommend to the Board on the timings of the proposed IPO, the number of equity shares that may be offered under the Issue, including pursuant to any Pre-IPO Placement, Reservation, Green Shoe Option and any rounding off in the event of any oversubscription as permitted under the SEBI ICDR Regulations, the

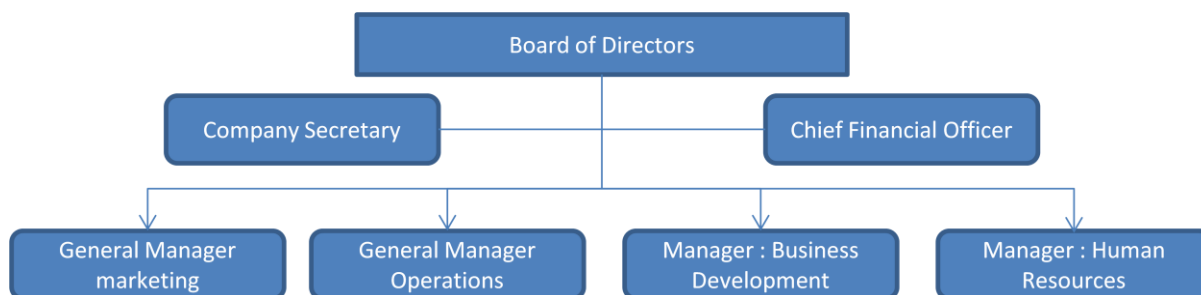
- objects of the Issue, allocation of the Equity Shares to a specific category of persons and the estimated expenses on the Issue as percentage of Issue size;
2. Identify, appoint and instruct suitable persons, as the committee may think fit, as book running lead manager to the Issue, legal counsel to the Issue, escrow collection banks, bankers to the Issue, brokers, sub brokers, syndicate members, placement agents, managers, underwriters, guarantors, escrow agents, credit rating agencies, monitoring agencies, accountants, auditors, depositories, trustees, custodians, advertising agencies and all such persons or agencies as may be involved in or concerned with the Issue, including any successors or replacements thereto and to negotiate and finalize the terms of their appointment, including mandate letter, negotiation, finalization and execution of the memoranda of understanding etc.;
 3. Remunerating all such intermediaries, advisors, agencies and persons as may be involved in or concerned with the Issue, if any, by way of commission, brokerage, fees or the like;
 4. Guiding the intermediaries in the preparation and finalization of the draft red herring prospectus, the red herring prospectus, the prospectus and the preliminary and final international wrap, and approving such documents, including any amendments, supplements, notices or corrigenda thereto, together with any summaries thereto;
 5. Finalizing and arranging for the submission of the draft red herring prospectus, the red herring prospectus, the prospectus and the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, to the SEBI, the Stock Exchanges and other appropriate government and regulatory authorities, institutions or bodies;
 6. Approving a code of conduct as may be considered necessary by the Board or the IPO Committee or as required under Applicable Laws for the Board, officers of the Company and other employees of the Company;
 7. Approving a suitable policy on insider trading as required under Applicable Laws;
 8. Approving any corporate governance requirement that may be considered necessary by the Board or the IPO Committee or as may be required under Applicable Laws in connection with the Issue;
 9. Opening bank accounts, share/securities accounts, escrow or custodian accounts, in India or abroad, in ₹ or in any other currency, in accordance with applicable laws, rules, regulations, approvals and guidelines, including the SEBI ICDR Regulations;
 10. Seeking the listing of the Equity Shares on the Stock Exchanges, submitting listing applications to the Stock Exchanges and taking all such actions as may be necessary in connection with obtaining such listing, including, without limitation, entering into the listing agreements;
 11. Seeking the admission of the Company's Equity Shares into Central Depository Services (India) Limited and National Securities Depository Limited and taking any further action as may be necessary or required for the dematerialization of the Company's Equity Shares;
 12. Determining and finalizing the price band for the Issue, any revision to the price band and the final Issue Price after bid closure;
 13. Determining the bid opening and closing dates;
 14. Approving and finalizing the basis of allocation and confirming the allocation/allotment/transfer of Equity Shares to the various categories of persons as disclosed in the draft red herring prospectus, the red herring prospectus and the prospectus, in consultation with the book running lead manager, the Stock Exchanges and/or any other entity;
 15. Determining the price at which the Equity Shares are offered or issued/allotted to investors in the Issue;
 16. Allotment/transfer of the Equity Shares;
 17. Authorising/ delegate power to the representative of our Company to seek necessary action for the purpose of the IPO.

The quorum necessary for a meeting of the IPO Committee shall be two members.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchanges. Our Company Secretary Taher Noor Sayed is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

Management Organisation Chart



Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

P.K. Shankara Narayanan, aged 50 years, is the Chief Financial Officer of our Company. He holds a masters’ degree in Commerce from the Madurai Kamaraj University. He also holds a Bachelor of Laws degree from the Bangalore University. He is also an associate member of the Institute of Company Secretaries of India. At present, he is responsible for supervising our Company’s account and finance department including resource management. P.K. Shankara Narayanan joined our Company on August, 1, 2011 and hence, no remuneration was paid to him for the Fiscal 2011 by our Company.

Suraj Giridharan, aged 27 years, is the General Manager – Marketing of our Company. He holds a Bachelors’ degree in Commerce from the Madras University and a Post Graduate Diploma in Management from SDM Institute for Management Development. At present, he is responsible for brand building with our customers and controlling sales force. Suraj Giridharan joined our Company on August 1, 2011 and hence, no remuneration was paid to him for the Fiscal 2011 by our Company.

Samiulla, aged 31 years, is the General Manager – Operations of our Company. He holds a degree of Master of Arts from the Annamalai University and an MBA degree from the Vinayaka Mission University. At present, he is responsible for analyzing business requirements and coordinating with the clients of our Company. Samiulla joined our Company on July 1, 2011 and hence, no remuneration was paid to him for the Fiscal 2011 by our Company.

Srinivasan, aged 34 years, is the Manager – Business Development of our Company. He holds a Diploma in Electronics and Electrical Engineering from State Board of Technical Education and Training. At present, he is responsible for exploring new business opportunities. Srinivasan joined our Company on July 1, 2011 and hence, no remuneration was paid to him for the Fiscal 2011 by our Company.

Bharathy, aged 30 years, is the Manager – Human Resources of our Company. He holds a Bachelors’ degree in Commerce from the Madurai Kamaraj University and a Post Graduate Diploma in Computer Application from the Tirumala Computer Education, Erode. At present, he is responsible for managing the deployment of human resource and formulating human resource policies. Bharathy joined our Company on July 1, 2011 and hence, no remuneration was paid to him for the Fiscal 2011 by our Company.

Taher Noor Sayed, aged 23 years, is the Company Secretary and Compliance Officer of our Company. He is a qualified Company Secretary from the Institute of Company Secretaries of India and also holds a Bachelor’s degree in Commerce from the Utkal University. He is an associate member of the Institute of Company Secretaries of India. At present, he is responsible for looking after the secretarial matters of our Company. Taher Noor Sayed joined our Company on August 1, 2011 and hence, no remuneration was paid to him for Fiscal 2011 by our Company.

Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of our Key Managerial Personnel are “related” to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act.

Details of Service Contracts of our Key Managerial Personnel

Except for terms set forth in the appointment letters, our key managerial personnel have not entered into any other contractual arrangements with our Company.

Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus and / or profit sharing plan for the key managerial personnel.

Contingent and Deferred Compensation payable to Key Managerial Personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel are holding any Equity Shares in our Company as on the date of the Draft Red Herring Prospectus.

Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares held by them in our Company.

Changes in our Company’s Key Managerial Personnel during the last three years

Following have been the changes in the Key Managerial Personnel during the last three years:

Sr. No.	Name	Date of Joining	Date of Leaving	Reason
1.	K. Venkatesan	May 23, 2011	July 31, 2011	Resignation
2.	Samiulla	July 1, 2011	--	Appointment
3.	Srinivasan	July 1, 2011	--	Appointment
4.	Bharathy	July 1, 2011	--	Appointment
5.	Taher Noor Sayed	August 1, 2011	--	Appointment
6.	P K Sankara Narayanan	August 1, 2011	--	Appointment
7.	Suraj Giridharan	August, 1, 2011	--	Appointment

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Employees

As on the date of the Draft Red Herring Prospectus, A-Team Group has 84 employees and our Company has 12 employees. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled ‘Manpower’ under chapter titled ‘Our Business’ beginning on page 70 of the Draft Red Herring Prospectus.

Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel as on the date of the Draft Red Herring Prospectus.

Payment of Benefits to officers of our Company (non-salary related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Statements*” and the chapter titled “*Our Business*” beginning on pages 112 and 70 of the Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of the Draft Red Herring Prospectus.

Retirement Benefits

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

OUR PROMOTERS, PROMOTER GROUP AND GROUP ENTITIES

Our Promoters:

Our Company has been promoted by Senthil Kumar and S. Sivagami

Brief profiles of our Promoters are as under:

1. Senthil Kumar, Managing Director

	<p>Senthil Kumar, aged 42 years, is the Managing Director of our Company. He holds a diploma degree in Mechanical Engineering from the Nachimuthu Polytechnic, Pollachi. He has over two decades of experience in the technology market, computer retail business, paging services, internet services and IT-enabled services in the education sector. In 2008, he was awarded as “Jewel of NPT” by Sakthi Group of Companies, an industrial conglomerate in Southern India.</p> <p>Passport No: H0291839 Driving License: Not applied for Voters ID: XUY0064337 Address: Number 102, Abirami Apartments, Complex-3, First Floor, Palayapalayam, Erode, Tamil Nadu- India- 638 011.</p> <p>For further details relating to Senthil Kumar, including terms of appointment as our managing Director and other directorships, please refer to the chapter titled “<i>Our Management</i>” beginning on page 91 of the Draft Red Herring Prospectus.</p>
	<p>S. Sivagami, aged 32 years, is the wife of Senthil Kumar. She is a non matriculate. She does not have experience in our Company’s current line of business. She is in-charge of the general administration of our Subsidiary, ATITL for the past three years.</p> <p>Passport No: Not applied for Driving License: TN33 200800008748 Voters ID: XUY0064378 Address: Number 102, Abirami Apartments, Complex-3, First Floor, Palayapalayam, Erode, Tamil Nadu- India- 638 011.</p>

Declaration

Our Company confirms that the permanent account number, bank account number and passport number, as applicable of our Promoters shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Our Promoters and the members of our Promoter Group have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against him.

INTEREST OF PROMOTERS

Interest in promotion of our Company

Our Promoters are interested in the promotion of our Company in their capacity as shareholders of our Company and influencing significant control over the management and policy decisions of our Company.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Draft Red Herring Prospectus.

Interest as member of our Company

Senthil Kumar holds 63,00,000 Equity Shares aggregating to 63.00% of pre-Issue Equity Share Capital and S. Sivagami holds 27,00,000 Equity Shares aggregating to 27.00% of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of their shareholding in our Company and benefits provided to Senthil Kumar and as given in the chapter titled “*Our Management*” beginning on page 91 of the Draft Red Herring Prospectus, they hold no other interest in our Company.

Interest as a creditor of our Company

Vide a business purchase agreement dated April 1, 2010, ATITL acquired the business, including all assets and liabilities, of M/s. A-Team Computers (“ATC”) a proprietary concern of our Promoter, Senthil Kumar for which a consideration of ₹ 1,00,00,000 is payable to our Promoter Senthil Kumar by our Subsidiary, ATITL.

As on the date of the Draft Red Herring Prospectus our Company has not availed any secured or unsecured loan from any of the Promoters of our Company.

Interest as Director of our Company

Except as stated in the “*Statement of Related Party Transactions*” on consolidated and standalone basis beginning on pages 139 and 170 respectively of the Draft Red Herring Prospectus, our Promoters/ Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our Articles of Association.

Interest in transactions involving acquisition of land

Our Promoters are not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Other Ventures of our Promoters

Save and except as disclosed in the chapter titled ‘*Our Subsidiaries*’ beginning on page 109 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to the section titled “*Statement of Related Party Transactions, as Restated*” (unconsolidated) appearing as Annexure XVIII and “*Statement of Transactions with Related Parties, as Restated*” (consolidated) appearing as Annexure XVII of the section titled “*Financial Information*” beginning on page 170 and 139 respectively of the Draft Red Herring Prospectus.

Our Promoter Group:

Our Promoter Group as defined under Regulations 2 (zb) of the SEBI (ICDR) Regulations, 2009, is as under:

i. Natural Persons who form part of our Promoter Group:

The following natural persons (being the immediate relatives of our Promoters in terms of the SEBI ICDR Regulations) form part of our Promoter Group:

Relationship	Senthil Kumar	S. Sivagami
Father	Sennyappan Raju	Murugesan Ramasamy
Mother	Gowri Raju	Rathinam Murugesan
Spouse	S. Sivagami	Senthil Kumar
Brother	Jayaprakash Raju Jayamohan Raju	Maharaja Murugesan
Sister	--	Sumathi Eswaramoorthy
Son	--	--
Daughter	Swathi Senthil Kumar Mithra Senthil Kumar	Swathi Senthil Kumar Mithra Senthil Kumar
Spouse's Father	Murugesan Ramasamy	Sennyappan Raju
Spouse's Mother	Rathinam Murugesan	Gowri Raju
Spouse's Brother	Maharaja Murugesan	Jayaprakash Raju Jayamohan Raju
Spouse's Sister	Sumathi Eswaramoorthy	--

ii. Entities forming part of the Promoter Group

1. A-Team Broadband Services Private Limited
2. A-Team Consulting Private Limited
3. A-Team Infomedia Private Limited
4. A-Team Properties Private Limited
5. Puducherry Backwater Resort Private Limited

Relationship of Promoters with each other and with our Directors

None of the Directors and Promoters are related to each other except that Sennyappan Raju is the father of Senthil Kumar and father-in-law of S. Sivagami and that S. Sivagami and Senthil Kumar are spouses.

Changes in our Promoters

In October 2009, Senthil Kumar and S. Sivagami, our existing Promoter took over the management of our Company from our erstwhile Promoter, Adith Kumar. There has been no other change in Promoters of our Company since its incorporation.

Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

Our Promoters have not disassociated themselves from any of the companies, firms or other entities during the last three years preceding the date of the Draft Red Herring Prospectus.

Group Companies

As on the date of the Draft Red Herring Prospectus, there are no companies, firms, ventures, etc. promoted by the Promoters of our Company, irrespective of whether such entities are covered under section 370 (1)(B) of the Companies Act, 1956 or not.

OUR SUBSIDIARIES

As on the date of the Draft Red Herring Prospectus our Company has one wholly owned subsidiary namely A-Team Information Technology Limited.

A-Team Information Technology Limited (“ATITL”)

ATITL is a wholly owned subsidiary of our Company. ATITL was incorporated as “A-Team Information Technology Limited” a public limited company under the Companies Act, 1956 *vide* certificate of incorporation dated March 27, 1995 issued by the Registrar of Companies, Tamil Nadu, Coimbatore. The CIN of ATITL is U03000TZ1995PLC005955.

The main objects of ATITL include, *inter alia*, to design, prepare, own, use of, export, import, sell or otherwise dispose off and generally to deal in and with computers, data processing machines, software, computer communication equipments, types, cards, memory equipments or any other equipments and materials of every kind and description useful in connection with forgoing business.

Registered Office

The registered office of ATITL is situated at Number 121, 122, SKS Buildings, Perundurair Road, Sampath Nagar, Erode, Tamil Nadu - 638011.

Board of Directors

As on the date of the Draft Red Herring Prospectus, the Board of Director of ATITL comprises of the following:

Name of the Director	Designation
Senthil Kumar	Managing Director
Dr. Senniyappan Raju	Director
Adith Kumar	Director
Sankaran Agneeswaran Sivakkumar	Director

Capital Structure and Shareholding Pattern

The authorized share capital of ATITL is ₹ 50,00,000 divided into 5,00,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up share capital of ATITL is ₹ 5,00,000 divided into 50,000 equity shares of ₹ 10 each. The shareholding pattern of ATITL as on the date of the Draft Red Herring Prospectus is as follows:

Sl. No.	Name of Shareholder	Number of Shares held	Percentage of Shareholding
1.	A-Team Edutech Limited	49,956	99.91
2.	Senthil Kumar*	10	0.02
3.	Jayaprakash Raju*	10	0.02
4.	Anitha Prakash*	10	0.02
5.	Vasantha Arokianathan*	10	0.02
6.	Senniyappan Raju*	1	Negligible
7.	G. Vijalakshmi*	1	Negligible
8.	C.S. Chenbaga Chezhan*	1	Negligible
9.	R. Kedavel*	1	Negligible
	Total	50,000	100.00

* A-Team Edutech Limited holds the beneficial interest in such shares.

Financial performance

(₹ in lacs, except per share data)

Particulars	For the period ended March 31			Quarter ended
	2009	2010	2011	June 30, 2011
Equity capital (par value ₹ 10 per share)	5.00	5.00	5.00	5.00
Reserves and Surplus	NIL	NIL	340.73	400.96
Misc. expenditure not written off	NIL	NIL	NIL	NIL
Sales & Other Income	279.05	91.79	5,293.39	734.35
Profit/(Loss) after tax	1.46	(6.89)	353.48	60.23
Net worth	(0.86)	(7.75)	345.73	405.96
Earnings per share (₹)	2.93	(13.80)	706.97	120.46
Net Asset Value per equity share (₹)	N.A.	N.A.	691.46	811.92

Amount of accumulated profits and / or losses of our Subsidiary not accounted for by our Company

Our Company has accounted for all accumulated profits and losses of ATITL in the consolidated financial statements of our Company, as included in the Draft Red Herring Prospectus. Please refer to the chapter titled “Financial Information” beginning on page 112 of the Draft Red Herring Prospectus. ATITL has not had negative net worth in Fiscal 2011.

Other declarations and disclosures

ATITL is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, ATITL has not made a Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations) in the past 3 years. No action has been taken against ATITL by any Stock Exchange or by SEBI.

ATITL is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. ATITL is not under winding up. ATITL has not received a notice for striking-off of such Subsidiary’s name from the relevant Registrar of Companies.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against ATITL.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

Our Company has not, since incorporation, declared dividends. Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

SECTION V – FINANCIAL INFORMATION**FINANCIAL INFORMATION**

Sr. No.	Particulars	Page no.
1	Consolidated restated financial statements of our Company for the Quarter ended June 30, 2011 and for the Fiscal 2011.	113
2	Unconsolidated restated financial statements of our Company for the Quarter ended June 30, 2011 and for the Fiscal 2011, 2010 and 2009.	143

AUDITORS' REPORT On Consolidated Financial Information
(As required by Part II of Schedule II of the Companies Act, 1956)

September 30, 2011

To

The Board of Directors
A-Team Edutech Limited
Flat B2/2, Vijayaraghava Manor
T. Nagar, Chennai 600018

Sub: Proposed Initial Public Offer (“IPO”) of A – Team Edutech Limited

Dear Sirs,

1. We have examined the restated financial information of A – Team Edutech Limited (formerly known as “Sweadi Marketing Private Limited”) (hereinafter referred to as “the Company”) and its subsidiary (‘the Group’) annexed to this report. The said restated consolidated financial information has been prepared by the Company and approved by the Board of Directors of the Company in accordance with the requirements of:
 - a. Para B (1) of Part II of Schedule II to the Companies Act, 1956 (“the Act”) and the amendments thereof;
 - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“the Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) as amended from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
 - c. Our engagement with the Company requesting us to examine the financial information referred to above and proposed to be included in the offer document of the Company in connection with its public issue of Equity Shares (referred to as the “issue”)

(A) Financial Information of the Company

We have examined:

1. The attached summary statement of Restated consolidated Assets and Liabilities of the Company and its subsidiary as at March 31, 2011 and Quarter ended June 30, 2011 as prepared by the company and its subsidiary and approved by the Board of Directors of the respective companies. (Annexure – I)
2. The accompanying summary statement of Restated consolidated Profit and Loss of the Company and its subsidiary for the financial years ended March 31, 2011 and Quarter ended June 30, 2011 as prepared by the company and approved by the Board of Directors of the respective companies. (Annexure-II).
3. The accompanying summary statement of consolidated cash flow of the Company and its subsidiary for the financial years ended March 31, 2011 and Quarter ended June 30, 2011 as prepared by the company and approved by the Board of Directors. (Annexure-III)

These statements reflect the Assets and Liabilities and Profit and Losses and the Cash flows for each of the relevant years as extracted from the balance sheet and profit and loss account for those years/periods of the company and its subsidiary. Further, there are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustments. For our examination, we have re-audited the financial statements of Company for financial year 2010 – 11 and audited for the quarter ended June 30, 2011. These financial statements for the year 2010 - 11 have been approved by the Board of Directors of the company and its subsidiary adopted by the members of the respective Companies (except for the quarter ended June 30, 2011 which are only approved by the Board of Directors and not approved by members of the company). The restated financial statements have been made after making such adjustments and regroupings and after incorporating material amounts and auditor’s qualification requiring adjustments as in our opinion and appropriate and are described fully in the Notes appearing in Annexure V to this report.

Based on our examination of these summary statements we confirm that the restated financial information has been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of SEBI ICDR Regulations, and after incorporating:

- a. Adjustments suggested in paragraph 9 of sub-clause (IX) of Part A of Schedule VIII of the SECBI ICDR Regulations.
- b. There are no prior period items which are required to be adjusted.
- c. There are no extraordinary items that need to be disclosed separately in the accounts.
- d. The accounting policies applied for of the year ended March 31, 2011 and for the quarter ended June 30, 2011 are materially consistent with the existing Accounting Standards. (Annexure IV)
- e. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year to which they are related as described in Restated Financial Statement.
- f. There was no qualification in the audit reports issued by the statutory auditors for the respective years, which would require adjustment in these Restated Financial Statements.

(B) Other Financial Information

We have also examined the following financial information relating to the Company prepared by the management and approved by the management and approved by the Board of Directors for the purpose of inclusion in the Offer Document:-

1. Statement of Other Income as appearing in Annexure VI to this report.
2. Statement of Accounting Ratios as appearing in Annexure VII to this report.
3. Statement of Capitalization as appearing in Annexure VIII to this report.
4. Statement of Tax Shelter as appearing in Annexure IX to this report.
5. Statement of Secured Loans as appearing in Annexure X to this report.
6. Statement of Unsecured Loans as appearing in Annexure XI to this report.
7. Statement of Sundry Debtors as appearing in Annexure XII to this report.
8. Statement of Loans and Advances as appearing in Annexure XIII to this report.
9. Statement of Contingent Liabilities and Capital Commitments as appearing in Annexure XIV to this report.
10. Statement of Dividend paid as appearing in Annexure XV to this report.
11. Statement of Current Liabilities & Provisions as appearing in Annexure XVI to this report.
12. Statement of Related Parties transaction as appearing in Annexure XVII to this report.
13. Statement of Operating Income as appearing in Annexure XVIII to this report.
14. Statement of Statement of Cost of Goods Sold as appearing in Annexure XIX to this report.
15. Statement of Statement of Reserves and Share Premium as appearing in Annexure XX to this report.

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes to Accounts attached in Annexure IV and V to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Act and the SEBI (ICDR) Regulations issued by SEBI, as amended from time to time subject to and read with other notes.

We confirm that our firm M/s. Vivekanandan Associates has been subjected to Peer Review process of the Institute of Chartered Accountants of India (ICAI) and the firm holds a valid certificate no. FRN 005268S dated September 21, 2010 issued by the “Peer Review Board” of ICAI.

This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed issue of Equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **VIVEKANANDAN ASSOCIATES**

Chartered Accountants

Firm Registration No. 005268 S

S. DEHALEESAN

Partner

Membership No. 027312
Place: Chennai
Date: 30.09.2011

Annexure - I**A - TEAM EDUTECH LIMITED (Consolidated)**

(Amount - ₹ in Lacs)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED			
		Quarter ended	Financial Year ended
Sr. No.	PARTICULARS	30/06/2011	31/03/2011
A	Fixed Assets (Net)		
	Gross Block	612.78	612.78
	Less: Depreciation	137.13	110.65
	Net Block	475.65	502.13
	Capital Work-in-Progress	15.21	-
	Total Fixed Assets (A)	490.86	502.13
B	Investments (B)	-	-
C	Current Assets, Loans & Advances		
	Inventories	549.34	466.49
	Sundry Debtors	2,672.50	2,169.20
	Cash & Bank Balances	44.73	143.91
	Other Current Assets	1.48	2.42
	Loans & Advances	259.13	301.38
	Deferred Tax Assets	-	-
	Total (C)	3,527.17	3,083.40
	Total Assets (A+B+C)	4,018.03	3,585.53
D	Liabilities & Provisions		
	Share Application Money Received	-	48.00
	Secured Loans	3.98	20.66
	Unsecured Loans	85.33	21.51
	Current Liabilities	1,894.85	1,575.37
	Provisions	399.87	376.60
	Deferred Tax Liability	61.31	22.48
	Total Liabilities (D)	2,445.34	2,064.63
E	Net Worth (A+B+C-D)	1,572.69	1,520.90
F	Represented by		
	Share Capital	1,000.00	832.98
	Total (A)	1,000.00	832.98
	Reserves & Surplus	589.23	687.92

Total (B)	589.23	687.92
Less: Miscellaneous Expenditure to the extent not written off	16.55	-
Total (C)	16.55	-
Net Worth (A+B-C)	1,572.69	1,520.90

Annexure - II

A - TEAM EDUTECH LIMITED (Consolidated)			
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED			
(Amount - ₹ in Lacs)			
		Quarter ended	Financial Year ended
Sl. No.	PARTICULARS	30/06/2011	31/03/2011
A	Income		
	Sales	806.10	7,114.41
	Net Sales	806.10	7,114.41
	Add: Other Income	16.68	24.56
	Total	822.78	7,138.98
B	Expenditure		
	Materials consumed	593.38	5,675.85
	Wages and Staff Costs	27.80	99.06
	Other Manufacturing Expenses	-	-
	Administrative Expenses	21.91	59.25
	Selling & Distribution Expenses	8.55	17.13
	Total	651.65	5,851.29
C	Profit Before Interest, Depreciation and Tax	171.13	1,287.69
	Depreciation	26.48	108.34
D	Profit before Interest and Tax	144.66	1,179.35
	Financial Charges	9.07	90.55
E	Profit after Interest and before Tax	135.59	1,088.79
	Pre. Expenses and def. expenses w/off	-	-
F	Profit before Taxation	135.59	1,088.79
	Provision for Taxation	29.00	370.00
	Provision for Deferred Taxation	38.84	24.48
	Add/Less: Adjustment for prior year	-	-
	Total	67.84	394.48
G	Profit After Tax but before extra-ordinary items	67.76	694.32
	Extra-ordinary items	-	-
		-	-
	Impact of material adjustments for restatements in corresponding years	0.23	0.23
H	Net Profit after Adjustments	67.98	694.55
	Balance brought forward from prior years	687.92	(6.63)
I	Profit available for Appropriation	755.90	687.92
	Utilised for issue of fully paid bonus shares	166.67	-
J	Balance of profit carried to Balance Sheet	589.23	687.92

A - TEAM EDUTECH LIMITED (Consolidated)

STATEMENT OF MATERIAL ADJUSTMENT TO AUDITED PROFIT AND LOSS ACCOUNT FOR RESTATEMENTS			
(Amount - ₹ in Lacs)			
		Quarter ended	Financial Year ended
Sr. No.	PARTICULARS	30/06/2011	31/03/2011
A	Profit for the year/Period	67.76	694.32
B	Add/(Less): Adjustment for		
	1. Excess/(Short) Provision for Income tax	0.22	0.22
C	2. Excess/(Short) Provision for Deferred tax	0.01	0.01
	Net Impact of Material adjustment	0.23	0.23
	Adjusted Profit/(Loss) for the year	67.98	694.55

Treatment of various items adjusted in restated Profit and Loss Accounts

1. Provision for tax for earlier years and Excess/ (short) provision for income taxes Excess of short provision for income tax have been adjusted in the year to which it relates.

2. Provision for deferred tax for earlier years and Excess/(short) provision for income taxes Excess of short provision for deferred tax have been adjusted in the year to which it relates.

Annexure – III

A-TEAM EDUTECH LIMITED (Consolidated)

STATEMENT OF CASH FLOWS		
	(Amount - ₹ Lacs)	
	Quarter ended	Financial Year ended
PARTICULARS	30/06/2011	31/03/2011
A. Cash Flow From Operating Activities		
Net Profit/ (Loss) before Tax	135.59	1,088.79
Adjustments for -		
Depreciation/ Amortisation	26.48	108.34
Loss on sale of fixed assets	-	2.17
Non - Cash Expenses	-	-
Income tax paid	(5.51)	-
Interest Received	(1.28)	(4.92)
Interest Payments	9.07	90.55
Operating Profit/(Loss) before Working Capital changes	164.35	1,284.93
Changes in Working Capital		
(Increase)/Decrease in Sundry Debtors	(503.30)	(1,767.68)
(Increase)/Decrease in Loans & Advances	42.25	(98.77)
(Increase)/Decrease in Other Current assets	0.94	(2.42)
(Increase)/Decrease in Inventories	(82.85)	(312.59)
Increase/(Decrease) in Current Liabilities	319.48	1,168.33
(Increase)/Decrease in Miscellaneous Expenditure	(16.55)	0.67
Cash generated from Operations	(240.03)	(1,012.46)
	-	-
Net Cash Flow From/(Used In) Operating Activities	(75.68)	272.47
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(15.21)	(597.31)
Purchase of Investments	-	-
Interest Received	1.28	4.92
	-	-
Net Cash Flow From Investing Activities	(13.93)	(592.39)
C. Cash Flow From Financing Activities		
Increase/ (Decrease) in Secured Loans	(16.69)	5.91

Increase/ (Decrease) in Unsecured Loans	63.82	21.51
Increase in Equity Capital	0.35	422.23
Share Application Money Received Pending Allotment	(48.00)	25.77
Interest Payments	(9.07)	(90.55)
Net Cash Flow From Financing Activities	(9.58)	384.87
Net Cash In Flow/ (Out Flow) (A+B+C)	(99.19)	64.95
Opening Balance of Cash and cash equivalents	143.91	78.96
Closing Balance of cash and cash equivalents	44.73	143.91
Components of Cash & Cash Equivalents at the end of the year		
Cash in Hand	8.92	11.67
Balances in Scheduled Banks		
in Current Accounts	27.08	51.73
in Fixed Deposit Accounts	8.73	80.51

Annexure IV**STATEMENT OF SIGNIFICANT CONSOLIDATED ACCOUNTING POLICIES****1. Consolidation of accounts****A. Basis of accounting**

The financial Statements are prepared under the Historical cost convention and in accordance with generally accepted accounting practices and the provisions of the Companies Act, 1956 and comply with the applicable accounting standards issued there under.

B. Principles of Consolidation

- (i) Consolidated financial statements related to A-Team Edutech Limited (previously known as Sweadi Marketing Private Limited), Chennai and its subsidiary A-Team Information Technology Limited.
- (ii) The consolidated financial statements have been prepared on the following basis:
 - The financial statements of the Company and its subsidiary have been prepared on a line by line consolidation by adding the book values of like items of assets, liabilities, income and expenditure as per the respective audited financial statements of the respective companies.
 - The accounts of A-Team Information Technology Limited have been audited by the auditor qualified to conduct audit in accordance with the laws applicable in India.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's individual financial statements.
 - Inter-group transactions and resulting unrealized profits have been eliminated.
 - The subsidiary company (ownership – 100%) considered in the consolidated financial statements is A-Team Information Technology Limited whose reporting date is march 31, 2011.

2. Accounting Standards**(a) AS – 1 Disclosure of accounting policies**

The disclosure of accounting policies is made in respect of the reporting entity and its Indian subsidiary, viz., A-Team Information Technology Limited. The accounts are maintained on accrual basis as a going concern.

(b) AS – 2 Valuation of Inventories

Inventories are valued in accordance with the method of valuation prescribed by the Companies (Accounting Standards) Rules, 2006 at weighted average cost or net realizable value whichever is less.

(c) AS – 3 Cash Flow Statements

The cash flow statement is prepared under 'indirect method' and the same is annexed.

(d) AS – 4 Contingencies and events occurring after balance sheet date

There is no contingent events occurred after balance sheet date and hence this is not applicable to the enterprise.

(e) AS – 5 Net profit or loss for the period, Prior period items and Changes in accounting policies

I. Prior period items :

There is no prior period items during the year and hence not applicable.

II. Changes in accounting policies :

There is no change in accounting policy during the current year.

(f) AS – 6 Depreciation Accounting

Depreciation has been provided under the Written down value method at the rates prescribed under Schedule XIV of the companies Act, 1956.

In respect of assets added / assets sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule XIV.

Depreciation in respect of computers and vehicles has been provided at 40% and 25.89% respectively. Depreciation in respect of Intangibles has been provided at 20%.

(g) AS – 9 Revenue Recognition

The income of the company is derived from sale of various consumer goods. Sale of goods is recognized on dispatch of goods to consumers. Amount recognized as sale is exclusive of Sales tax/ VAT and is net of sale returns. No central excise duty is applicable for the present to the products dealt with by the company.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend from investments in shares is recognized when the Company in which they are held, declares the dividend and the right to receive the same is established.

(h) AS – 10 Accounting for Fixed Assets

All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.

(i) AS – 11 Accounting for effects of changes in foreign exchange rates

Not applicable as there was no foreign exchange transactions during the year.

(j) AS – 12 Accounting for government grants

The Company has not received any grant.

(k) AS – 13 Accounting for Investments

Investments are valued at cost. Provision for diminution in the carrying cost of investments is made if such diminution is other than temporary in nature in the opinion of the management.

Details of movements of investments during the year (At Cost):

Particulars	Quarter ended June 30, 2011			Financial Year 2010-11		
	Cost As on 01.04.2011	Additions	Cost As on 30.06.2011	Cost As on 01.04.2010	Additions	Cost As on 31.03.2011
Long Term – Unquoted – Trade						
In 100 % Subsidiary	5,00,000	Nil	5,00,000	NIL	5,00,000	5,00,000

(l) AS – 14 Accounting for Amalgamations

During the year there was no amalgamation.

(m) AS – 15 Accounting for Employee benefits

- a) Presently, the employees' provident fund schemes and the Employees state insurance schemes are not applicable to the employees of the company and hence no provision for the same is accounted.
- b) Gratuity and Encashment of leave benefits to employees are accounted for on payment basis as none of the employees are eligible for the same at present.

(n) AS – 16 Borrowing costs

The borrowing costs have been treated in accordance with Accounting Standard on borrowing costs issued by the Companies (Accounting Standard) Rules, 2006.

(o) AS – 17 Segment Reporting

The Company operates in only one segment viz., retail trade of consumer goods and hence the Accounting Standard on segment reporting is not applicable.

(p) AS – 18 Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the adjusted net profit after tax by the aggregate of the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(q) AS – 22 Accounting for Taxes on Income

- a. Provision for Income Tax is considered as per the provisions contained in the Income tax Act, 1961 and the Rules made there under and applicable for the current financial year.
- b. Deferred Tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized and carried forward to the extent there is

reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

c. Deferred tax liability and asset are recognized based on timing difference using the tax rates substantively enacted on the balance sheet date. Deferred Tax Liability and Assets are stated at aggregate of respective figures in the separate balance sheets.

(r) **Miscellaneous Expenditure**

Expenditure incurred on increasing of authorized capital is being written off over a period of 5 years. Accordingly 1/5th of the said expenditure has been written off during the year.

(s) **Contingent Liabilities**

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Contingencies including foreseeable losses, which can be reasonably ascertained, are provided for in the accounts.

CHANGES IN THE ACCOUNTING POLICIES

There is no change in the Accounting Policies in any of the financial years.

Annexure V

Notes to Consolidated Statement of Assets & Liabilities, Profit and Loss Account

1. Segment Reporting:

As per guiding principles of AS – 17, ‘Segment Reporting’ the Company is engaged in only primary segment of trading in various. Since the company operates in single business segment, disclosure requirements are not applicable. The company primarily caters to the trading in domestic market, information required for the secondary segment has not been furnished.

2. Deferred Tax Liability:

Accounting for Deferred Tax Liability on account of timing differences on depreciation benefits has been considered in the accounts and shown by way of adjustment in the Profit and Loss Account. Deferred Tax Liability on account of timing difference of depreciation benefits is ₹ 22,52, 556/-.

3. Confirmations of balances from all debtors, creditors and other parties to whom advances have been given were not obtained.
4. As no employee is eligible for gratuity benefits, no provision for death – cum – retirement gratuity has been made in the accounts.

5. Accounting for leases – AS 19

Particulars	Total Minimum Lease payments Outstanding as at 30 th June, 2011	Interest Not Due	Present Value of MLPs
Not later than one year	3,97,509 (4,23,350)	37,104 (52,000)	3,60,405 (3,71,350)
Later than one year but not later than five years	Nil (107,156)	Nil (4,500)	Nil (1,02,656)
TOTAL	3,97,509 (5,30,506)	37,104 (56,500)	3,60,405 (4,74,006)

Note: Figures in brackets represents previous year.

6. Accounting for Intangible Assets – AS 26

During the year the Company acquired the following assets falling under the definition of intangible assets as per Accounting Standard and the following disclosure is made in respect of those assets:

Goodwill and Brand Building	
Estimated Useful life of the asset	5 Years
Amortised Rates used	20% p.a.
Opening Balance	Nil
Additions during the year (₹ Lacs)	100.00
Amortised during the year as depreciation	20.00
Closing Balance (₹ Lacs)	80.00

7. Remuneration to Managerial personnel

(Amount – ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Salary & Allowances to Managing Director	3,00,000	12,00,000

8. Remuneration to Auditors

(Amount – ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Statutory Audit Fees	50,000	1,15,000
Tax Audit Fees	Nil	40,000
Certification Fees	Nil	16,000
Total	50,000	1,71,000

9. Earnings Per share

(Amount – ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Profit After Tax and Prior period items but before exceptional Items	67,75,635	6,94,31,681
Profit After Tax, Prior period and exceptional items	67,75,635	6,94,31,681
Weighted Number of Shares outstanding	90,84,094	82,83,528
Basic and diluted Earnings per share before exceptional item	0.75	8.38
Basic and diluted Earnings per share after exceptional item	0.75	8.38

10. F.O.B. Value of Exports Nil Nil

11. C.I.F. Value of Imports Nil Nil

12. Deferred Tax Assets/ liabilities recognized in the Profit and Loss A/c.

(Amount – ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Difference between written down value of assets as per books of account and as per provisions of Income tax Act	1,95,45,919	65,33,428
On account of expenditure claimed	1,34,400	2,01,600
Asset/(Liability)	61,31,338	22,48,426

13. Quantitative Particulars

	Units	Quarter ended 30/06/2011		Financial Year ended 31/03/2011	
		Qty	Value	Qty	Value
Opening Stock					
Steel Items	Tons	-	-	-	-
Hooks & Locks Fasteners	Pair Nos.	-	-	52,16,900	153.90
Edible Oils	Kgs	-	-	-	-
Computer Systems	Nos.	2,021	208.39	4	0.75
Laptops	Nos.	368	74.77	-	-
Printers & Scanners	Nos.	39	10.84	-	-
Accessories	Nos.	2,299	172.49	578	1.58
Others	-	-	-	-	-
Purchases					
Steel Items	Tons	-	-	-	-
Hooks & Locks Fasteners	Pair Nos.	-	-	-	-
Edible Oils	Tons	60,400	67.29	1,74,459	71.46
Computer Systems	Nos.	9,414	388.30	17,224	2,106.64
Laptops	Nos.	830	82.13	4,105	696.43
Printers & Scanners	Nos.	264	11.28	963	139.78

Accessories	Nos.	1,432	126.57	27,942	1,451.74
Others	-	-	-	-	1,520.07
Sales					
Steel Items	Tons	-	-	-	-
Hooks & Locks Fasteners	Pair Nos.	-	-	52,16,900	93.89
Edible Oils	Kgs	60,400	87.15	1,74,459	88.48
Computer Systems	Nos.	9,707	456.56	17,031	2,508.84
Laptops	Nos.	712	87.64	3,763	802.46
Printers & Scanners	Nos.	278	15.64	924	132.47
Accessories	Nos.	1,778	159.10	24,914	1,038.68
Others	-	-	-	-	2,108.79
Closing Stock					
Steel Items	Tons	-	-	-	-
Hooks & Locks Fasteners	Pair Nos.	-	-	-	-
Edible Oils	Kgs	-	-	-	-
Computer Systems	Nos.	1,728	259.75	197	21.87
Laptops	Nos.	486	85.95	342	74.77
Printers & Scanners	Nos.	25	9.26	39	10.84
Accessories	Nos.	1,953	194.38	3,606	249.06
Others	-	-	-	-	-

14. Qualifications in the Auditors Report

There is no qualification in the Auditors Report in any of the financial years.

Annexure VI

OTHER INCOME

(Amount – in ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Recurring Income		
Service Receipts	15,40,601	19,64,639
Interest Receipts	1,27,524	4,91,811
Total	16,68,125	24,56,450
Non-Recurring Income	Nil	Nil

Annexure VII

(Amount – in ₹)

Key Financial Ratios	Quarter ended	Financial Year ended
	30/06/2011	31/03/2011
Net Profit after tax and after adjustments	67,98,152	6,94,54,734
Net Profit available for equity shareholders	67,98,152	6,94,54,734
Net worth	15,72,68,983	15,20,90,001
Net worth including share application money	15,72,68,983	15,68,90,001
Return on Net worth (%)	4.32	45.67
Return on Net worth including share application money (%)	4.32	44.27
Equity shares at the end of the year	1,00,00,000	83,29,800
Weighted average number of equity shares	90,84,094	82,83,528
Basic Earnings Per share	0.75	8.38
Diluted Earnings Per share	0.75	8.38
Net Asset Value per share	15.73	18.26
Net Asset Value per share including share application money	15.73	18.83

Notes

1. Net worth = Equity share capital plus reserves and surplus less Miscellaneous Expenditure to the Extent not written off
2. Net Asset = Equity share capital plus reserves and surplus less Miscellaneous Expenditure to the Extent not written off
3. Earnings Per Share = Net Profit after tax after adjustments / Weighted Number of Equity shares at the end of the year.
4. Return on Net worth = Net profit available for equity shareholders / Net worth

Notes:

- 1) Earnings per Share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of paragraph 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as bonus shares as if the shares were issued at the beginning of the earliest reported period.
- 2) The above ratios have been calculated based on restated financial statements.

Annexure VIII

Capitalisation Statement

	Pre-issue As on 30.06.2011 (₹)	Post Issue
<u>Debt</u>		
Secured		
Short term debt	3,79,509	*
Long term debt	Nil	*
Unsecured		
Short term debt	85,33,300	*
Long term debt	Nil	*
Total Debt	89,12,809	*
<u>Shareholders' Funds</u>		
Equity Share Capital	10,00,00,000	*
Reserves & Surplus	5,89,23,483	*
Less: Miscellaneous Expenditure To the extent not written off	16,54,500	*
Total Shareholders' Funds	15,72,68,983	*
Total Long Term Debt/Shareholders' Funds (%)	NIL	*
Total Debt/ Shareholders' Funds (%)	5.6%	*

Notes:

1. Working capital limits are considered as short-term debts.
2. The figures included above are as per the restated statement of assets and liabilities and restated profit and loss account.

Annexure IX

Statement of Tax Shelter

A-TEAM EDUTECH LIMITED (CONSOLIDATED)

STATEMENT OF TAX SHELTER AND DTA/STL STATEMENT OF ADJUSTMENTS

(Amount – in ₹)

PARTICULARS	Quarter ended	Financial Year ended
	30/06/2011	31/03/2011
Profit before Tax as per restated statements	1,35,59,261	10,88,79,312
Tax Rates		
Normal (%)	32.4450	33.2175
Minimum Alternate Tax Rate (MAT) (%)	20.01	19.93
Notional Tax at Normal Rate (A)	43,99,302	3,61,66,985
Permanent Differences		
Deductions	-	-
Total (B)	-	-
Timing Differences		
Depreciation as per Books	26,47,507	1,08,34,030
Depreciation as per Income tax Act	2,21,93,426	1,73,67,458
Difference between tax depreciation and book depreciation	(1,95,45,919)	(65,33,428)
Other Adjustments	(67,200)	(67,200)
Total (C)	(1,96,13,119)	(66,00,628)
Net Adjustments (B+C)	(1,96,13,119)	(66,00,628)
Tax Expense/ (Savings) thereon (D)	(63,63,476)	(21,92,564)
Total Taxation (E=A+D)	(19,64,174)	3,39,74,421
Brought forward loss set off	-	-
Tax Effect on the above (F)	-	-
Net Tax for the year (E-F)	(19,64,174)	3,39,74,421
Tax payable as per MAT	27,13,208	2,16,99,647
Tax Expense recognized	29,00,000	3,70,00,000
Tax as per Return of Income filed	N.A.	3,70,00,000

Note: The statement of tax shelter has been prepared based on restated profits as per Annexure I.

Annexure X

Secured Loans

(Amount – in ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Hire Purchase loan for purchase of vehicle		
From Kotak Mahindra Primus Limited	3,97,509	4,78,556
Tata Motor Finance Ltd	Nil	48,950
Working Capital from Bank		
I D B I Bank	Nil	15,38,701
Total	3,97,509	20,66,207

Principal terms and conditions of outstanding secured loans

1. The hire-purchase loans availed from financial institutions are secured by the assets purchased out of the loans and are repayable along with interest in 36 monthly instalments.

Annexure XI

UNSECURED LOANS

(Amount – in ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
From Group/Associate Companies/ Directors	Nil	Nil
From Others		
Inter-corporate Deposit from Susee Cars & Trucks Private Limited	50,00,000	Nil
Ms. K. Bharathi	3,34,000	3,34,000
Ms. A. Dhanalakshmi	2,00,300	2,00,300
Mr. Dharmalingam	3,19,000	3,19,000
Mr. T. Mahesh Kumar	3,45,000	3,45,000
Mr. M. Palani	3,35,000	3,35,000
Ms. Krishnaveni	3,00,000	3,00,000
Vaman Associates	17,00,000	Nil
Mr. R. Thangavel	Nil	3,18,000
Total	85,33,300	21,51,300

Note: The above amount does not include any transactions with parties related to promoter/ directors of the Company. All the above loans are repayable on demand. No terms are prescribed for payment of interest on the loans availed.

Annexure XII

SUNDRY DEBTORS

(Amount – in ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Unsecured – Considered Good		
Outstanding for more than 6 months	87,02,850	1,31,64,840
Other Debts	25,85,47,052	20,37,55,065
Considered Doubtful	Nil	Nil
Total	26,72,49,902	21,69,19,905

Note: There are no beneficiaries of the debtors of the company, who are in any way related to the promoter/director of the company as on 31.03.2011 except the following:

- | | |
|------------------------------------|------------------|
| 1. Prosel Ventures Private Limited | (₹ Lacs)
23.0 |
|------------------------------------|------------------|

Annexure XIII**LOANS & ADVANCES**

(Amount – in ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Advances recoverable in cash or in kind		
Deposits	8,91,450	17,64,205
Advances to suppliers towards supply of materials	2,50,00,000	2,80,00,000
Other Advances to Staff for Expenses	21,088	3,73,554
Total	2,59,12,538	3,01,37,759

Related Party Transactions in above

Nil

Note:

Other than those mentioned above, there are no beneficiaries of the loans and advances of the company, who are in any way related to the promoter/director of the company as on 30.06.2011.

Annexure XIV**STATEMENT OF CONTINGENT LIABILITIES**

(Amount – in ₹)

Particulars	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Claims against the company not acknowledged as debts	Nil	Nil
Capital Commitments	Nil	Nil

Annexure XV**STATEMENT OF RATES & AMOUNTS OF DIVIDEND**

(Amount – in ₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Equity Share Capital	10,00,00,000	8,32,98,000
No. of Equity Shares of ₹ 10/- each	1,00,00,000	83,29,800
Rate of dividend	Nil	Nil
Amount of Dividend	Nil	Nil

Annexure XVI

CURRENT LIABILITES AND PROVISIONS

(Amount – in ₹)

Particulars	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
a. Current Liabilities		
Sundry Creditors for Trade	17,50,10,720	12,26,17,706
Sundry Creditors for Expenses	23,81,587	13,97,336
Directors' Current Accounts	1,20,92,642	74,37,104
Advance Against Sales	Nil	26,084,955
b. Provisions		
For Income tax	3,99,87,146	3,76,60,057
Total	22,94,72,095	19,51,97,158

Annexure XVII

RELATED PARTY TRANSACTIONS

In accordance with the requirement of Accounting Standard 18 (AS 18) - Related Party disclosures, the names of related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

a. Associate Companies

1. A-Team Information Technology Limited
2. Prosel Ventures Private Limited – A company in which a director is interested

b. Key Management personnel/relatives of key management personnel

1. Mr. S. Adith Kumar - Director
2. Mr. R. Senthil Kumar – Director
3. Mrs. Sivagami – Promoter & W/O Mr. Senthil Kumar

(Amount –₹)

Particulars	Nature of transaction	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Prosel Ventures Private Limited	Sale of Goods	Nil	23,00,000
Prosel Ventures Private Limited	Outstanding Balances	23,00,000	23,00,000
Mr. R. Senthil Kumar	Salary	3,00,000	12,00,000
Mr. R. Senthil Kumar	Outstanding consideration towards acquisition of business	1,00,00,000	1,00,00,000
Mrs. Sivagami	Salary	1,25,000	5,00,000

Annexure XVIII

STATEMENT OF OPERATING INCOME

(Amount –₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Sale of Manufactured products (A)	Nil	Nil
Sale of IT and Other Products	8,06,09,977	69,48,41,392
Sale of Education contents	Nil	6,16,00,000
Less: Trade Discounts	Nil	Nil
Net Sales of Goods (B)	8,06,09,977	75,64,41,392
Total Sales (A+B)	8,06,09,977	75,64,41,392

Annexure XIX**STATEMENT OF COST OF GOODS SOLD**

(Amount –₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Material consumed/ Purchased	5,93,38,119	56,75,85,425
Manufacturing/ Trading Expenses	Nil	Nil
Stock Variances	Nil	Nil
Total Cost of Goods Sold	5,93,38,119	56,75,85,425

Annexure XX

STATEMENT OF RESERVES AND SHARE PREMIUM

(Amount –₹)

Details/ year	Quarter ended 30/06/2011	Financial Year ended 31/03/2011
Reserves and Surplus		
General Reserves	Nil	Nil
Share Premium	Nil	Nil
Capital Redemption Reserve	Nil	Nil
Profit and Loss Account	5,89,23,483	6,87,92,001
Total	5,89,23,483	6,87,92,001

September 30, 2011

To

The Board of Directors
A-Team Edutech Limited
 Flat B2/2, Vijayaraghava Manor
 T. Nagar, Chennai 600018

Sub: Proposed Initial Public Offer (“IPO”) of A – Team Edutech Limited

Dear Sirs,

2. We have examined the restated financial information of A – Team Edutech Limited (formerly known as “Sweadi Marketing Private Limited”) (hereinafter referred to as “the Company”) annexed to this report. The said restated financial information has been prepared by the Company and approved by the Board of Directors of the Company in accordance with the requirements of:
 - d. Para B (1) of Part II of Schedule II to the Companies Act, 1956 (“the Act”) and the amendments thereof;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (“the Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) as amended from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
 - f. Our engagement with the Company requesting us to examine the financial information referred to above and proposed to be included in the offer document of the Company in connection with its public issue of Equity Shares (referred to as the “issue”)

(C) Financial Information of the Company

We have examined:

4. The attached summary statement of Restated Assets and Liabilities of the Company as at March 31, 2009, March 31, 2010, March 31, 2011 and Quarter ended June 30, 2011 as prepared by the company and approved by the Board of Directors. (Annexure – I)
5. The accompanying summary statement of Restated Profit and Loss of the Company for the financial years ended March 31, 2009, March 31, 2010, March 31, 2011 and Quarter ended June 30, 2011 as prepared by the company and approved by the Board of Directors. (Annexure-II)
6. The accompanying summary statement of cash flow of the Company for the financial years ended March 31, 2009, March 31, 2010, March 31, 2011 and Quarter ended June 30, 2011 as prepared by the company and approved by the Board of Directors. (Annexure-III)

These statements reflect the Assets and Liabilities and Profit and Losses and the Cash flows for each of the relevant years as extracted from the balance sheet and profit and loss account for those years/periods. For our examination, we have placed reliance on the financial statements audited by M/s. Brahmananda & Co., for the financial years 2008 – 09 and 2009 – 10 and re-audited by ourselves for the financial year 2010 – 11 and audited by ourselves for the quarter ended June 30, 2011. These financial statements for all the years have been approved by the Board of Directors of the company and adopted by the members of the Company for the respective years (except for the quarter ended June 30, 2011 which are only approved by the Board of Directors and not approved by members of the company). The restated financial statements have been made after making such adjustments and regroupings and after incorporating material amounts and auditor’s qualification requiring adjustments as in our opinion and appropriate and are described fully in the Notes appearing in Annexure V to this report.

Based on our examination of these summary statements we confirm that the restated financial information has been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of SEBI ICDR Regulations, and after incorporating:

- a. Adjustments suggested in paragraph 9 of sub-clause (IX) of Part A of Schedule VIII of the SECBI ICDR Regulations.
- b. There are no prior period items which are required to be adjusted.
- c. There are no extraordinary items that need to be disclosed separately in the accounts.
- d. The accounting policies applied for each of the years ended March 31, 2009, March 31, 2010, March 31, 2011 and for the quarter ended June 30, 2011 are materially consistent with the existing Accounting Standards. (Annexure IV)

- e. The restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year to which they are related as described in Restated Financial Statement.
- f. There was no qualification in the audit reports issued by the statutory auditors for the respective years which would require adjustment in these Restated Financial Statements.

(D) Other Financial Information

We have also examined the following financial information relating to the Company prepared by the management and approved by the management and approved by the Board of Directors for the purpose of inclusion in the Offer Document:-

1. Statement of Other Income as appearing in Annexure VI to this report.
2. Statement of Accounting Ratios as appearing in Annexure VII to this report.
3. Statement of Capitalization as appearing in Annexure VIII to this report.
4. Statement of Tax Shelter as appearing in Annexure IX to this report.
5. Statement of Secured Loans as appearing in Annexure X to this report.
6. Statement of Unsecured Loans as appearing in Annexure XI to this report.
7. Statement of Sundry Debtors as appearing in Annexure XII to this report.
8. Statement of Loans and Advances as appearing in Annexure XIII to this report.
9. Statement of Contingent Liabilities and Capital Commitments as appearing in Annexure XIV to this report.
10. Statement of Dividend paid as appearing in Annexure XV to this report.
11. Statement of Investments as appearing in Annexure XVI to this report.
12. Statement of Current Liabilities & Provisions as appearing in Annexure XVII to this report.
13. Statement of Related Parties transaction as appearing in Annexure XVIII to this report

In our opinion the above financial information of the Company read with Significant Accounting Policies and Notes to Accounts attached in Annexure IV and V to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Act and the SEBI (ICDR) Regulations issued by SEBI, as amended from time to time subject to and read with other notes.

We confirm that our firm M/s. Vivekanandan Associates has been subjected to Peer Review process of the Institute of Chartered Accountants of India (ICAI) and the firm holds a valid certificate no. FRN 005268S dated September 21, 2010 issued by the “Peer Review Board” of ICAI.

This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed issue of Equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **VIVEKANANDAN ASSOCIATES**

Chartered Accountants

Firm Registration No. 005268 S

S. DEHALEESAN

Partner

Membership No. 027312

Place: Chennai

Date: 30.09.2011

Annexure – I

A - TEAM EDUTECH LIMITED

SUMMARY STATEMENT OF ASSETS AND LIABILITIES AS AT

(Amount - ₹ in Lacs)

Sr. No.	PARTICULARS	Quarter ended 30/06/2011	Financial Year ended 31/03/2011	Financial Year ended 31/03/2010	Financial Year ended 31/03/2009
A	Fixed Assets (Net)				
	Gross Block	14.34	14.34	14.34	-
	Less: Depreciation	6.72	6.11	2.31	-
	Net Block	7.62	8.23	12.03	-
	Capital work-in-Progress	15.21	-	-	-
	Total Fixed Assets (A)	22.82	8.23	12.03	-
B	Investments (B)	5.00	5.00	-	-
C	Current Assets, Loans & Advances				
	Inventories	-	-	153.90	29.00
	Sundry Debtors	1,233.65	1,215.15	401.52	5.71
	Cash & Bank Balances	26.06	129.58	78.96	0.41
	Other Current Assets	-	-	-	-
	Loans & Advances	183.39	134.93	222.11	0.25
	Deferred Tax Asset	-	-	-	-
	Total (C)	1,443.09	1,479.66	856.49	35.37
	Total Assets (A+B+C)	1,470.91	1,492.89	868.52	35.37
D	Liabilities & Provisions				
	Share Application Money	-	48.00	22.23	4.62
	Secured Loans	-	15.39	14.75	-
	Unsecured Loans	50.00	-	-	30.68
	Current Liabilities	53.68	51.10	407.04	-
	Provisions	194.87	197.60	6.82	-
	Deferred Tax Liability	0.94	0.64	0.79	(0.03)
	Total Liabilities (D)	299.50	312.72	451.64	35.27
E	Net Worth (A+B+C-D)	1,171.42	1,180.17	416.88	0.10
F	Represented by				
	Share Capital	1,000.00	832.98	410.75	1.00
	Total (A)	1,000.00	832.98	410.75	1.00
	Reserves & Surplus	187.96	347.19	6.13	(0.90)
	Total (B)	187.96	347.19	6.13	(0.90)

Less: Miscellaneous Expenditure to the extent not written off	16.55	-	-	-
Total (C)	16.55	-	-	-
	-	-	-	-
Net Worth (A+B-C)	1,171.42	1,180.17	416.88	0.10

Annexure - II

A - TEAM EDUTECH LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR/ PERIOD ENDED

(Amount - ₹ in Lacs)

		Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
Sr. No.	PARTICULARS	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A	Income				
	Net Sales	87.15	2,291.16	1,418.08	107.50
	Net Sales	87.15	2,291.16	1,418.08	107.50
	Add: Other Income	1.28	4.43	1.48	-
	Total	88.43	2,295.59	1,419.56	107.50
B	Expenditure				
	Materials Consumed	67.29	1,745.42	1,390.23	106.25
	Wages and Staff Costs	3.18	6.17	2.73	1.56
	Other Manufacturing Expenses	-	-	-	-
	Administrative Expenses	3.22	6.23	7.57	0.45
	Selling & Distribution Expenses	3.52	1.84	1.72	0.16
	Total	77.21	1,759.67	1,402.24	108.42
C	Profit Before Interest, Depreciation and Tax	11.22	535.93	17.31	(0.92)
	Depreciation	0.62	3.80	2.31	-
D	Profit before Interest and Tax	10.60	532.13	15.00	(0.92)
	Financial Charges	0.08	0.44	0.34	0.01
E	Profit after Interest and before Tax	10.52	531.69	14.67	(0.93)
	Pre. Expenses and def. expenses w/off	-	-	-	-
F	Profit before Taxation	10.52	531.69	14.67	(0.93)
	Provision for Taxation	3.00	191.00	6.00	-
	Provision for Deferred Taxation	0.31	(0.15)	0.82	-
	Provision for FBT	-	-	-	-
	Add/Less: Adjustment for prior year	-	-	-	-
	Total	3.31	190.85	6.82	-
G	Profit After Tax but before extra-ordinary items	7.21	340.83	7.84	(0.93)
	Extra-ordinary items	-	-	-	-
	Impact of material adjustments for restatements in corresponding years	0.23	0.23	(0.82)	0.03
H	Net Profit after Adjustments	7.44	341.06	7.03	(0.90)
	Balance brought forward from prior years	347.19	6.13	(0.90)	0.00
I	Profit available for	354.63	347.19	6.13	(0.90)

	Appropriation				
	Transfer to General Reserve	-	-	-	-
	Less: Capitalised on issue of bonus shares	166.67	-	-	-
J	Net Profit transferred to Balance Sheet	187.96	347.19	6.13	(0.90)

A - TEAM EDUTECH LIMITED

Statement of Material Adjustments to Audited Profit and Loss Account for Restatements

(Amount - ₹ in Lacs)

		Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
Sr. No.	Particulars	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A	Net Profit/(Loss) for the year	7.21	340.83	7.84	(0.93)
B	Add/(Less): Adjustment for				
	1. Provision for Income tax	0.22	0.22	(0.82)	-
	2. Provision for Deferred tax	0.01	0.01	0.01	0.03
	Net Impact of Material adjustment	0.23	0.23	(0.82)	0.03
C	Adjusted Profit/(Loss) for the year	7.44	341.06	7.03	(0.90)

Treatment of various items adjusted in restated Profit and Loss Accounts

1. Provision for tax for earlier years and excess/(short) provision for income taxes

Excess of short provision for income tax have been adjusted in the year to which it relates

2. Provision for deferred tax for earlier years and excess/(short) provision for income taxes

Excess of short provision for deferred tax have been adjusted in the year to which it relates.

Annexure – III

A-TEAM EDUTECH LIMITED
STATEMENT OF CASH FLOWS

(Amount - ₹ Lacs)

	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A. Cash Flow From Operating Activities				
Net Profit/ (Loss) before Tax	10.52	531.69	14.67	(0.93)
Adjustments for -				
Depreciation/ Amortisation	0.62	3.80	2.31	-
Non - Cash Expenses	-	-	-	-
Income tax paid	(5.51)	-	-	-
Interest Received	(1.28)	(4.43)	(1.48)	-
Interest Payments	0.08	0.44	0.34	0.01
Operating Profit/(Loss) before working capital changes	4.43	531.49	15.83	(0.92)
Change in working Capital				
(Increase)/Decrease in Sundry Debtors	(18.50)	(813.62)	(395.81)	(5.71)
(Increase)/Decrease in Loans & Advances	(48.46)	87.18	(221.86)	(0.25)
(Increase)/Decrease in Inventories	-	153.90	(124.90)	(29.00)
Increase/(Decrease) in Current Liabilities	2.59	(355.95)	407.04	-
(Increase)/Decrease in Miscellaneous Expenditure	(16.55)	-	-	-
Cash generated from Operations	(80.92)	(928.50)	(335.52)	(34.96)
Net Cash Flow From/(used in) Operating Activities	(76.49)	(397.01)	(319.69)	(35.88)
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets	(15.21)	-	(14.34)	-
Purchase of Investments	-	(5.00)	-	-
Interest Received	1.28	4.43	1.48	-
Net Cash Flow From Investing Activities	(13.93)	(0.57)	(12.86)	-
C. Cash Flow From Financing Activities				
Increase/ (Decrease) in Secured Loans	(15.39)	0.64	14.75	-
Increase/ (Decrease) in Unsecured Loans	50.00	-	(30.68)	30.68
Increase in Equity Capital	0.35	422.23	409.75	1.00

Share Application Money Received Pending Allotment	(48.00)	25.77	17.61	4.62
Interest Payments	(0.08)	(0.44)	(0.34)	(0.01)
Net Cash Flow From Financing Activities	(13.11)	448.20	411.10	36.29
Net Cash in flow/ (Out Flow) (A+B+C)	(103.53)	50.62	78.55	0.41
Opening Balance of Cash and cash equivalents	129.58	78.96	0.41	-
Closing Balance of cash and cash equivalents	26.06	129.58	78.96	0.41
Components of Cash & Cash Equivalents at the end of the year				
Cash in Hand	2.21	2.21	0.23	-
Balances in Scheduled Banks	-	-	-	-
in Current Accounts	23.84	46.86	3.73	0.41
in Fixed Deposit Accounts	-	80.51	75.00	-

Annexure IV**A – TEAM EDUTECH LIMITED****STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****3. Basis of Preparation of financial statements**

The financial statements have been prepared under the historical cost convention on the accrual basis and in accordance with Generally Accepted Accounting Principles (GAAP) applicable in India, the Accounting Standards notified under section 211(3C) and other relevant provisions of the Companies Act, 1956 as followed consistently by the Company.

4. Fixed Assets and Depreciation

- a) Fixed Assets are stated at cost less accumulated depreciation in accordance with AS-10 of the Companies (Accounting Standards) Rules, 2006. Cost of acquisition including taxes, duties, freight and other incidental expenses are related to acquisition and installation of the concerned assets. Fixed assets (Plant & Machinery) costing ₹ 5,000/- or less are fully depreciated in the year of acquisition.
- b) Depreciation on fixed assets is provided using the written down method based on the useful life as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased during the year.

5. Inventories

- a) Finished Goods meant for trading are valued at lower of cost or market value.
- b) Raw Materials, Packing Materials, Materials in Transit etc., are valued at cost.

6. Investments

Long-term investments are stated at cost, less depreciation, if any. Short-term investments are valued at lower of cost or market value.

7. Recognition of Income/ Expenditure

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known Liabilities except as otherwise stated.

8. Income from investment:

Interest income is accounted for on accrual basis. Dividend income is accounted when right to receive payment is established.

9. Sales

Revenue from Sales of Goods is recognized on transfer of significant risks and rewards of ownership to the buyer which is on dispatch of goods. Amount recognized as sale is exclusive of Sales tax/ VAT and is net of sale returns. No central excise duty is applicable for the present to the products dealt with by the company.

10. Employee Retirement Benefits

- c) Presently, the employees' provident fund schemes and the Employees state insurance schemes are not applicable to the employees of the company and hence no provision for the same is accounted.
- d) Gratuity and Encashment of leave benefits to employees are accounted for on payment basis as none of the employees are eligible for the same at present.

11. Foreign Exchange Transactions

- b) Transactions in foreign currency are recorded at the rates of exchange in force at the time of occurrence of the transactions.
- c) Outstanding payables in foreign currency at the reporting date are stated at the rates of exchange prevailing at the reporting date relevant to the transaction and resultant gain/loss are adjusted to:
 - i. Carrying cost of fixed assets, if they relate to fixed assets, and
 - ii. Profit and Loss Account in other cases.

9. Provision for Taxation

- d. Provision for Income Tax is considered as per the provisions contained in the Income tax Act, 1961 and the Rules made there under and applicable for the current financial year.
- e. Deferred Tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.

10. Miscellaneous Expenditure

Company incurred expenditure incurred on increasing of authorized capital and expenditure incurred on expansion of factory are being written off over a period of 5 years. Accordingly 1/5th of the said expenditure has been written off during the year.

11. Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Contingencies including foreseeable losses, which can be reasonably ascertained, are provided for in the accounts.

CHANGES IN THE ACCOUNTING POLICIES

There is no change in the Accounting Policies in any of the three financial years ended March 31, 2009, March 31, 2010, March 31, 2011 and period ended June 30, 2011.

Annexure V

Notes to Statement of Assets & Liabilities Profit and Loss Account

1. Segment Reporting:

As per guiding principles of AS – 17, ‘Segment Reporting’ the Company is engaged in only primary segment of trading in various commodities. In the year 2011, the company expanded its line of activities to include development of education content for engineering and commerce. The effect of inclusion has been made in the object clause of the Memorandum of Association of the company. Since the company operated in single business segment, disclosure requirements are not applicable for the years 2009 - 2011. The company primarily caters to domestic market, information required for the secondary segment has not been furnished.

2. Deferred Tax Liability:

Accounting for Deferred Tax Liability on account of timing differences on depreciation benefits has been considered in the accounts and shown by way of adjustment in the Profit and Loss Account. Deferred Tax Liability on account of timing difference of depreciation benefits is ₹ 67,775/-.

3. Confirmations of balances from all debtors, creditors and other parties to whom advances have been given were not obtained.
4. As no employee is eligible for gratuity benefits, no provision for death – cum – retirement gratuity has been made in the accounts.
5. Figures for the previous year have been regrouped wherever necessary to conform to current year’s classification.
6. As of June 30, 2011, the Company had no outstanding dues to small-scale industrial undertakings.
7. Remuneration to Managerial personnel

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Salaries and Allowances	Nil	Nil	Nil	Nil

8. Remuneration to Auditors

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Statutory Audit Fees	25,000	50,000	50,000	4,000
Tax Audit Fees	Nil	15,000	15,000	Nil
Total	25,000	65,000	65,000	4,000

- | | | | | |
|-----------------------------|-----|-----|-----|-----|
| 9. F.O.B. Value of Exports | Nil | Nil | Nil | Nil |
| 10. C.I.F. Value of Imports | Nil | Nil | Nil | Nil |

11. Earnings Per share

Earnings considered in ascertaining the Company’s earnings per share comprise of the net profit after tax. The number of shares used in computing the basic earnings per share (“EPS”) is weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share (comprises the weighted average share considered for deriving basic earnings per share, and also the weighted average number of shares, if any, which would have been issued on the conversion of dilutive potential equity shares, if any).

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
a. Profit after tax and prior period items but before exceptional items	7,21,107	3,40,83,379	7,84,437	(92,715)
b. Profit after tax and prior period items but after exceptional items	7,21,107	3,40,83,379	7,84,437	(92,715)
c. Weighted number of shares outstanding	90,84,094	82,83,528	14,20,062	10,000
d. Basic and diluted earnings per share before exceptional items	0.08	4.11	0.55	(9.3)
e. Basic and diluted earnings per share after exceptional items	0.08	4.11	0.55	(9.3)

12. Deferred Tax Assets/ liabilities recognized in the Profit and Loss A/c.

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
On account of difference between the Written down value of Assets as per books of Account and Income tax Act, 1961	99,101	67,775	82,315	Nil
On account of other expenditure claimed	(4,844)	(4,130)	(3,399)	(2,719)
Deferred tax (Asset)/ Liability	94,257	63,645	78,916	(2,719)

13. Quantitative Details

(Amount - ₹)

Units		Quarter ended		Financial Year ended		Financial Year ended		Financial Year ended	
		30/06/2011		31/03/2011		31/03/2010		31/03/2009	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value
Opening Stock									
Steel Items	Tons	-	-	-	-	5.000	29.00	-	-
Hooks & Locks	Pair	-	-	-	153.90	-	-	-	-
Fasteners	Nos.	-	-	52,16,900	-	-	-	-	-
Edible Oils	Kgs	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Purchases									
Steel Items	Tons	-	-	-	-	-	-	27.000	135.25
Hooks & Locks	Pair	-	-	-	-	-	367.69	-	-
Fasteners	Nos.	-	-	-	-	1,66,98,000	-	-	-
Edible Oils	Kgs	60,400	67.29	1,74,459	71.46	-	-	-	-
Others	-	-	-	-	152.01	-	20,22.94	-	-
Sales									

Steel Items	Tons	-	-	-	-	5.000	32.63	22.000	107.50
Hooks &	Pair	-	-	-	93.89	-	382.63	-	-
Locks	Nos.	-	-	52,16,90	-	11,481,10	-	-	-
Fasteners		-	-	0	-	0	-	-	-
Edible Oils	Kgs	60,40	87.1	174,459	88.48	-	-	-	-
		0	5						
Others		-	-	-	21,08.7	-	20,23.2	-	-
		-	-	-	9	-	8	-	-
Closing Stock									
Steel Items	Tons	-	-	-	-	-	-	5.000	29.00
Hooks &	Pair	-	-	-	-	-	153.90	-	-
Locks	Nos.	-	-	-	-	52,16,900	-	-	-
Fasteners		-	-	-	-	-	-	-	-
Edible Oils	Kgs	-	-	-	-	-	-	-	-
Others		-	-	-	-	-	-	-	-

Annexure VI

OTHER INCOME

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Recurring Income				
Interest Received	1,27,524	4,43,104	1,47,881	Nil
Other Receipts	Nil	Nil	Nil	Nil
Sub-total	1,27,524	4,43,104	1,47,881	Nil
Non-Recurring Income	Nil	Nil	Nil	Nil
Total	1,27,524	4,43,104	1,47,881	Nil

Annexure - VII

A-TEAM EDUTECH LIMITED

	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
Key Financial Ratios	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Net Profit after tax and after adjustments	7,43,624	3,41,06,432	7,02,738	(89,996)
Net Profit available for equity shareholders	-			
	7,43,624	3,41,06,432	7,02,738	(89,996)
Net worth	11,71,41,628	11,80,17,174	4,16,87,742	10,004
Net worth including share application money	11,71,41,628	12,28,17,174	4,39,10,742	4,71,904
Return on Net worth (%)	0.63	28.90	1.69	(899.60)
Return on Net worth including share application money (%)	0.63	27.77	1.60	(19.07)
Equity shares at the end of the year/period	1,00,00,000	83,29,800	41,07,500	10,000
Weighted average number of equity shares	90,84,094	82,83,528	14,20,062	10,000
Basic Earnings Per share	0.08	4.12	0.49	(9.00)
Diluted Earnings Per share	0.08	4.12	0.49	(9.00)
Net Asset Value per share	11.71	14.17	10.15	1.00
Net Asset Value per share including share application money	11.71	14.74	10.69	47.19

Notes

1. Net worth = Equity share capital plus reserves and surplus less Miscellaneous Expenditure to the Extent not written off
2. Net Asset = Equity share capital plus reserves and surplus less Miscellaneous Expenditure to the Extent not written off
3. Earnings Per Share = Net Profit after tax after adjustments / Weighted Number of Equity shares at the end of the year.
4. Return on Net worth = Net profit available for equity shareholders / Net worth

Note:

1) Earnings per Share is calculated in accordance with Accounting Standard 20 "Earnings Per Share" issued by the Institute of Chartered Accountants of India. In terms of Para 24 of AS-20, the number of equity shares outstanding before the issue of bonus shares is adjusted for the change in number of equity shares issued as

bonus shares as if the shares were issued at the beginning of the earliest reported period.

2) The above ratios have been calculated based on restated financial statements.

Annexure VIII

CAPITALISATION STATEMENT

<u>Debt</u>	Pre Issue As at 30.06.2011	Post Issue
Secured		
Short term debt	Nil	*
Long term debt	Nil	*
Unsecured		
Short term debt	50,00,000	*
Long term debt	Nil	*
Total Debt	50,00,000	*
<u>Shareholders' Funds</u>		
Equity Share Capital	10,00,00,000	*
Reserves & Surplus	1,87,96,128	*
Less: Miscellaneous Expenditure To the extent not written off	16,54,500	*
Total Shareholders' Funds	11,71,41,628	*
Total Long Term Debt/Shareholders' Funds (%)	Nil	*
Total Debt/ Shareholders' Funds (%)	4.27	*

Notes:

- Working capital limits are considered as short term debts.
- The figures included above are as per the restated statement of assets and liabilities and restated profit and loss account.

Annexure - IX

A-TEAM EDUTECH LIMITED

STATEMENT OF TAX SHELTER AND DTA/STL STATEMENT OF ADJUSTMENTS

(Amount - ₹)

	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
PARTICULARS	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Profit before Tax as per restated statements	10,52,433	5,31,68,839	14,66,752	(92,715)
Tax Rates				
Normal (%)	32.45	33.22	30.90	30.90
Minimum Alternate Tax Rate (MAT) (%)	20.01	19.93	15.45	12.88
Notional Tax at Normal Rate (A)	3,41,462	1,76,61,359	4,53,226	(28,649)
Permanent Differences				
Deductions	-	-	-	-
Total (B)	-	-	-	-
Timing Differences				
Depreciation as per Books	61,553	3,79,775	2,31,055	-
Depreciation as per Income tax Act	1,58,104	3,36,004	4,78,860	-
Difference between tax depreciation and book depreciation	(96,551)	43,771	(2,47,805)	-
Other Adjustments	(67,200)	(67,200)	2,57,800	8,800
Total (C)	(1,63,751)	(23,429)	9,995	8,800
Net Adjustments (B+C)	(1,63,751)	(23,429)	9,995	8,800
Tax Expense/ (Savings) thereon (D)	(53,129)	(7,783)	3,089	2,719
Total Taxation (E=A+D)	2,88,333	1,76,53,576	4,56,315	(25,930)
Brought forward loss set off	-	-	83,915	-
Tax Effect on the above (F)	-	-	25,930	-
Net Tax for the year (E-F)	2,88,333	1,76,53,576	4,30,385	(25,930)
Tax payable as per MAT	2,10,592	1,05,96,550	2,26,613	-
Tax Expense recognized	3,00,000	1,91,00,000	6,00,000	-
Tax as per Return of Income filed	N.A.	1,91,00,000	5,51,108	-

Note: The statement of tax shelter has been prepared based on restated profits as per Annexure 1.

Annexure X

SECURED LOANS

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Working capital from Bank				
IDBI Bank	Nil	15,38,701	14,74,987	Nil
Total	Nil	15,38,701	14,74,987	Nil

Annexure XI

UNSECURED LOANS

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
From Group/ Associate Companies/ Directors	Nil	Nil	Nil	30,68,000
From Others				
Inter-corporate Deposits from M/s. Susee Cars and Trucks Private Limited	5,000,000	Nil	Nil	Nil
Total	50,00,000	Nil	Nil	30,68,000

Note: The above amount does not include any transactions with parties related to promoter/ directors of the Company. The loan is repayable on demand and there are no other terms with regard to payment of interest.

Annexure XII

SUNDRY DEBTORS

(Amount – ₹)

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Considered Good				
Outstanding for more than six months	11,37,883	43,96,051	1,19,64,037	Nil
Other Debts	12,22,26,754	11,71,18,586	2,81,88,133	5,70,881
Considered doubtful	Nil	Nil	Nil	Nil
Total	12,33,64,637	12,15,14,637	4,01,52,170	5,70,881

Note: There are no beneficiaries of the debtors of the company, who are in any way related to the promoter/director of the company as on 30.06.2011 except the following

	(₹ Lacs)
2. A- Team Information Technology Limited	910
3. Prosel Ventures Private Limited	23

List of Top customers as on June 30, 2011 (₹ Lacs)

1. A- Team Information Technology Limited	910
2. Jagan Enterprises	220
3. Prosel Ventures Private Limited	23

Note: None of the above customer is related to the promoter/director of the company except that the first named customer is the subsidiary of this company and the third named company is associated to one of the directors of the company.

Annexure XIII

LOANS & ADVANCES

(Amount – ₹)

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Advances recoverable in cash or in kind– considered Good				
Loans to subsidiary company	50,00,000	Nil	Nil	Nil
Advances to suppliers towards supply of materials	1,25,00,000	1,25,00,000	2,12,00,000	Nil
Other advances to staff for expenses	4,014	1,58,014	1,75,529	Nil
Deposits	8,35,000	8,35,000	8,35,000	25,000
Total	1,83,39,014	1,34,93,014	2,22,10,529	25,000

Related Party Transactions in above

Loan to A-Team Information Technology Limited (Subsidiary) – ₹ 5,000,000

Note: Other than those mentioned above, there are no beneficiaries of the loans and advances of the company, who are in any way related to the promoter/director of the company as on 30.06.2011.

Annexure XIV

STATEMENT OF CONTINGENT LIABILITIES

(Amount – ₹)

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Claims against the company not acknowledged as debts	Nil	Nil	Nil	Nil
Capital Commitments	Nil	Nil	Nil	Nil

Annexure XV

STATEMENT OF RATES & AMOUNTS OF DIVIDEND

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Equity Share Capital				
No. of Equity Shares of ₹ 10/- each	1,00,00,000	83,29,800	41,07,500	10,000
Rate of Dividend	Nil	Nil	Nil	Nil
Amount of Dividend	Nil	Nil	Nil	Nil

Annexure XVI

INVESTMENTS

(Amount – ₹)

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
Unquoted – Non-Trade - Shares				
A-Team Information Technology Limited – 100% subsidiary	5,00,000	5,00,000	Nil	Nil
Sub-total	5,00,000	5,00,000	Nil	Nil
Other Investments	Nil	Nil	Nil	Nil
Total	5,00,000	5,00,000	Nil	Nil

Annexure XVII

CURRENT LIABILITES AND PROVISIONS

(Amount – ₹)

Particulars	Quarter ended	Financial Year ended	Financial Year ended	Financial Year ended
	30/06/2011	31/03/2011	31/03/2010	31/03/2009
a. Current Liabilities				
Sundry Creditors for Trade	51,09,627	48,53,800	4,05,79,012	Nil
Sundry Creditors for Expenses	2,58,570	2,55,827	1,25,479	Nil
b. Provisions				
For Income tax	1,94,87,146	1,97,60,057	6,82,379	Nil
Total	2,48,55,343	2,48,69,684	4,13,86,870	Nil

Annexure XVIII

RELATED PARTY TRANSACTIONS

In accordance with the requirement of Accounting Standard 18 (AS 18) - Related Party disclosures, the names of related parties where control exists and/ or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

a. Associate Companies

1. A-Team Information Technology Limited - Subsidiary co.
2. Prosel Ventures Private Limited – A company in which a director is interested

b. Key Management personnel/relatives of key management personnel

1. Mr. S. Adith Kumar - Director
2. Mr. R. Senthil Kumar – Director

(Amount – ₹)

Particulars	Nature of transaction	30/06/2011	31/03/2011	31/03/2010	31/03/2009
A-Team Information Technology Limited	Sale of Goods	-	9,10,54,586	Nil	Nil
A-Team Information Technology Limited	Outstanding Balances	9,10,54,586	9,10,54,586	Nil	Nil
A-Team Information Technology Limited	Loan given	50,00,000	Nil	Nil	Nil
Prosel Ventures Private Limited	Sale of Goods		23,00,000	Nil	Nil
Prosel Ventures Private Limited	Outstanding Balances	23,00,000	23,00,000	Nil	Nil

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our Company's financial condition and results of operations in conjunction with the restated audited financial statements including the schedules and notes thereto and the examination reports thereon in the section titled "Financial Information" beginning on page 112 of the Draft Red Herring Prospectus.

This discussion contains forward-looking statements that involve risks and uncertainties. Our Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in "Risk Factors" and "Forward Looking Statements" on pages xiv and xiii, respectively of the Draft Red Herring Prospectus.

The following discussion of the financial conditions and results of operation is based on, and should be read in conjunction with, the audited consolidated financial statement, as restated, as of and for the year ended March 31, 2011 and audited standalone financial statements, as restated, as of and for the year ended March 2010 and 2009. Unless otherwise indicated, references in this discussion and analysis to our Company's results of operations or financial condition for a specified year are to the financial year ended March 31 of such year. In this section, any reference to "we", "us", "our", unless the context otherwise implies, refers to our Company.

Discussion on restated financial statements

A-Team Information Technology Limited (ATITL) became our subsidiary in fiscal 2011. Hence accounts before Fiscal 2011 have standalone for the issuer company A-Team Edutech Limited (ATEL). The accounts of fiscal 2011 although not comparable with Fiscal 2010 and 2009, have been discussed in this section as to give a better perspective to the reader about the actual position of our business currently.

Overview

A-Team Edutech Limited (ATEL) is an Educational Infrastructure Management Company with registered office in Chennai. We are primarily engaged in consultancy, content development, network architecture and other business services pertaining to information technology infrastructure. We provide IT equipment on standalone basis as well as turnkey business solutions to our customers.

We also offer specialised preparatory packages for students of our clients. A major chunk of these equipment are procured from Hewitt Packard (HP) with whom we have been associated since 1998 and are a premium business partner in India.

ATITL has ventured into providing complete business and infrastructure management solutions to leading education groups in south India. We have entered into Memorandum of Understanding (MoU) with 10 educational societies/Trusts/ Institutes for managing certain aspects of institutes as on August 15, 2011. The standard cluster of services that are being offered to these institutes includes:

Significant developments subsequent to the last audited financial statement:

Nil

Key Factors Affecting Our Company's Results of Operations:

Set forth below is a discussion of some of the important factors affecting the results of operations of our Company:

General economic and business conditions: The demand for our services is dependent on general economic conditions in the country. Our operations would be affected by adverse changes in the general economic and business conditions which are a result of various exogenous or endogenous factors.

Sundry Debtors/Recovery of Receivables: Most of our receivables come from educational institutes which have a good standing in the community and have a very stable cash flow cycle thus eliminating the counter party risk. But we have faced delay in payments from customers in past which have lead to loss of business (opportunity

loss) due to nature of this business which is working capital intensive. Hence any delay in the recovery of outstanding receivables, may affect our results of operation, as we may then have to resort to increased borrowings for our working capital requirement, which may further pressure on outgo towards interest thereby reducing our profits.

Technology obsolescence & frequent fluctuations of cost of IT & related resources: We provide IT, hardware, software technological products and services to our clients. There is no assurance that there won't be any obsolescence or any kind of fluctuation in the cost of IT or related resources. Hence any change in the pattern, cost or terms of rules many impact our operations.

Success of our marketing and sales network: The profitability of our business is a function of our large customer base and low overheads. We have been able to add these customers over a period of 2 decades slowly through relationship management. This is one of the reasons due to which our marketing and advertising expenditure are quite low. Going forward with increase in number of customer and service line it might become more expensive to manage business as we would have to hire more quality people which might affect our margins adversely.

Increase in number of enrollments with clients: Our business is directly dependent upon the number of enrollments with our clients as a higher number ensures order for more products and vice versa.

Other factors: For a discussion of the other factors that affect or may affect the results of operation, cash flows and financial condition of our Company, please refer to the section titled "Risk Factors" beginning on page xiv of the Draft Red Herring Prospectus.

Background

Our Company was incorporated as private limited company on December 3, 2008 under the Companies Act. The current promoter of our company Mr. Senthil kumar has been in this business since last two decades and was carrying this business in his proprietary firm M/s. A-Team Computers. However, he sold this business to our subsidiary A-Team Information Technology Limited vide agreement dated April 1, 2010.

Revenues: Our revenues consist of income from operations and other income.

Income from Operations: Revenue Model

Our revenue model has four streams of revenues

1. IT Solutions supplied to the institutions :- Billed directly to the institution
2. IT Solutions supplied to the students :- Charged from students fee but billed to the institution
3. Placement services supplied to the students :- Charged from students fee but billed to the institution
4. Revenue from institute management services : Billed directly to the institution

Our income from business is generated through sale of equipments and commission income earned on the equipment supplied by OEMs to our customer. Usually the equipment is supplied by us to the customers and hence we bill him for the entire amount which gets included in our income from operations. In some cases where the orders are huge and price competition is fierce, margins tend to be lower. In these cases the OEM directly supplies the hardware to the customer on which we earn a sales commission. Later we help the customers set up their IT infrastructure and cater to other needs.

Other Income: Other income consists primarily of interest earned on bank deposits.

Expenditure: Our expenditure primarily consists of operating expenses, staff costs, administrative and other expenses, interest and depreciation/amortization.

- a. **Staff Costs:** Our staff costs include salaries, bonuses, ex-gratia payments, directors' remuneration and training costs. These costs vary proportionate to the change in business volumes. A part of these costs is fixed and hence inflexible and standard.

- b. **Administrative and Other Expenses:** The principal components of administrative expenses relate to costs associated with bank charges, telephones, electricity, repairs, rent, rates and taxes, printing and stationery, travelling, legal and professional fees and audit fees.

SIGNIFICANT ACCOUNTING POLICIES

1. Consolidation of accounts

A. Basis of accounting

The financial Statements are prepared under the Historical cost convention and in accordance with generally accepted accounting practices and the provisions of the Companies Act, 1956 and comply with the applicable accounting standards issued there under.

B. Principles of Consolidation

- (i) Consolidated financial statements related to A-Team Edutech Limited (previously known as Sweadi Marketing Private Limited), Chennai and its subsidiary A-Team Information Technology Limited.
- (ii) The consolidated financial statements have been prepared on the following basis:
- The financial statements of the Company and its subsidiary have been prepared on a line by line consolidation by adding the book values of like items of assets, liabilities, income and expenditure as per the respective audited financial statements of the respective companies.
 - The accounts of A-Team Information Technology Limited have been audited by the auditor qualified to conduct audit in accordance with the laws applicable in India.
 - The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's individual financial statements.
 - Inter-group transactions and resulting unrealized profits have been eliminated.
 - The subsidiary company (ownership–100%) considered in the consolidated financial statements is A-Team Information Technology Limited whose reporting date is march 31, 2011.

2. Accounting Standards

(a) AS 1- Disclosure of accounting policies

The disclosure of accounting policies is made in respect of the reporting entity and its Indian subsidiary, viz., A-Team Information Technology Limited. The accounts are maintained on accrual basis as a going concern.

(b) AS 2- Valuation of Inventories

Inventories are valued in accordance with the method of valuation prescribed by the Companies (Accounting Standards) Rules, 2006 at weighted average cost or net realizable value whichever is less.

(c) AS 3- Cash Flow Statements

The cash flow statement is prepared under 'indirect method' and the same is annexed.

(d) AS 4- Contingencies and events occurring after balance sheet date

There is no contingent events occurred after balance sheet date and hence this is not applicable to the enterprise.

(e) AS 5- Net profit or loss for the period, Prior period items and Changes in accounting policies

I. Prior period items :

There is no prior period items during the year and hence not applicable.

II. Changes in accounting policies :

There is no change in accounting policy during the current year.

(f) AS 6- Depreciation Accounting

Depreciation has been provided under the Written down value method at the rates prescribed under Schedule XIV of the companies Act, 1956.

In respect of assets added/assets sold during the year, pro-rata depreciation has been provided at the rates prescribed under Schedule XIV.

Depreciation in respect of computers and vehicles has been provided at 40% and 25.89% respectively. Depreciation in respect of Intangibles has been provided at 20%.

(g) AS 9- Revenue Recognition

The income of the company is derived from sale of various consumer goods. Sale of goods is recognized on dispatch of goods to consumers. Amount recognized as sale is exclusive of Sales tax/ VAT and is net of sale returns. No central excise duty is applicable for the present to the products dealt with by the company.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend from investments in shares is recognized when the Company in which they are held, declares the dividend and the right to receive the same is established.

(h) AS 10- Accounting for Fixed Assets

All the fixed assets are valued at cost including expenditure incurred in bringing them to usable condition less depreciation.

(i) AS 11- Accounting for effects of changes in foreign exchange rates

Not applicable as there was no foreign exchange transactions during the year.

(j) AS 12- Accounting for government grants

The Company has not received any grant.

(k) AS 13- Accounting for Investments

Investments are valued at cost. Provision for diminution in the carrying cost of investments is made if such diminution is other than temporary in nature in the opinion of the management.

(l) AS 14- Accounting for Amalgamations

During the year there was no amalgamation.

(m) AS 15- Accounting for Employee benefits

a) Presently, the employees' provident fund schemes and the Employees state insurance schemes are not applicable to the employees of the company and hence no provision for the same is accounted.

- b) Gratuity and Encashment of leave benefits to employees are accounted for on payment basis as none of the employees are eligible for the same at present.

(n) AS 16- Borrowing costs

The borrowing costs have been treated in accordance with Accounting Standard on borrowing costs issued by the Companies (Accounting Standard) Rules, 2006.

(o) AS 17- Segment Reporting

The Company operates in only one segment viz., retail trade of consumer goods and hence the Accounting Standard on segment reporting is not applicable.

(p) AS 18- Earnings Per Share

Basic Earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing the adjusted net profit after tax by the aggregate of the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

(q) AS 22- Accounting for Taxes on Income

- a. Provision for Income Tax is considered as per the provisions contained in the Income tax Act, 1961 and the Rules made there under and applicable for the current financial year.
- b. Deferred Tax is recognized, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized and carried forward to the extent there is reasonable certainty that sufficient future taxable income will be available against which deferred tax assets can be realized.
- c. Deferred tax liability and asset are recognized based on timing difference using the tax rates substantively enacted on the balance sheet date. Deferred Tax Liability and Assets are stated at aggregate of respective figures in the separate balance sheets.

(r) Miscellaneous Expenditure

Expenditure incurred on increasing of authorized capital is being written off over a period of 5 years. Accordingly 1/5th of the said expenditure has been written off during the year.

(s) Contingent Liabilities

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Contingencies including foreseeable losses, which can be reasonably ascertained, are provided for in the accounts.

Results of Operations

The following table sets forth select financial data from our Company's restated consolidated profit and loss account for the Fiscals 2011 and quarter ending June 31, 2011

(In ₹ Lacs)

	PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED	For Quarter ending	For the Year Ended
		June 30, 2011	March 31, 2011
	Particulars	Consolidated	Consolidated
A	Income		
	Net Sales	806.10	7,114.41
	Add: Other Income	16.68	24.56
	Total	822.78	7,138.98
B	Expenditure		

	Materials consumed	593.38	5,675.85
	Wages and Staff Costs	27.80	99.06
	Administrative Expenses	21.91	59.25
	Selling & Distribution Expenses	8.55	17.13
	Total	651.65	5,851.29
C	Profit Before Interest, Depreciation and Tax	171.13	1,287.69
	Depreciation	26.48	108.34
D	Profit before Interest and Tax	144.66	1,179.35
	Financial Charges	9.07	90.55
E	Profit after Interest and before Tax	135.59	1,088.79
F	Profit before Taxation	135.59	1,088.79
	Provision for Taxation	29.00	370.00
	Provision for Deferred Taxation	38.84	24.48
	Provision for FBT	-	-
	Add/Less: Adjustment for prior year	-	-
	Total	67.84	394.48
G	Profit After Tax but before extra-ordinary items	67.76	694.32
	Extra-ordinary items	-	-
	Impact of material adjustments for restatements in corresponding years	0.23	0.23
H	Net Profit after Adjustments	67.98	694.55
	Balance brought forward from prior years	687.92	(6.63)
I	Profit available for Appropriation	755.90	687.92
	Transferred to Share Capital	166.67	-
J	Net Profit transferred to Balance Sheet	589.23	687.92

Break up for other Income

Details/ year	(In ₹)	
	Quarter ended June 30, 2011	Financial Year ended March 31, 2011
Recurring Income		
Service Receipts	15,40,601	19,64,639
Interest Receipts	1,27,524	4,91,811
Total	16,68,125	24,56,450
Non-Recurring Income	Nil	Nil

Comparison of Restated Consolidated Financial Years/Periods with Previous Financial Years/Periods

Consolidated financial for quarter ending June 31, 2011 vs. financials for Fiscal Year 2011

As discussed below in seasonality of business section our business is seasonal in nature and quarter 2 and 3 of the year accounts for more than 75% revenues earned by our company in a fiscal. The first quarter is usually slow and is the period where we roll out new products for our customers and pitching for the same and trying to get orders.

Revenues:

Our revenues for this quarter were ₹ 822.78 Lacs which were lower by 53.9% as compared to Fiscal 2011 (on an annualized basis). The revenue for this quarter consisted of other income of ₹ 16.68 Lacs of which ₹ 15.4 Lacs was obtained from service receipts which we earned by helping our clients procure products from our vendors directly. The other income portion registered an increase of 172% over that of fiscal 2011 (on an annualized basis). Our sale for the year was ₹ 806.1 Lacs which was on account of sales of IT products and services and some stock of our commodity trading business for which we had already ordered. This slowdown is due to the seasonal nature of business where sales in the first quarter is slow.

Expenditure:

Our total operating expenditure (including sales and distribution cost) during this quarter decreased by 55.45% (on an annualized basis) in June quarter of Fiscal 2012 over fiscal 2011 to reduce to ₹ 651.65 Lacs from ₹ 5851.29 Lacs. This decrease was a result of low sales which was a manifestation of seasonality of business.

Cost of Material Consumed:

The cost of purchases of raw material and other direct expenses decreased to ₹ 593.38 Lacs in quarter ending June of Fiscal 2012 from ₹ 5675.85 Lacs in Fiscal Year 2011 exhibiting a decrease of 58.2% on an annualized basis). This drop is in line with drop in revenue generated from sales.

Staff Costs:

With increased traction with new product introduction and inflation, our staff cost and wages increased to ₹ 27.8 Lacs for quarter ending June 30, 2011 from ₹ 99.06 for Fiscal Year 2011. This expenditure has increased by 12.27% as compared to expenditure under same head in Fiscal 2011. (On annualized basis).

Administrative and other expenses:

Our Administration expenses have increased to ₹ 21.91 Lacs for quarter ending June 30, 2011. This expenditure has posted an increase of 48% (On annualized basis) on the back of increased costs incurred in relation to regulatory compliance cost and other business related costs.

Selling and distribution expenses:

Our Selling and distribution expenses have increased to ₹ 8.55 for quarter ending June 30, 2011. This is a 100% increase (On annualized basis) over the last fiscal. This expenditure is higher in this quarter as we are trying to introduce products like cloud computing and also as this quarter is when most pitching to clients happens. For the reason stated above and low sales base this expenditure would be higher (as a percentage of sales) when compared to other quarters.

Depreciation:

Provision for depreciation for quarter ending June 30, 2011 has went down by 2% to ₹ 26.48 Lacs. This decrease is due to fact that gross block for the company has not increased and at the same time the depreciation is calculated at a written down value thus decreasing the net depreciable asset base every year.

Financial Charges:

Although the loan on company has went up by ₹ 47.13 Lacs but that financial charges have came down to ₹ 9.07 Lacs which is a drop of 60% over the expense for Fiscal 2011 (on an annualized basis). This decrease is a result of reduction in the interest bearing loan from bank and replacement of same by unsecured loans.

Provision for Tax:

A total provision of ₹ 67.84 Lacs has been made for tax for quarter ended June 30, 2011 of which ₹ 29 Lacs was for tax and ₹ 38.84 Lacs was for deferred tax.

Net Profit/ (Loss) after tax:

As a result of the factors set forth above, our Company's net restated profit after tax decreased by 61% (On an annualized basis) to ₹ 67.76 Lacs in quarter ending June 30, 2011, as compared to fiscal 2011.

An expenditure of ₹ 16.55 Lacs was incurred during quarter ending June 30, 2011 towards IPO expense. This amount has been capitalized. Also Capital Reserves of ₹ 166.67 Lacs were capitalized for issue of bonus shares to the existing shareholders.

*** Discussion on Consolidated financial for Fiscal Year 2011****Revenues:**

The Total income for the fiscal year 2011 was ₹7138.98 Lacs, this was the first year when ATEL as a company started providing services to our clients in the education space with help of our subsidiary. Our subsidiary also bought operations and connects from our promoter's proprietary concern. The accounts of this subsidiary have been consolidated with our accounts.

Expenditure:

Our total operating expenditure (including sales and distribution cost) in fiscal 2011 was ₹ 5851.29 Lacs.

Cost of Material Consumed:

The cost of Purchases and other direct expenses was ₹ 5675.85 lacs in Fiscal Year 2011.

Staff Costs:

Our staff cost and wages in fiscal 2011 was ₹ 99.06 lacs. This expenditure has gone up after consolidation as compared to standalone business as after taking over of subsidiary its staff of approximately 70 employees had came to our group.

Administrative and other expenses:

Our Administration expense in Fiscal 2011 was ₹ 59.25 lacs.

Selling and distribution expenses:

Our Selling and distribution expenses for fiscal 2011 were ₹17.13 lacs. Moreover this expenditure as a percentage of sales for our company is only 0.23%, which is lower as compared to industry standards. One of the major reasons for low expenditure in this head is our marketing strategy where most of sales are done at institutional level through relationships build over last two decades.

Depreciation:

Provision for depreciation on a consolidated basis for Fiscal 2011 was ₹ 108.34 Lacs.

Financial Charges:

Financial Charges on a consolidated basis for the company in this fiscal 2011 stood at ₹ 90.55 Lacs. This expenditure was primarily on account of the loans that were outstanding on the subsidiary company ATITL which had availed secured loan of over ₹ 5 Lacs and unsecured loans of over ₹ 21.51 lacs. The holding company too had secured loans of ₹ 15.39 Lacs. Of the financial charges of ₹ 90.55 Lacs, ₹ 90.11 Lacs can be attributed to the charges for servicing the loans of the subsidiary and bank charges for subsidiary and rest ₹ 0.44 Lacs were for servicing the loans and bank charges of holding company.

Provision for Tax:

The restated provision for income tax in fiscal 2011 was ₹ 370 lacs. Further, the provision for deferred tax for the same period was ₹ 24.48 lacs. This was primarily due to an increase in the difference between depreciation in accordance with the Income Tax Act and depreciation in accordance with the Companies Act.

Net Profit/ (Loss) after tax:

As a result of the factors set forth above, our Company's net restated profit after tax by was ₹ 694.32 lacs for fiscal 2011.

Financial Condition
Consolidated Restated Summary Statement of Assets and Liabilities

(In ₹ Lacs)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED			
Sr. No.	BALANCE SHEET AS ON	Consolidated	Consolidated
	Particulars	Quarter ended June 30, 2011	Financial Year ended March 31, 2011
A	Fixed Assets (Net)		
	Gross Block	612.78	612.78
	Less: Depreciation	137.13	110.65
	Net Block	475.65	502.13
	Capital work-in-Progress	15.21	-
	Total Fixed Assets (A)	490.86	502.13
B	Investments (B)	-	-
C	Current Assets, Loans & Advances		
	Inventories	549.34	466.49
	Sundry Debtors	2,672.50	2,169.20
	Cash & Bank Balances	44.73	143.91
	Other Current Assets	1.48	2.42
	Loans & Advances	259.13	301.38
	Total (C)	3,527.17	3,083.40
	Total Assets (A+B+C)	4,018.03	3,585.53
D	Liabilities & Provisions		
	Share Application Money Received	-	48.00
	Secured Loans	3.98	20.66
	Unsecured Loans	85.33	21.51
	Current Liabilities	1,894.85	1,575.37
	Provisions	399.87	376.60
	Deferred Tax Liability	61.31	22.48
	Total Liabilities (D)	2,445.34	2,064.63
E	Net Worth (A+B+C-D)	1,572.69	1,520.90
F	Represented by		
	Share Capital	1,000.00	832.98
	Total (A)	1,000.00	832.98
	Reserves & Surplus	589.23	687.92
	Total (B)	589.23	687.92
	Less: Miscellaneous Expenditure to the extent not written off	16.55	-
	Total (C)	16.55	-
	Net Worth (A+B-C)	1,572.69	1,520.90

Discussion of Consolidated financial condition as at June 30th, 2011

Fixed Assets- The gross block of fixed assets for quarter ending June 30, 2011, ₹ 612.78 Lacs, which is same as that of Fiscal 2011. Capital work in progress of ₹ 15.21 Lacs was added this year.

Investment for quarter ending June 30, 2011 was NIL after consolidation of accounts

Discussion of Consolidated financial condition as at March 31st, 2011

Fixed Assets- The gross block of fixed assets for the Fiscal Year 2011 is ₹ 612.78 Lacs.

Investment - Investment for the Fiscal 2011 our investment was NIL after consolidation

Liquidity and Capital Resources

Our Company's principal capital requirements are for expansion of its operations by opening A- Team Learning Development Centers internationally, setting up Cloud Computing, Enterprise Resource Planning portals etc. Additionally, our Company's subsidiary ATITL has signed 10 agreements for the setting up of University Infrastructure Management and providing hardware and software with the products as per the need of the clients. Any decrease in the demand for our Company's services could have an adverse impact on our Company's cash flow from operations and its ability to obtain funds from external sources on acceptable terms, in a timely manner or in sufficient amounts, or at all.

Capital Expenditure

The capital expenditure incurred by our Company primarily consists of expenditure incurred for implementation of technology aided training tools and for upgrading the technological resources, such as computer hardware and software. Except as described for the Quarter ending June 30, 2011 and Fiscals 2011 our Company neither had any material expenditure on, or divestment of capital investments (including any interests in another corporation), nor any material commitments for capital expenditures.

Cash Flows

The table below summarizes our consolidated cash flows, as restated, for the periods indicated:

(In ₹ Lacs)

CASH FLOW STATEMENT FOR THE PERIOD ENDING	Quarter ended	Financial Year ended
	June 30, 2011	March 31, 2011
	Consolidated	Consolidated
Particulars		
Net cash generated from / (used in) operating activities	(75.68)	272.47
Net cash generated from / (used in) investing activities	(13.93)	(592.39)
Net cash generated from / (used in) financing activities	(9.58)	384.87
Net cash Increase/ (decrease) at the end of the Period	(99.19)	64.95

Cash Flows from operating activities

Net cash generated from operating activities during quarter ending June 30, 2011 was ₹ 75.68 Lacs, principally Increase in debtors of ₹ 503.3 Lacs, net increase in Current liability of ₹ 319.48 Lacs, Payment of income tax of ₹ 5.51 Lacs and a decrease in loans and advances of ₹ 42.25 Lacs and Increase in inventory of ₹ 82.85 Lacs was the reason behind this increase.

Net cash generated from operating activities on March 31, 2011 was ₹ 272.47 Lacs, which was majorly a result of depreciation of ₹ 108.34 Lacs, net interest payment of ₹ 85.63 Lacs and a net increase in working capital of ₹ 1012.46 Lacs. Increase in working capital was on account of increase in debtors and current liabilities and in loans & advances and increase in Inventories. This increased cash deployment in working capital was due to introduction of placement packages during the fiscal and also change in nature of business.

Cash flows from investing activities

Net cash used in investing activities during quarter ended June 30, 2011 was ₹ 13.93 Lacs. The out flow during the quarter primarily consisted of purchase of Fixed Assets of ₹ 15.21 Lacs and inflow consisted of an interest income of ₹ 1.28 Lacs.

Net cash used in investing activities during Fiscal Year 2011 was ₹ 592.39 Lacs consisted of purchase of Fixed Assets of ₹ 597.31 and inflow consisted of an interest income of ₹ 4.92 Lacs.

Cash flows from financing activities

For the Quarter ended June 30, 2011 a sum of ₹ 9.58 Lacs had been deployed in the financing activities. This constituted of Repayment of a secured loan of ₹ 16.69 Lacs and increase in unsecured loan of ₹ 63.82 Lacs. ₹ 0.35 Lacs was obtained for issuance of new equity shares and subscription money of ₹ 48 lacs was returned. Financial charges for this fiscal amounted to ₹ 9.07 Lacs.

For Fiscal Year 2011, a sum of ₹ 384.87 Lacs had been raised through financing activities of which ₹ 5.91 lacs was raised through secured loans and ₹ 21.51 Lacs through unsecured loans. Moreover, ₹ 422.23 Lacs was obtained by issuance of new equity shares and ₹ 25.77 Lacs was raised on account of share application money. Financial charges for this fiscal amounted to ₹ 90.55 Lacs.

Results of Operations

The following table sets forth select financial data from our Company's restated standalone profit and loss account for the Fiscals 2009, 2010, 2011 and quarter ending June 30, 2011

(In ₹ Lacs)				
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED	Quarter Ended	Financial Year ended	Financial Year ended	Financial Year ended
Particulars	June 30, 2011	March 31, 2011	March 31, 2010	March 31, 2009
	Standalone	Standalone	Standalone	Standalone
Net Sales	87.15	2,291.16	1,418.08	107.50
Add: Other Income	1.28	4.43	1.48	-
Total	88.43	2,295.59	1,419.56	107.50
Expenditure				
Cost of Materials Consumed	67.29	1,745.42	1,390.23	106.25
Wages and Staff Costs	3.18	6.17	2.73	1.56
Administrative Expenses	3.22	6.23	7.57	0.45
Selling & Distribution Expenses	3.52	1.84	1.72	0.16
Total	77.21	1,759.67	1,402.24	108.42
Profit Before Interest, Depreciation and Tax	11.22	535.93	17.31	(0.92)
Depreciation	0.62	3.80	2.31	-
Profit before Interest and Tax	10.60	532.13	15.00	(0.92)
Financial Charges	0.08	0.44	0.34	0.01
Profit after Interest and before Tax	10.52	531.69	14.67	(0.93)
Pre. Expenses and def. expenses w/off	-	-	-	-
Profit before Taxation	10.52	531.69	14.67	(0.93)
Provision for Taxation	3.00	191.00	6.00	-
Provision for Deferred Taxation	0.31	(0.15)	0.82	-
Provision for FBT	-	-	-	-
Add/Less: Adjustment for prior year	-	-	-	-
Total	3.31	190.85	6.82	-
Profit After Tax but before extra-ordinary items	7.21	340.83	7.84	(0.93)
Extra-ordinary items	-	-	-	-
Impact of material adjustments for restatements in corresponding years	0.23	0.23	(0.82)	(0.03)
Net Profit after Adjustments	7.44	341.06	7.03	(0.90)
Balance brought forward from prior years	347.19	6.13	(0.90)	-
Profit available for Appropriation	354.63	347.19	6.13	(0.90)
Transfer to General Reserve	-	-	-	-
Capitalised on issue of bonus shares	166.67	-	-	-

Net Profit transferred to Balance Sheet	187.96	347.19	6.13	(0.90)
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Standalone financial for quarter ending June 30, 2011 vs. financials for Fiscal Year 2011

As discussed below in seasonality of business section our business is seasonal in nature and quarter 2 and 3 of the year accounts for more than 75% revenues earned by our company in a fiscal. The first quarter is usually slow and is the period where we roll out new products for our customers and pitching for the same and trying to get orders.

Revenues:

Our revenues for this quarter were ₹ 88.43 Lacs which were lower by 57% as compared to Fiscal 2011 (on an annualized basis). The revenue for this quarter consisted of other income of ₹ 1.28 Lacs which was entirely interest income. The other income portion registered an increase of 172% over that of fiscal 2011 (on an annualized basis).

Expenditure:

Our total operating expenditure (including sales and distribution cost) during this quarter decreased by 59% (on an annualized basis) in June quarter of Fiscal 2012 over fiscal 2011 to reduce to ₹ 77.21 Lacs from ₹ 1759.67 Lacs. This decrease was a result of low sales which was a manifestation of seasonality of business.

Cost of Material Consumed:

The cost of purchases of raw material and other direct expenses decreased to ₹ 67.29 Lacs in quarter ending June of Fiscal 2012 from ₹ 1745.42 Lacs in Fiscal Year 2011 exhibiting a decrease of 61% on an annualized basis). This drop is in line with drop in revenue generated from sales.

Staff Costs:

With increased traction with new product introduction and inflation, our staff cost and wages increased to ₹ 3.18 Lacs for quarter ending June 30, 2011 from ₹ 6.17 for Fiscal Year 2011. This expenditure has increased by 12.27% as compared to expenditure under same head in Fiscal 2011 (On annualized basis). This increase is due to the increase in operations and recruitment.

Administrative and other expenses:

Our Administration expenses have increased to ₹ 3.22 lacs for quarter ending June 30, 2011. This expenditure has posted an increase of 48% (On annualized basis) on the back of increased costs incurred in relation to regulatory compliance cost and other business related costs.

Selling and distribution expenses:

Our Selling and distribution expenses have increased to ₹ 3.52 for quarter ending June 30, 2011. This is a 100% increase (On annualized basis) over the last fiscal. This expenditure is higher in this quarter as we are trying to introduce products like cloud computing and also as this quarter is when most pitching to clients happens.

Depreciation:

Provision for depreciation for quarter ending June 30, 2011 has went down by 2% to ₹ 0.61 Lacs. This decrease is due to fact that gross block for the company has not increased and at the same time the depreciation is calculated at a written down value thus decreasing the net depreciable asset base every year.

Financial Charges:

The financial charges on the company for quarter ending June 30, 2011 are ₹ 0.08 which is a drop of 83% over the expense for Fiscal 2011 (On an annualized basis). This decrease is a result of reduction in the interest bearing loan from bank and replacement of same by unsecured loan bearing no interest from one of the shareholders.

Provision for Tax:

A total provision of ₹ 3.31 Lacs has been made for tax for quarter ended June 30, 2011 of which ₹ 3 Lacs was for tax and ₹ 0.31 Lacs was for deferred tax.

Net Profit/ (Loss) after tax:

As a result of the factors set forth above, our Company's net restated profit after tax decreased by 98% (On an annualized basis) to ₹ 7.21 Lacs in quarter ending June 30, 2011 as compared to fiscal 2011.

Net Profit after Material adjustment:

Net profit after material adjustment for this year was ₹ 7.44 Lacs after factoring in the adjustments for restatement.

Standalone financial for Fiscal Year 2011 vs. Standalone financial Fiscal Year 2010**Revenues:**

The Total income for the fiscal year 2011 has increased to ₹ 2295.59 Lacs from ₹1419.6 Lacs in FY 2010 which is an increase of 61.71% year on year. This increase is a result of change in business strategy where we started providing services to our clients in the education space. One of the major reasons of the increase in this figure is the revenue inflow that accrued to us from our tie up with First Job in FY 2011. Also in this year we have taken a step towards discontinuing our commodity trading business and we have started depleting the inventory stored with us. A part of net sales of our company still comes from exhaustion of this stock.

Expenditure:

Our total operating expenditure (including sales and distribution cost) increased by 25.49% in the fiscal 2011 over fiscal 2010 to reach ₹ 1759.67 Lacs from ₹ 1402.24 Lacs. This increase was primarily due higher base of sales.

Cost of Material Consumed:

The cost of Purchases and other direct expenses increased to ₹ 1745.42 Lacs in Fiscal Year 2011 from ₹ 1390.23 Lacs in Fiscal Year 2010 is exhibiting an increase of 25.55% YoY. This increase corresponds to the increasing sales for the year.

Staff Costs:

With the increase in the business activity our staff cost and wages also increased to ₹ 6.17 Lacs for the Fiscal 2011 from ₹ 2.73 for Fiscal Year 2010. This expenditure has gone up by 126% as compared to previous year. A major reason for this increase is hiring of new people with increase in activities of the business.

Administrative and other expenses:

Our Administration expenses have decreased to ₹ 6.23 Lacs for the Fiscal Year 2011 from ₹ 7.57 lacs in Fiscal 2010, this is a reduction of 17.7% in percentage terms. This expenditure has gone down with harnessing of synergies in business activities with our subsidiary.

Selling and distribution expenses:

Our Selling and distribution expenses have increased marginally to ₹1.84 Lacs in the Fiscal Year 2011 from ₹ 1.72 Lacs in the Fiscal Year 2010. This is an increase of 7.13% over expense under same head for Fiscal 2010.

Depreciation:

Provision for depreciation for Fiscal 2011 increased to ₹ 3.80 Lacs as compared to ₹ 2.31 Lacs in Fiscal 2010. This when quantified corresponds to an increase of 64.37%. The reason for this expenditure is full year use of asset and depreciation provided thereon.

Financial Charges:

Financial Charges for Fiscal 2011 for company stood at ₹ 0.44 Lacs against ₹ 0.34 Lacs in fiscal 2010 for the same head which exhibits an increase of 30.97%. This increase can be attributed to the increase in the loan amount.

Provision for Tax:

The restated provision for income tax in fiscal 2011 was ₹ 191 Lacs which is a steep increase from ₹ 6 Lacs for Fiscal 2010 primarily due to an increase in the profit before tax. Further, the provision for deferred tax decreased to reach ₹ (0.15) Lacs. This was primarily due to difference between depreciation in accordance with the Income Tax Act and depreciation in accordance with the Companies Act.

Net Profit/ (Loss) after tax:

As a result of the factors set forth above, our Company's net restated profit after tax was ₹ 340.83 Lacs for fiscal 2011 which is a huge jump of 4244.95% over the net profit in fiscal 2010.

Net Profit after Material adjustment:

Net profit after material adjustment for this year was ₹ 341.06 Lacs after factoring in the adjustments for restatement.

Financial performance for Fiscal Year 2010 vs. Fiscal Year 2009 Standalone Figures**Revenues:**

Our Total revenues consist of Income from sale of the products traded by the company and other income consists primarily of interest earned on bank deposits. The income in Fiscal 2010 increased by 1221% over that of Fiscal 2009 to reach ₹ 1419.6 Lacs. The reason for this jump was primarily the low base effect. The jump in sales was a result of traction in sales which gained momentum in fiscal 2010. Another reason for the increase was that Fiscal 2010 was first full year of operations for our company. We also earned an interest income of ₹ 1.48 Lacs for this fiscal.

Expenditure:

Our expenditure primarily consists of cost of material consumed, wages and staff costs, administrative expenses, selling and distribution expenses. These expenses increased by 1208% in Fiscal 2010 to reach ₹ 1390.23 Lacs. This increase was a result of lower base effect and considerable increase (1219%) in sales.

Cost of Materials Consumed:

The total goods that were sold this year amounted to ₹ 1390.23 Lacs which is a marked increase of 1208% over fiscal 2009. The reason of this increase lies in higher sales for current year over a smaller base.

Staff Costs:

Our staff costs include salaries, bonuses, other allowances and staff welfare expenses. As we were trying to expand our business operations which resulted in an increase in our staff and wages cost to ₹ 2.73 Lacs. This line item showed an increase of only 75 % over the last fiscal.

Administrative and other expenses:

Our Administration expenses in Fiscal 2010 stood at ₹ 7.57 Lacs. This expense increases by 1582% on YoY basis since Fiscal 2009. The reasons for this increase in expenditure were increase in operations and the full year effect. Our company was operational for entire fiscal of 2010 but not for 2009.

Selling and distribution expenses:

Our selling and distribution expenses consisted of freight, and sales expense for this fiscal. Our Selling and distribution expenses increased to ₹ 1.72 Lacs which was an increase of 975% over the previous fiscal on account of increase in sales.

Depreciation:

Provision for depreciation for Fiscal 2010 was ₹ 2.31 Lacs as compared to nil in Fiscal 2009. This increase was a result of increase of assets worth ₹ 14.34 Lacs represented in gross block for the year.

Financial Charges:

The company incurred finance charges of ₹ 0.34 Lacs for Fiscal 2010. This was on account of bank charges and interest secured loan of ₹ 14.75 availed by the company.

Provision for Tax:

The restated provision for income tax for fiscal 2010 was ₹ 6.00 Lacs as we turned profitable this year in comparison to Fiscal 2009 (previous year) where we posted a loss. Further, we also provided for deferred tax of ₹ 0.82 Lacs in Fiscal 2010 due to an increase in the difference between depreciation in accordance with the Income Tax Act and depreciation in accordance with the Companies Act.

Net Profit/ (Loss) after tax: As a result of the factors set forth above, our Company's net restated profit after tax increased to ₹ 7.84 Lacs from a loss of ₹ 0.93 Lacs in Fiscal 2009.

Net Profit after Material adjustment:

Net profit after material adjustment for this year was ₹ 7.03 Lacs after factoring in the adjustments for restatement.

Financial performance for Fiscal Year 2009

Our company A-Team Edutech Limited (formerly known as Sweadi Marketing Private Limited) Started its business in this fiscal in later part of the year.

Revenues: Our Total revenues consist of Income from sale of the products traded by the company which stood at ₹ 107.5 Lacs we did not earned any other income for this fiscal.

Expenditure: Our expenditure primarily consists of cost of material consumed, wages and staff costs, administrative expenses, selling and distribution expenses which stood at ₹ 108.42 Lacs.

Material Traded: The total traded goods that were consumed this year amounted to ₹106.25 Lacs for fiscal 2009

Staff Costs: Our staff costs which include salaries, bonuses, other allowances and staff welfare expenses stood at ₹ 1.56 Lacs.

Administrative and other expenses: Our Administration expenses in Fiscal 2009 stood ₹0.45 Lacs.

Selling and distribution expenses: Our selling and distribution expenses consisted of freight, and sales expense for this fiscal and stood at ₹0.16 Lacs.

Depreciation: Provision for depreciation on for Fiscal 2009 was NIL due to absence of any asset in the business.

Financial Charges: Company incurred finance charges of ₹0.01 Lacs for Fiscal 2010. This was on account of bank charges.

Provision for Tax: Our company was not profitable for this fiscal hence we have not made any provisions for tax.

Net Profit/ (Loss) after tax: As a result of the factors set forth above, our Company posted a net restated loss of ₹ 0.93 Lacs in Fiscal 2009

Net Profit after Material adjustment:

Net loss after material adjustment for this year was ₹ 0.9 Lacs after factoring in the adjustments for restatement.

Financial Condition

Standalone Restated Summary Statement of Assets and Liabilities

(In ₹ Lacs)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED					
Sr. No.	BALANCE SHEET AS ON	Standalone	Standalone	Standalone	Standalone
	Particulars	Quarter ended June 30, 2011	Financial Year ended March 31, 2011	Financial Year ended March 31, 2010	Financial Year ended March 31, 2009
A	Fixed Assets (Net)				
	Gross Block	14.34	14.34	14.34	-
	Less: Depreciation	6.72	6.11	2.31	-
	Net Block	7.62	8.23	12.03	-
	Capital work-in-Progress	15.21	-	-	-
	Total Fixed Assets (A)	22.82	8.23	12.03	-
B	Investments (B)	5.00	5.00	-	-
C	Current Assets, Loans & Advances				
	Inventories	-	-	153.90	29.00
	Sundry Debtors	1,233.65	1,215.15	401.52	5.71
	Cash & Bank Balances	26.06	129.58	78.96	0.41
	Other Current Assets	-	-	-	-
	Loans & Advances	183.39	134.93	222.11	0.25
	Deferred Tax Asset	-	-	-	-
	Total (C)	1,443.09	1,479.66	856.49	35.37
	Total Assets (A+B+C)	1,470.91	1,492.89	868.52	35.37
D	Liabilities & Provisions				
	Secured Loans	-	48.00	22.23	4.62
	Unsecured Loans	-	15.39	14.75	-
	Share Application Money	50.00	-	-	30.68
	Current Liabilities	53.68	51.10	407.04	-
	Provisions	194.87	197.60	6.82	-
	Deferred Tax Liability	0.94	0.64	0.79	(0.03)
	Total Liabilities (D)	299.50	312.72	451.64	35.27
E	Net Worth (A+B+C-D)	1,171.42	1,180.17	416.88	0.10
F	Represented by				
	Share Capital	1,000.00	832.98	410.75	1.00
	Total (A)	1,000.00	832.98	410.75	1.00

	Reserves & Surplus	187.96	347.19	6.13	(0.90)
	Total (B)	187.96	347.19	6.13	(0.90)
	Less: Miscellaneous Expenditure to the extent not written off	16.55	-	-	-
	Total (C)	16.55	-	-	-
	Net Worth (A+B-C)	1,171.42	1,180.17	416.88	0.10

Discussion of financial condition as at June 30th, 2011

Fixed Assets- The gross block of fixed assets for quarter ending June 30, 2011 is ₹ 14.34 Lacs which is same as Fiscal 2011. Capital work in progress of ₹ 15.21 Lacs was added this year.

Investment: Investment for quarter ending June 30, 2011 stood at ₹ 5 Lacs

Discussion of financial condition as at March 31, 2011

Fixed Assets- The gross block of fixed assets for the Fiscal Year 2011 was ₹ 14.34 Lacs which was same as that for fiscal 2010.

Investment for the Fiscal 2011 increased to ₹ 5 Lacs with investment in our subsidiary ATITL

Discussion of Standalone financial condition as at March 31st, 2010

Fixed Assets- The gross block added in Fiscal year 2010 was ₹ 14.34 Lacs, there was no fixed assets for the Fiscal year 2009.

Investment for the Fiscal 2010 was NIL.

Discussion of Standalone financial condition as at March 31st, 2009

Fixed Assets- Our Company was incorporated in December, 2008 and did not held any assets.

Investment held by our company in this fiscal were nil

Capital Expenditure

The capital expenditure incurred by our Company primarily consists of expenditure incurred for implementation of technology aided training tools and for upgrading the technological resources, such as computer hardware and software. Except as described for the Quarter ending June 30, 2011, Fiscals 2011, 2010 and 2009 our Company neither had any material expenditure on, or divestment of capital investments (including any interests in another corporation), nor any material commitments for capital expenditures.

The table below summarizes our standalone cash flows, as restated, for the periods indicated:

(In ₹ Lacs)

CASH FLOW STATEMENT FOR THE PERIOD ENDING	For Quarter ending	For the Year Ended	For the Year Ended	For the Year Ended
Particulars	Standalone	Standalone	Standalone	Standalone
	June 30, 2011	March 31, 2011	March 31, 2010	March 31, 2009
Net cash generated from /(used in) operating activities	(76.49)	(397.01)	(319.69)	(35.88)
Net cash generated from /(used in) investing activities	(13.93)	(0.57)	(12.86)	0.00
Net cash generated from /(used in) financing activities	(13.11)	448.20	411.10	36.29
Net cash Increase/ (decrease) at the end of	(103.53)	50.62	78.55	0.41

the Period				
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Cash Flows from operating activities

Net cash used in operating activities on June 30, 2011 was ₹ 76.49 Lacs, principally Increase in debtors of ₹ 18.5 Lacs, net increase in Current liability of ₹ 2.59 Lacs, Payment of income tax of ₹ 5.51 Lacs and an increase in loans and advances of ₹ 48.46 Lacs was the reason behind this increase. This gap was as the company is gearing up for its sales season in Quarter 2 & 3 and has limited sales in quarter 1 and due to this “quarter 1” effect the liabilities reduce stressing the cash flows.

Net cash used in operating activities on March 31, 2011 was ₹ 397.00 Lacs, which was majorly a result of depreciation of ₹3.8 Lacs, net interest receipt of ₹ 3.99 Lacs and a net increase in working capital of ₹ 928.5 Lacs. Increase in working capital was on account of increase in debtors and at the same time decrease in loans & advances, current liabilities and Inventories. This increased cash deployment in working capital was due to introduction of placement packages during the fiscal and also change in nature of business.

Net cash used in operating activities on March 31, 2010 was ₹ 319.68 Lacs whereas net profit before tax & other adjustment was ₹ 14.67 Lacs a net upward adjustment of ₹ 1.17 Lacs and a net increase in working capital of ₹ 335.52 Lacs. Increase in working capital was a net effect of increase in debtors, loans and advances, Inventories and current liabilities and provisions.

Net cash used in operating activities on March 31, 2009 was ₹ 35.88 Lacs whereas net loss before tax & other adjustment was ₹ 0.93 Lacs, a net upward adjustment of ₹ 0.01 Lacs relating to financial charges, and a net increase in working capital of ₹ 34.95 Lacs were the major heads this increase went into. Increase in working capital was on account of commencement of business activities.

Cash flows from investing activities

Net cash used in investing activities during quarter ended June 30, 2011 was ₹ 13.93 Lacs. The out flow during the quarter primarily consisted of purchase of Fixed Assets of ₹15.21 Lacs and inflow consisted of an interest income of ₹ 1.28 Lacs.

Net cash used in investing activities during Fiscal Year 2011 was ₹ 0.57 Lacs. The out flow during this fiscal primarily consisted of purchase of investment ₹ 5 Lacs in subsidiary company A-Team Information Technology and interest income of ₹ 4.43 Lacs.

Net cash used in investing activities during Fiscal Year 2010 was ₹12.86 Lacs. The out flow during this fiscal primarily consisted of purchase of Fixed Assets of ₹ 14.34 Lacs and interest income of ₹ 1.48 Lacs.

The Net cash used in investing activities during Fiscal Year 2009 was NIL.

Cash flows from financing activities

For the Quarter ended June 30, 2011 a sum of ₹ 13.11 Lacs had been deployed in the financing activities. This constituted of Repayment of a secured loan of ₹ 15.39 Lacs and increase in unsecured loan of ₹ 50 Lacs. ₹ 0.35 Lacs was obtained for issuance of new equity shares and subscription money of ₹ 48 Lacs was returned. Financial charges for this fiscal amounted to ₹ 0.08 Lacs.

For Fiscal Year 2011, a sum of ₹ 448.20 Lacs had been raised through financing activities of which ₹ 0.64 Lacs was raised through secured loans, ₹ 422.23 Lacs for issuance of new equity shares. Further an amount of ₹ 25.77 Lacs was raised on account of share application money. Financial charges for this fiscal amounted to ₹ 0.44 Lacs.

For Fiscal Year 2010, balance of Cash flow from investing activity was ₹ 411.10 Lacs. The company had raised ₹ 14.74 Lacs through secured loan and ₹ 409.75 Lacs through issuance of equity shares. Further and amount of ₹ 17.61 Lacs was raised on account of share application money. Financial charges for this fiscal amounted to ₹ 0.33 Lacs and decrease in unsecured loans was ₹ 30.68 Lacs.

For the Fiscal Year 2009, sum of ₹ 36.29 Lacs was raised by company of which ₹ 30.68 Lacs was raised through secured loans, ₹ 1 Lacs through issuance of equity shares and ₹ 4.61 Lacs towards share application money. Financial charges for this fiscal amounted to ₹ 0.01 Lacs.

Transactions with Related Parties:

We have engaged in the past and may enter in the future, in transaction with the related parties on an arm's length basis. Such transaction could be for lease of assets or liabilities, sale or purchase of Equity Shares or incurrance of indebtedness. For details of our Related Party transaction please refer to “*Financial Statements-Related Party Transactions*” on consolidated and standalone basis beginning on pages 139 and 170 respectively of the Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosure about Market Risk

Credit Risk

We are exposed to credit risk on accounts receivable owed to us by our clients. If our clients, do not pay promptly or at all it is possible that we may have to make provisions for or write off such amounts.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

Our interest rate risk results from changes in interest rates, which may affect our finance expenses. Our company does not have any interest bearing loans as on the June 30, 2011 but we still bear interest rate risk with respect to further fund raising through debts.

Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs, etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

Foreign Exchange Fluctuations

We are exposed to risks from fluctuations in foreign exchange fluctuations indirectly; since most of IT hardware sold in India is imported thus the prices of our products fluctuate with value of rupee in international market.

Significant Economic changes that materially affected or are likely to affect income from continuing operations:

Significant Regulatory Changes

Except as described in “*Key Regulations and Polices*” on page 81 of the Draft Red Herring Prospectus, there have been no significant regulatory changes that could affect our income from continuing operations.

Known trends or uncertainties

Except as described in the Draft Herring Prospectus in general and the chapter titled “*Risk Factors*” on page xiv of the Draft Red Herring Prospectus and this section, in particular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on revenues or income of our Company from continuing operations.

Future relationship between expenditure and revenues

Except as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages xiv, 70 and 171 respectively of the Draft Red Herring Prospectus, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Seasonality of Business

Our business is seasonal in nature. There is a greater demand for IT software and hardware products during the second and third quarter of a Fiscal year. For more information kindly refer to chapter “*Risk Factor*” starting on page xiv of the Draft Red Herring Prospectus.

Supplier or Customer Concentration

Our Company is not depended on any single set of customer for its business but a major chunk of equipments that sold by our company are procured from HP and all placement kits from First Job. For more information kindly refer to chapter “*Risk Factor*” starting on page xiv of the Draft Red Herring Prospectus.

Competitive Conditions

Competitive conditions are as described under the sections “*Risk Factors*”, “*Industry Overview*” and “*Our Business*” on pages xiv, 57 and 70 respectively of the Draft Red Herring Prospectus.

FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our Company's significant borrowings including unsecured borrowings of approximately ₹ 50 lacs as on June 30, 2011.

A. Secured Borrowings

NIL

B. Unsecured Borrowings

As on June 30, 2011 our Company has unsecured loans amounting to ₹ 50 lacs from Susee Cars & Trucks Private Limited, which is repayable on demand. Further, our Subsidiary, ATITL has unsecured loans amounting to ₹ 50 Lacs from our Company and ₹ 35.33 Lacs from the following entities:

Entity / Person	Quarter ended 30/06/2011
K. Bharathi	3,34,000
A. Dhanalakshmi	2,00,300
Dharmalingam	3,19,000
T. Mahesh Kumar	3,45,000
M. Palani	3,35,000
Krishnaveni	3,00,000
Vaman Associates	17,00,000
Total	35,33,300

For further details, on unsecured loans, repayment of the unsecured loans availed and the outstanding amount of unsecured loans, please refer 'Annexure XI' 'Statement of Unsecured Loans – Consolidated' and 'Annexure XI' 'Statement of Unsecured Loans - Standalone' beginning on page 133 and 163 respectively under the chapter 'Financial Information' beginning on page 112 of the Draft Red Herring Prospectus.

C. Guarantees

NIL

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

There are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Our Subsidiary, our Directors and our Promoters and there are no defaults, non-payment of statutory dues, over-dues to banks / financial institutions / small scale undertaking(s), defaults against banks / financial institutions / small scale undertaking(s), defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue / other liabilities, proceedings initiated for / civil / any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiary, our Directors and our Promoters that would result in a material adverse effect on our business taken as a whole.

Further, our Company, Our Subsidiary, our Directors and our Promoters have not been declared as wilful defaulters by the RBI or any government authority and there have been no violations of securities laws in the past or pending against them.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of the Draft Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Regulations and Policies” beginning on page 81 of the Draft Red Herring Prospectus.

Approvals in relation to our company’s incorporation

1. Certificate of Incorporation dated December 03, 2008 granted to our Company then known as Sweadi Marketing Private Limited, by the RoC.
2. Certificate of Incorporation consequent on change of name dated May 13, 2011 granted to our Company, for changing its name from Sweadi Marketing Private Limited to A-Team Edutech Private Limited.
3. Fresh certificate of incorporation dated June 30, 2011 consequent to conversion of our Company from private into public as A-Team Edutech Limited.

Approvals related to this issue

1. In-principle approval from the NSE dated [●].
2. In-principle approval from the BSE dated [●].
3. Resolution of the Board of Directors dated August 11, 2011 authorizing this Issue.
4. Special Resolution of the shareholders dated September 29, 2011 authorizing this Issue.

Tax related approvals

1. Permanent Account Number (**PAN**), AAMCS5993H has been allotted to our Company by the Income Tax Department, Government of India, under the provisions of the Income Tax Act. The same is valid until cancellation.
2. Tax Deduction Account Number (**TAN**), CHES37041E has been allotted to our Company by the Income Tax Department, Government of India, under the provisions of the Income Tax Act. The same is valid until cancellation.

Business related approval

1. Registration under Section 3 of the Tamil Nadu Industrial Establishments (National and Festival Holidays) Act, 1958 bearing proceeding number R.Dr-382/2011 dated October 31, 2011 has been allotted to our Company by the Assistant Inspector of Labour.

Approvals applied for but not yet received

Our Company has applied for the following approvals pertaining to our business:

1. Application dated October 31, 2011 bearing number AAMCS5993HSD001 has been made to the Central Board of Excise and Customs, Ministry of Finance – Department of Revenue for registration under Section 69 of the Finance Act, 1994 for Service Tax .
2. Application dated November 3, 2011 bearing number 08-114-PE-NEW has been made to the Licence Inspector, Chennai for registration as an employer under the Tamil Nadu Tax on Professions, Trades, Callings, and Employment Act, 1992.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on August 11, 2011, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 81 (1A) of the Companies Act.

The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the AGM of our Company held on September 29, 2011.

We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page 193 of the Draft Red Herring Prospectus.

The Bombay Stock Exchange Limited and the National Stock Exchange of India Limited have given in-principle approval for the Issue pursuant to letters dated [●] and [●] respectively, and [●] is the Designated Stock Exchange.

Prohibition by SEBI

Our Company, our Directors, our Promoters, Promoter Group, other companies promoted by our Promoters and companies with which our Directors are associated as directors have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, our Company, our Promoters or their relatives and other companies promoted by our Promoters have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them. Entities of our Promoter Group do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them. Our Directors do not appear on the RBI defaulter list, nor are there any violations of securities laws committed by them in the past or pending against them.

Prohibition by RBI or Governmental authority

Neither our Company, our Promoter, the relatives of our Promoter (as defined under the Companies Act) nor our Group Companies have been identified as willful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Issue in accordance with the Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

(2) “An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers;

OR

(ii) at least fifteen per cent of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

AND

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

OR

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

OR

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

(A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent;

(B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent of the proposed issue.”

We are an unlisted company not complying with the conditions specified in the Regulations 26(1) SEBI ICDR Regulations and are therefore required to meet both the conditions detailed in Clause (a) and Clause (b) of Regulation 26(2) of the SEBI ICDR Regulations.

- We are complying with Regulation 26(2) (a) (i) of the SEBI ICDR Regulations and at least 50% of the Issue is proposed to be Allotted to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.
- We are complying with Regulation 43(2) of the SEBI ICDR Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated 15% and 35% of the Issue respectively.
- We are also complying with Regulation 26(b)(i) of the SEBI ICDR Regulations and the post-issue face value capital of the Company shall be ₹ 1,818.18 lacs, which is more than the minimum requirement of ₹10 Crore (₹1,000 lacs).

Further, in accordance with regulation 26(4) of the SEBI ICDR Regulations, we shall ensure that the number of Allotees, i.e., persons to whom the Equity Shares will be allotted under the Issue shall be not less than 1,000; otherwise, the entire application money will be refunded forthwith. Our Company shall ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing date.

Hence, we are eligible for the Issue under Regulation 26(2) of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ONELIFE CAPITAL ADVISORS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, ONELIFE CAPITAL ADVISORS LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, ONELIFE CAPITAL ADVISORS LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 3, 2011 IN ACCORDANCE WITH THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, CIVIL CASES, INTELLECTUAL PROPERTY DISPUTES, DISPUTE WITH COLLABORATORS, CRIMINAL CASES, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE 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 RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
 - b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - c) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO 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 COMPANY 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 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 MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT RED HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE.**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. THE FILING OF THE OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER**

CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies, Chennai at Tamil Nadu, in terms of Section 56, Section 60 and Section 60(B) of the Companies Act.

Disclaimer Statement from our Company and the BRLM

Our Company, our Directors and the BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.ateamedutech.com, would be doing so at his or her own risk.

Caution

The BRLM accepts no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriter and our Company and the Memorandum of Understanding between the BRLM and our Company.

Our Company and the BRLM shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centers, *etc.*

The BRLM and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Neither our Company nor the Book Running Lead Manager or any Syndicate Member is liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹2,500 lacs, pension funds with minimum corpus of ₹2,500 lacs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company the Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about,

and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Chennai 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 the Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required agrees that such Bidder will not sell or transfer any Equity Shares or create 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 from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the Bombay Stock Exchange Limited

As required, a copy of the Draft Red Herring Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the National Stock Exchange of India Limited

As required, a copy of the Draft Red Herring Prospectus shall be submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of the Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the IPO Grading Agency

[●]

Filing

A copy of the Draft Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at SEBI Bhavan, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC for registration at least 3 (three) days before the Bid / Issue Opening Date at the address mentioned below.

Registrar of Companies Chennai, Tamil Nadu

Shastri Bhawan Complex
Haddows Road,
Chennai
Tamil Nadu

Listing

The Equity Shares issued through the Draft Red Herring Prospectus are proposed to be listed on BSE and NSE. In-principle approval for listing of the Equity Shares of our Company from BSE and NSE have been received *vide* their letters dated [●] and [●] respectively.

[●] will be the Designated Stock Exchange with which the basis of allotment will be finalized.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all money received from the Bidders in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it. (*i.e.* from the date of refusal or within 12 Working Days from the Bid/Issue Closing date, whichever is earlier), then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money with interest at the rate of 15% per annum on the Bid Amount, as prescribed under Section 73 of Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days from the Issue closure.

Impersonation

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

Consents

Consents in writing of: our Directors; our Company Secretary and Compliance Officer; our Auditors; Bankers to our Company; Escrow Collection Bank(s); Refund Bank(s)*; Syndicate Members*; IPO Grading Agency; BRLM; the Registrar and the legal advisors to this Issue, to act in their respective capacities, have been obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and Section 60B of the Companies Act and such consents have not been withdrawn up to the time of filing of the Draft Red Herring Prospectus with SEBI.*

**The aforesaid will be appointed prior to filing of the Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

M/s. Vivekanandan Associates, Chartered Accountants, our Statutory Auditor has given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of the Prospectus for registration to the RoC.

M/s. Vivekanandan Associates, Chartered Accountants, our Peer Review Auditor has given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report will not be withdrawn upto the time of delivery of the Prospectus for registration to the RoC.

[●], a SEBI registered IPO Grading Agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent *vide* their letter dated [●] as experts to the inclusion of their report in the form and context in which they will appear in the Red Herring Prospectus and such consents and reports will not be withdrawn up to the time of filing of the Draft Red Herring Prospectus with SEBI.

Expert Opinion

Except the report of [●] in respect of the IPO grading of the Issue as mentioned in the section “*General Information*” on page 19 of the Draft Red Herring Prospectus and except for the reports of the auditors of our company, Vivekanandan Associates in respect of the information contained in section “*Financial Statements*” and “*Statement of Tax benefits*” beginning on pages 112 and 52 respectively, we have not obtained any expert opinions.

Public Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] lacs. The expenses of the Issue include, among others, underwriting and management fees, SCSB's commission/ fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue would be paid by our Company. The estimated issue expenses are as under:

(₹ in lacs)				
Sr. No.	Description	Estimated expense*	% of Total Expenses*	% of Total Issue Size*
1	Fees for the BRLM	[●]	[●]	[●]
2	Fees for the Registrar to the Issue	[●]	[●]	[●]
3	Regulatory fees (including fee payable to SEBI, Stock Exchanges, etc.)	[●]	[●]	[●]
4	Fees payable to the Legal Advisor	[●]	[●]	[●]
5	Fees payable to the Auditor	[●]	[●]	[●]
6	Fees payable to IPO Grading Agency	[●]	[●]	[●]
7	Marketing fee (including fee payable to advertising agencies)	[●]	[●]	[●]
8	Miscellaneous expenses	[●]	[●]	[●]
Total estimated Issue Expenses		[●]	[●]	[●]

*will be incorporated after finalisation of the Issue Price

Details of Fees Payable

Fees Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager will be as per the Memorandum of Understanding dated November 2, 2011 executed between our Company and Onelife Capital Advisors Limited, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated November 2, 2011, a copy of which is available for inspection at our Registered Office.

IPO Grading

The Issue has been graded by [●], as [●], indicating [●] fundamentals. The rationale/description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with the RoC and will be made available for inspection at our Registered Office from 10 a.m. to 4 p.m. on working days during the Bid/Issue Period.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, Credit Rating Agency and Advertiser, etc. will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

The underwriting commission and selling commission for this Issue is as set out in the Syndicate Agreement to be entered into between our Company and the BRLM. The underwriting commission shall be paid as set out in the Underwriting Agreement to be entered into based on the Issue Price and amount underwritten in the manner mentioned in the Prospectus. Payment of underwriting commission, brokerage and selling commission would be in accordance with applicable laws.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous Issues of Shares otherwise than for Cash

Except as stated in the chapter titled “*Capital Structure*” on page 28 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue during the last three years:

As on the date of filing the Draft Red Herring Prospectus none of the equity shares of our group companies are listed on any recognized stock exchange.

Promise versus performance for our Company

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

As on the date of filing the Draft Red Herring Prospectus with SEBI, our Company has no outstanding debentures, bonds or redeemable preference shares.

Option to Subscribe

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for in dematerialized form only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated

Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on July 1, 2011. It was reconstituted *vide* Board Resolution dated August 11, 2011. For further details, please refer to chapter titled “*Our Management*” beginning on page 91 of the Draft Red Herring Prospectus.

Our Company has appointed Taher Noor Sayed as the Company Secretary and Compliance Officer and he may be contacted at the following address. :

B2-2, Vijayaraghava Manor No. 1,
Vijayaraghava Road, Teynampet,
Chennai – 600 018
Tamil Nadu
Tel: +91 44 2434 7333/4212 5200
Fax: +91 44 4212 4030
Email: info@ateamedutech.com
Website: www.ateamedutech.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

Changes in Auditors during the last three financial years

Our current auditors M/s. Vivekanandan Associates, Chartered Accountants, were appointed on September 29, 2011, in place of our outgoing auditors, M/s. Brahmananad & Co., Chartered Accountants. The said change in our statutory auditors was made in order to comply with Section (IX) of Part A of Schedule VIII of SEBI (ICDR) Regulation and to also ensure compliance with the Clause 41 (I) (c) (i) of the listing agreement. The erstwhile auditors of our Company, M/s. Brahmananad & Co., did not hold certificate issued by the ‘Peer Review Board’ of the ICAI. Therefore, our Company had appointed M/s. Vivekanandan Associates, as the auditors, who hold the certificate issued by the ‘Peer Review Board’ of ICAI dated September 21, 2010. M/s. Vivekanandan Associates, have reaudited the financial statements for the Financial Year ended March 31, 2011.

Capitalisation of Reserves or Profits

Save and except as stated in the chapter titled “*Capital Structure*” on page 28 of the Draft Red Herring Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI ICDR Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, ASBA Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page 247 of the Draft Red Herring Prospectus.

Mode of Payment of Dividend

We shall pay dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLM and advertised at least two Working Days prior to the Bid / Issue Opening Date, in two national daily newspapers (one each in English and in Hindi) of wide circulation, and one regional (Tamil) daily newspaper, of wide circulation, where the Registered Office of our Company is situated.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all 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 Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to chapter “*Main Provisions of Articles of Association*” beginning on page 247 of the Draft Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the existing SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Share to the successful Bidders subject to a minimum Allotment of [●] Equity Shares.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint – tenants with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares 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 our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 Days,

after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received.

Further, if at least 50% of the Issue is not Allotted to QIBs, the entire application money shall be refunded forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Arrangements for Disposal of Odd Lots

Since, our Equity Shares will be traded in dematerialized form only; the marketable lot is one (1) Equity Share. Therefore, there is no possibility of any odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page 28 of the Draft Red Herring Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation/ splitting except as provided in the Articles of Association. For details please refer section "*Main Provisions of the Articles of Association*" beginning on page 247 of the Draft Red Herring Prospectus.

ISSUE STRUCTURE

Issue of 81,81,818 Equity Shares for cash at a price of ₹ [●] per Equity Share (including share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lacs. The Issue will constitute 45.00 % of the post-Issue paid-up equity share capital of our Company.

Our Company is considering a Pre-IPO Placement of upto 25 Lacs Equity Shares and aggregating upto ₹ 3,950 Lacs with certain investors. The pre-IPO Placement is at the discretion of our Company. If undertaken, our Company will complete the issuance of such Equity Shares prior to the filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the Issue size will be reduced to the extent of the allotment made in the Pre-IPO Placement subject to the Issue being at 25% of the post Issue paid-up equity share capital.

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	At least 40,90,909 Equity Shares	Not less than 12,27,273 Equity Shares available for Allocation or Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 28,63,636 Equity Shares available for allocation or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	At least 50% of the Issue being Allotted to QIBs. However, up to 5% of the QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 35% of the Issue or Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 2,04,545 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 38,86,364 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue, subject to applicable limits.	Such number of Equity Shares, whereby the Bid Amount does not exceed ₹ 2,00,000.
Mode of Allotment	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.	Compulsorily in dematerialized mode.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

Particulars	QIBs	Non Institutional Bidders	Retail Individual Bidders
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of one Equity Share thereafter.	[●] Equity Shares and in multiples of 1 Equity Share thereafter.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can apply**	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor and sub-accounts registered with SEBI (other than subaccounts being foreign corporate or foreign individuals), multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of ₹ 2,500 Lacs and pension funds with minimum corpus of ₹ 2,500 Lacs, National Investment Fund set up by the GoI published in the Gazette of India, in accordance with applicable law, insurance funds set up and managed by Army, Navy or Air Force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Resident Indian individuals, eligible NRIs, HUF (applying through their Karta), minors (applying through their natural guardian), companies, corporate bodies, scientific institution, societies, trust, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Resident Indian individuals (including HUF, applying through their Karta) and eligible NRIs.
Terms of payment	Full Bid Amount shall be payable at the time of submission of Bid-cum-Application Form. In case of ASBA Bidders, the SCSBs shall be authorized to block such funds in the bank account of the Bidder that are specified in the ASBA Bid-cum-Application Form.		

**Subject to valid Bids being received at or above the Issue Price. This Issue is being made in accordance with Rule 19(2)(b)(i) of the SCRR, as amended and under sub-regulation (2) of Regulation 26 of the SEBI ICDR Regulations, where the Issue will be made through the Book Building Process wherein at least 50% of the Issue will be Allotted on a proportionate basis to QIBs. Out of the QIB Portion, 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 2,04,545 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated*

proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

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

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

Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, in consultation with BRLM, reserve the right not to proceed with this Issue at anytime after the Bid / Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. However, if our Company withdraws the Issue after the Bid / Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. If Issue is withdrawn after the Bid / Issue Closing Date and a fresh public offering is intended, a fresh offer document will be filed with SEBI.

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

If our Company withdraws the Issue and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus with SEBI.

Bid/ Issue Programme

BID / ISSUE OPENS ON	[●]
BID / ISSUE CLOSES ON (QIB BIDDERS) *	[●]
BID / ISSUE CLOSES ON (EXCEPT QIB BIDDERS)	[●]

**Our Company may consider closing the Bidding by QIB Bidders one Working Day prior to the Bid/Issue Closing Date subject to the Bid/Issue period being for a minimum of three Working Days.*

Bids and any revision in Bids shall be accepted only between **10 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid / Issue Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or in case of Bids submitted through ASBA Form, the Designated Branches or the Syndicate/Sub-syndicate members (at ASBA Bidding Locations) except that on the Bid / Issue Closing Date (which for the QIBs may be a day prior to that of the other Bidders), the Bids shall be accepted only between **10 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded till (i) 4.00 p.m. (Indian Standard Time) in case of Bids by QIBs and Non Institutional Bidders, and (iii) until 5.00 p.m. (Indian Standard Time) in case of Bids by Retail Individual Bidders, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by BRLM to the Stock Exchanges within half an hour of such closure.

Due to limitation of the time available for uploading the Bids on the Bid / Issue Closing Date, the Bidders are advised to submit their Bids one Working Day prior to the Bid / Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid / Issue Closing Date. Bidders are requested to note that due to clustering of last day applications, as is typically experienced in public offerings, some Bids may not get uploaded on the last date. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids not uploaded in the book would be rejected. If such Bids are not uploaded, our Company, BRLM, Syndicate Members, Sub-syndicate members and the SCSBs will not be responsible. Bids will be accepted only on Working Days. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

On the Bid / Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the BRLM to the Stock Exchanges within half an hour of such closure. All times mentioned in the Draft Red Herring Prospectus are Indian Standard Time.

Our Company in consultation with the BRLM reserves the right to revise the Price Band during the Bid/Issue Period in accordance with the SEBI ICDR Regulations, provided that the Cap Price is less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The Floor Price can be revised up or down to a maximum of 20% of the Floor Price advertised at least two Working Days before the Bid / Issue Opening Date.

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

ISSUE PROCEDURE

This chapter applies to all Bidders. Please note that all Bidders can participate in this Issue through the ASBA process. Furthermore, pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non-retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to make payment of the full Bid Amount with the Bid-cum-Application Form. In case of ASBA Bidders, an amount equivalent to the full Bid Amount will be blocked by the SCSB.

Please note that the information stated/covered in this section may not be complete and /or accurate and as such would be subject to modification/change. Our Company and the BRLM would not be liable for any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Issue Procedure

Book Building Procedure

In terms of Rule 19(2)(b)(i) of the SCRR, this Issue is for more than 25% of the post-Issue equity share capital of our Company. The Issue is being made through the Book Building Process wherein at least 50% of the Issue shall be Allotted to QIBs on a proportionate basis. Out of the QIB Portion, 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price.

Further, not less than 15% of the Issue would be available for allocation to Non-Institutional Bidders and not less than 35% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid Bids being received from them at or above the Issue Price.

Any Bidder may participate in this Issue through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid amounts will be blocked by SCSBs. Non- retail investors are mandatorily required to make use of the ASBA facility. All Bidders including ASBA Bidders can submit their Bids through the Syndicate (at ASBA bidding locations). Pursuant to SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011, the Syndicate / sub-syndicate members may procure the ASBA Bid cum Application Form from investors in Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda, and Surat and submit the same to the SCSB. Syndicate/ sub-syndicate members are required to upload the bid and other relevant details of the ASBA Bid-cum-Application Form in the electronic bidding system provided by the Stock Exchanges and forward the same to the SCSBs.

Bidders (including ASBA Bidders) can submit their Bids through the Syndicate or their affiliates. In case of QIBs, our Company may, in consultation with BRLM, reject their Bids at the time of acceptance of the Bid-cum-Application Form, provided that the reasons for such rejection shall be disclosed to such QIB in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have the right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid-cum-Application Forms which do not have the details of the Bidders' depository account including DP ID, PAN, and Beneficiary Account Number shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. Investors should note that the Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Any Bidder may participate in this Issue through the ASBA process by providing the details of their respective bank accounts / bank account held by a third party (subject to conditions as set forth herein below) in which the corresponding Bid amounts will be blocked by SCSBs.

ASBA Process

In accordance with the SEBI ICDR Regulations, all Bidders (including QIB Bidders) can participate in the Issue through the ASBA process. ASBA Bidders shall submit an ASBA Bid-cum-Application Form either (i) in physical form to the Designated Branch of an SCSB or to the members of the Syndicate (at ASBA Bidding Locations) (ii) in electronic form through the internet banking facility offered by an SCSB, authorizing blocking of funds that are available in the bank account (“ASBA Account”) specified in the ASBA Bid-cum-Application Form used by ASBA Bidders. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account, on the basis of an authorization to this effect given by the account holder at the time of submitting the Bid. The ASBA data shall be uploaded by the SCSB or by the members of the Syndicate in the electronic bidding system of the Stock Exchanges. The Bid Amount shall remain blocked in the ASBA Account until approval of the basis of Allotment in the Issue by the Designated Stock Exchange and consequent transfer of the Bid Amount against the allocated shares to the Public Issue Account, or until withdrawal or failure of the Issue or until withdrawal or rejection of the ASBA Bid, as the case may be. Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the requisite amount to the Public Issue Account. In case of withdrawal or failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLM and/or the Registrar. Our Company shall pay a commission to the Syndicate/Sub-syndicate members for the services rendered in relation to the ASBA Process.

Bid-cum-Application Form and ASBA Bid-cum-Application Form

Retail Bidders shall only use the Bid-cum-Application Form (except in case of ASBA Bidders) bearing the stamp of a Syndicate Member for making a Bid in terms of the Draft Red Herring Prospectus. Non- retail Bidders shall use the specified ASBA Bid-cum-Application Form, indicating the mode of payment option as being “ASBA” obtained from any member of the Syndicate, for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bid-cum-Application Form (except in relation to ASBA Bidders) before being issued to Bidders, shall be serially numbered and the date and time shall be stamped at the Bidding centres and such form shall be signed by the Bidder and countersigned by the relevant member of the Syndicate. ASBA Bidders including QIBs and Non-Institutional Bidders, shall submit the ASBA Bid-cum-Application Form either in physical or electronic form to the SCSB or to a member of the Syndicate (at selected ASBA Bidding locations) (Syndicate /Sub – syndicate members at the ASBA Bidding Locations may procure the ASBA Bid –cum-Application Form from investors and submit the same to SCSBs) authorizing blocking funds that are available in the bank account specified in the ASBA Bid-cum-Application Form used by ASBA Bidders (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding). The ASBA Bid-cum-Application Form will also be available on the websites of the BSE and the NSE at least 1 day prior to the Bid/Issue Opening Date and shall bear a unique application number. The BRLM and the SCSBs will provide the hyperlink to BSE or NSE on their websites.

The Bid-cum-Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids.

Upon filing of the Prospectus with the RoC, the Bid-cum-Application Form or the ASBA Bid-cum-Application Form, as the case may be, shall be considered as the valid Application Form. Upon completion and submission the Bid-cum-Application Form or the ASBA Bid-cum-Application Form, as the case may be, to a Syndicate Member the Bidder is deemed to have authorized the Company to make the necessary changes in the Red Herring Prospectus and the Bid-cum-Application Form/ASBA Bid-cum-Application Form as would be required under the SEBI ICDR Regulations and other applicable laws, for filing the Prospectus with RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

No separate receipts shall be issued for the money payable on the submission of the Bid-cum-Application Form or ASBA Bid-cum-Application Form and Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of such form by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form or ASBA Bid-cum-Application Form and Revision Form for the records of the Bidder.

The prescribed colour of the Bid-cum-Application Form for the various categories is as follows:

Category	Colour Of Bid-Cum-Application Form/ASBA Bid Cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Bidders)	White
Eligible NRIs, FIIs or Foreign Venture Capital Investors, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Bidders)	Blue

* *Bid-cum-Application Forms for ASBA Bidders will also be available on the website of the NSE (www.nseindia.com) and BSE (www.bseindia.com) Same ASBA Bid-cum-Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs or to the Syndicate (in specified cities).*

Who can Bid?

1. Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
2. Persons eligible to invest in the Equity Shares under all applicable laws, rules, regulations and guidelines;
3. HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: “Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids by HUFs would be considered at par with those from individuals;
4. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in Equity Shares;
5. Mutual Funds registered with SEBI;
6. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and SEBI ICDR Regulations, as applicable);
7. Multilateral and bilateral development financial institutions;
8. Venture Capital Funds registered with SEBI;
9. Foreign Venture Capital Investors registered with SEBI subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
10. FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
11. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category;
12. Limited Liability Partnerships (LLPs) registered in India and authorised to invest in equity shares;
13. State Industrial Development Corporations;
14. Insurance companies registered with the Insurance Regulatory and Development Authority;
15. Provident funds with a minimum corpus of ₹ 2,500 Lacs and who are authorized under their constitution to invest in Equity shares;
16. Pension funds a with minimum corpus of ₹ 2,500 Lacs and who are authorized under their constitution to invest in Equity Shares;
17. National Investment Fund;
18. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their respective constitutions to hold and invest in Equity Shares;
19. Eligible Non-residents including NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable local laws. NRIs other than eligible NRIs are not eligible to participate in this Issue;
20. Scientific and/or industrial research organizations authorized under their constitution to invest in Equity Shares;
21. Any other QIBs permitted to invest, subject to compliance with applicable laws, rules, regulations, guidelines and approvals in the Issue;
22. Insurance funds set up and managed by army, navy or air force of the Union of India;
23. Insurance Funds set-up and managed by Department of Posts, India; and
24. All other persons eligible to invest under all applicable laws, rules regulations and guidelines.

As per the existing regulations, OCBs are not eligible to participate in this Issue.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Participation by associates/ affiliates of BRLM and Syndicate Members

The BRLM and the Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. Associates and affiliates of the BRLM and the Syndicate Members may subscribe to Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion as may be applicable to such Bidder, where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or for the account of their clients.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of the post-Issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of our Company or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to the applicable sectoral caps.

A sub-account of an FII which is a foreign corporate or foreign individual shall not be considered to be a Qualified Institutional Buyer, as defined under the SEBI ICDR Regulations, for this Issue.

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 may issue, or otherwise deal in offshore derivative instruments (defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by an FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. The FII is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such offshore derivative instrument does not constitute any obligation of, claim on or an interest in our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital) Regulations, 1996 as amended and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 as amended, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers of venture capital undertakings whose shares are proposed to be listed.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI registered Venture Capital Funds and Foreign Venture Capital Investors held in a company prior to making an Initial Public Offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the Draft Red Herring Prospectus with SEBI.

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 Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by Mutual Funds

Procedure for applications by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than 2,04,545 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion after excluding the allocation in the Mutual Fund Portion.

As per the SEBI ICDR Regulations, 5% of the QIB Portion, has been specifically reserved for Mutual Funds for allocation on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion.

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any 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 over 10% of any company's paid-up share capital carrying voting rights.

The Bids made by Asset Management Companies or Custodians of Mutual Funds should specifically state the name of concerned schemes for which Bids are made.

Multiple applications by Mutual Funds

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Bids by Eligible Non Resident Indians (NRIs)

Bid-cum-Application Forms have been made available for eligible NRIs at the Registered Office of our Company and with the members of the Syndicate or SCSBs and the Registrar, as the case may be.

Eligible NRIs should note that only such applications as are accompanied by payment in free foreign exchange or by debit to their NRE/FCNR accounts shall be considered for Allotment on repatriation basis. Eligible NRIs intending to participate in the Bidding process shall ensure that their foreign address is registered with their depository participant or furnished on the Bid-cum-Application form. Post Allotment, if any, on repatriable basis, our Company is required to file FC-GPR or FCTRS, as the case may be, with the Reserve Bank of India through an authorised dealer along with a KYC (Know Your Client) report issued by their banker. Eligible NRIs who may be Allotted Equity Shares of our Company in this Issue are required to facilitate the issue of the said report to be furnished to RBI.

The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the

form meant for Resident Indians and not use the forms meant for any reserved category. All instruments accompanying Bids shall be payable in Mumbai only.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids (including ASBA Bids) made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹ 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 Lacs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum and articles of association and/or bye laws must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In addition to the above, certain additional documents are required to be submitted by the following entities, failing which, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason:

1. With respect to Bids by FIIs, VCFs, FVCIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid-cum-Application Form or the ASBA Bid-cum-Application Form as applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.
2. With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form or the ASBA Bid-cum-Application Form applicable. Failing this, our Company reserves the right to accept or reject any Bid, in whole or in part, in either case without assigning any reasons thereof.
3. With respect to Bids made by provident funds with a minimum corpus of 2,500 Lacs (subject to applicable law) and pension funds with a minimum corpus of 2,500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid-cum-Application Form or the ASBA Bid-cum-Application Form as applicable. Failing this, our Company reserves the right to accept or reject such bid, in whole or in part, in either case without assigning any reasons thereof.

Our Company, in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid-cum-Application Form, subject to such terms and conditions that our Company and the BRLM may deem fit. Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the demographic details given on the Bid-cum-Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use demographic details as given in the Bid-cum-Application Form instead of those obtained from the depositories.

Bids and revision of Bids by Non-Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis.

Bids and revision to Bids must be made in the following manner:

1. On the prescribed Bid-cum-Application Form or the Revision Form, as applicable ([●] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depository Participant details).
3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 2,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Maximum and Minimum Bid Size

For Retail Individual Bidders: The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, subject to maximum Bid amount of ₹ 2,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed ₹ 2,00,000. In case the maximum Bid amount is more than ₹ 2,00,000, due to a revision in the Bid or a revision in the Price Band or on exercise of the option to bid at Cut-off Price, then the same would be considered for allocation under the Non-Institutional Bidders category. The Cut-off option is given only to the Retail Individual Bidders indicating their agreement to Bid and to acquire the Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

For Non-Institutional Bidders and QIB Bidders: The Bid must be for a minimum of such Equity Shares such that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than the size of the Issue. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them by the regulatory or statutory authorities governing them. Under SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the entire Bid Amount upon submission of Bid. **The Company may close the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date. Accordingly, QIB Investors will not be allowed to withdraw their bids after Bid/Issue Closing Date or one Working Date prior to the Bid/Issue Closing Date as may be applicable.**

In case of revision of Bids, the Non Institutional Bidders who are individuals have to ensure that the Bid Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional category. In case the Bid Amount reduces to ₹ 2,00,000 or less due to a revision in Bids or revision of the Price Band Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non Institutional Bidders and QIB Bidders are not allowed to Bid at 'Cut-Off'. **A QIB Bidder cannot withdraw its Bid after the Bid Closing Date.**

Non – retail Investors i.e. QIBs and Non Institutional Investors who intend to participate in the Issue are mandatorily required to submit their Bids through the ASBA facility.

Information for the Bidders

1. Our Company shall, pursuant to the filing of the Draft Red Herring Prospectus with SEBI, make a public announcement in English and a Hindi national newspaper and in a Tamil newspaper with wide circulation. This public announcement, subject to the provisions of Section 60 of the Companies Act, shall invite public to give their comments to SEBI in respect of disclosures made in the Draft Red Herring Prospectus.
2. Our Company, in consultation with the BRLM shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date (and the date on which our Company may decide to close the Bids for the QIBs) in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Tamil newspaper with wide circulation. This advertisement shall be in the prescribed format.
3. The Price Band and the minimum bid lot as decided by our Company in consultation with the BRLM, including the relevant financial ratios computed for both the Cap Price and the Floor Price shall be published at least two (2) Working Days prior to the Bid/Issue Opening by our Company an English and a Hindi national newspaper and in one Tamil newspaper with wide circulation.
4. Our Company will file the Red Herring Prospectus with the RoC at least three (3) days prior to the Bid/ Issue Opening Date.

5. The members of the Syndicate and the SCSBs, as applicable will circulate copies of the Red Herring Prospectus along with the Bid-cum-Application Form to potential investors. The SCSBs shall ensure that the electronic ASBA Bid-cum-Application Form and the abridged prospectus are made available on their respective websites.
6. Copies of ASBA Bid-cum-Application Forms will be available for downloading and printing, from website of the Stock Exchanges (which provide electronic interface for ASBA facility). A unique application number will be generated for every ASBA Bid-cum-Application Form downloaded and printed from the websites of the Stock Exchanges.
7. Any Bidder (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/or the Bid-cum-Application Form can obtain the same from the Registered Office of our Company or from the BRLM/Syndicate Members.
8. Eligible Bidders who are interested in subscribing to the Equity Shares should approach the BRLM or Syndicate Members or their authorized agent(s) or the SCSBs (as applicable) to register their Bid. Bidders can also approach the Designated Branches of the SCSBs (only in the specified cities) to register their Bids under the ASBA process.
9. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Form or ASBA Bid-cum-Application Form (except electronic ASBA Bid-cum-Application Forms) should bear the stamp of the members of the Syndicate otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of SCSBs and by the members of the Syndicate (at the ASBA Bidding Locations) in accordance with the SEBI ICDR Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid-cum-Application Form in electronic form.
10. Bidding by QIBs may close one day prior to the Bid Closing Date, provided that Bidding shall be kept open for a minimum of three Working Days for all other categories of Investors. Our Company's decision to close bidding QIBs one day prior to the Bid/Issue Closing date, if any, shall be disclosed in the RHP to be filed with RoC.
11. The Price Band has been fixed at ₹ [●] to ₹ [●] per Equity Share. The Bidders can Bid at any price within the Price Band, in multiples of [●] Equity Shares. In accordance with the SEBI ICDR Regulations, our Company, in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue period. The cap on the Price Band will not be more than 120% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band.
12. Our Company in consultation with the BRLM shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.
13. In case the Price Band is revised, the Bid/Issue period shall be extended, by an additional three days, subject to the total Bid/Issue period not exceeding ten (10) Working Days. The revised Price Band and Bid/Issue period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two national daily newspapers (one each in English and Hindi) and one regional daily language newspaper, with wide circulation in the place where our Registered Office is situated and also by indicating the change on the website of the BRLM and at the terminals of the members of the Syndicate.
14. Bid-cum-Application Forms will also be available on BSE and NSE websites.
15. With effect from August 16, 2010, the Demat accounts of Bidders for whom PAN details have not been verified, shall be "suspended for credit" and no credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Bidders.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid-cum-Application Form, ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in

the Depository database, the application is liable to be rejected.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable laws, rules and regulations;
2. Read all the instructions carefully and complete the Bid-cum-Application Form/ ASBA Bid-cum-Application Form;
3. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of a member of the Syndicate or the SCSB in case of ASBA Bidders (except in case of electronic ASBA Bid cum Application Forms); In case you are a Bidder other than an ASBA Bidder, ensure that your Bid is submitted at the bidding center only on a form bearing the stamp of a member of the Syndicate. In case you are an ASBA Bidder, the Bid should be submitted to a Designated Branch of an SCSB/ Syndicate member (at ASBA Bidding Locations), with which the ASBA Bidder or a person whose bank account will be utilised by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue or collecting banks (assuming that such collecting banks are not SCSBs), the Company or the Registrar. With respect to ASBA Bids, ensure that you use the ASBA Bid-cum-Application Form specified for this purpose, and that such form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid-cum-Application Form;
4. Ensure that you have requested for and received a Transaction Registration Slip (TRS) for your Bid cum Application Form or Revision Form;
5. Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid-cum-Application Form;
6. Ensure that the full Bid Amount is paid for the Bids submitted to the members of the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs;
7. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
8. Submit revised Bids to the same member of the Syndicate or Designated Branch of the SCSB through whom the original Bid was placed and obtain a revised TRS/acknowledgement;
9. Ensure that the Bid is within the Price Band;
10. Ensure that you mention your PAN allotted under the I.T. Act with the Bid-cum-Application Form/ ASBA Bid-cum-Application Form (Except for Bids on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Bidders resident in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market);
11. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects.
12. Ensure that the Depository Participant identification number (DP ID), the client identification number (Client ID) and PAN mentioned in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or Designated Branches of the SCSBs, as the case may be, matches with the DP ID, Client ID and PAN available in the Depository database. The Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate Members or the Designated Branches of the SCSBs, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected.
13. Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form.
14. Where the Bid-cum-Application Form/ASBA Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form/ASBA Bid-cum-Application Form.

In addition, ASBA Bidders should ensure that:

1. The ASBA Bid-cum-Application Form is signed by the account holder in case the applicant is not the

account holder;

2. The correct bank account numbers have been mentioned in the ASBA Bid-cum-Application Form;
3. The authorization box in the ASBA Bid-cum-Application Form has been correctly checked, or an authorization to the SCSB through the electronic mode has been otherwise provided, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form in the ASBA Account maintained with a branch of the concerned SCSB; and
4. An acknowledgement from the Designated Branch of the concerned SCSB or the Syndicate/ sub-syndicate member in designated cities for the submission of the ASBA Bid-cum-Application Form has been obtained.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid price to less than the lower end of the Price Band or higher than the higher end of the Price Band;
3. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the member of the Syndicate or the SCSB;
4. Do not pay the Bid amount in cash, by money order or by postal order or by stockinvest and in relation to ABSA Bidders in any other mode other than blocked amounts in the bank accounts maintained by SCSBs;
5. Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or Designated Branch of the SCSB, as applicable;
6. Do not provide your GIR number instead of your PAN number as the Bid is liable to be rejected on this ground;
7. Do not Bid at Cut-Off price (for QIBs and Non-Institutional Bidders);
8. Do not Bid for a Bid Amount exceeding ₹ 2,00,000 (for Bids by Retail Individual Bidders);
9. Do not fill up the Bid-cum-Application Form such that the Equity Shares bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Draft Red Herring Prospectus;
10. Do not Bid if you are prohibited from doing so under the law of your local jurisdiction;
11. Do not submit more than five (5) ASBA Bid-cum-Application Forms per bank account for the Issue;
12. Do not submit the Bid without payment of the entire Bid Amount;
13. Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account are suspended or for which such details cannot be verified by the Registrar; and

Bids and revisions of Bids must be:

1. Made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable;
2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here, in the Bid cum Application Form or in the Revision Form. Bidders must provide details of valid and active DP-ID, client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment. Incomplete Bid cum Application Forms, Revision Forms or ASBA Bid cum Application Form, or Revision Forms or in the ASBA Revision Form are liable to be rejected. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
3. Information provided by the Bidders will be uploaded in the online IPO system by the members of the Syndicate and SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. Please ensure that the details are correct are legible;
4. The Bids from the Retail Individual Bidders must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid amount of ₹ 2,00,000. In case the Bid Amount is over ₹ 2,00,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion;
5. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders submitting Bids indicating their agreement to Bid;
6. For Non-institutional and QIB Bidders, Bids must be for a minimum Bid Amount of ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. All Individual Bidders whose maximum bid amount exceeds ₹ 2,00,000 would be considered under this category. Bids cannot be made for more than the Issue Size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or

7. maximum number of Equity Shares that can be held by them under the applicable laws or regulations; In single name or in joint names (not more than three and in the same order as their Depository Participant details);
8. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
9. Bids by Non Residents, NRIs and FIIs, FVCIs, multilateral and bilateral development financial institutions on a repatriation basis shall be in the names of individuals, or in the names of FIIs, FVCIs multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees;

Method and Process of Bidding

1. Our Company and the BRLM shall declare the Bid Opening Date and Bid Closing Date (including the date on which Bidding shall be closed for QIBs) at the time of filing the Red Herring Prospectus with the RoC and shall also publish it in an English and a Hindi national newspaper and in one Tamil newspaper with wide circulation at least two (2) Working Days prior to the Bid Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall contain the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations;
2. Our Company shall, in consultation with the BRLM, decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in one English national daily, one Hindi national daily and one Tamil daily newspaper with wide circulation at least two (2) Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period in accordance with the terms of the Syndicate Agreement;
3. The Bid/Issue Period shall be a minimum of three Working Days and not exceeding ten Working Days. In case the Price Band is revised, the revised Price Band and Bidding Period will be published in one English national daily, one Hindi national daily and one Tamil daily newspaper with wide circulation and the Bid/Issue Period may be extended, if required, by at least an additional three Working Days, subject to the total Bid/Issue Period not exceeding ten Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Tamil newspaper with wide circulation and also by indicating the change on the websites of BRLM and at the terminals of the members of the Syndicate.
4. Each Bid-cum-Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled “*Bids at Different Price Levels*” below) and specify the demand (i.e. the number of Equity Shares bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form and/or ASBA Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid;
5. The Bidder cannot Bid on another Bid-cum-Application Form after his or her Bids on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled “*Build up of the Book and Revision of Bids*”;
6. The Members of the Syndicate/SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS, for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. With respect to the ASBA Bid-cum-Application Forms collected by any member of the Syndicate, the Syndicate Member will issue an acknowledgement by giving the counter foil of the ASBA Bid-cum-Application Form to the ASBA Bidder. The TRS will be generated by the concerned SCSB after blocking of funds;

7. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described under the paragraph titled ‘*Payment Instructions*’ beginning on page 223 of the Draft Red Herring Prospectus;
8. Upon receipt of the ASBA Bid-cum-Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid-cum-Application Form, prior to uploading such Bids with the Stock Exchanges;
9. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges;
10. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request; and
11. The identity of QIB Bidders shall not be made public which shall be published on the websites of the Stock Exchanges.

INVESTORS ARE ADVISED NOT TO SUBMIT THE BUD-CUM-APPLICATION FORMS TO THE ESCROW COLLECTION BANKS. BIDS SUBMITTED TO THE ESCROW COLLECTION BANKS SHALL BE REJECTED AND SUCH BIDDERS SHALL NOT BE ENTITLED TO ANY COMPENSATION ON ACCOUNT OF SUCH REJECTION.

Bids at Different Price Levels

The Bidders can Bid at any price within the Price Band, in multiples of ₹ [●].

1. Our Company shall, in consultation with the BRLM, decide the Price Band and the minimum Bid lot size for this Issue and the same shall be advertised in one English national daily, one Hindi national daily and one Tamil daily newspaper with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period. In accordance with SEBI ICDR Regulations, our Company, in consultation with the BRLM reserve the right to revise the Price Band during the Bid/Issue Period, provided the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.
2. Our Company in consultation with the BRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
3. Bidders can bid at any price within the Price Band. Bidders have to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding ₹ 2,00,000 may bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIBs and Non-Institutional Bidders and such Bids from QIBs and Non Institutional Bidders shall be rejected.
4. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall acquire the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the respective Escrow Accounts. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-off Price, (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price) the Retail Individual Bidders, who Bid at Cut-off Price, shall receive the refund of the excess amounts from the respective Escrow Accounts/refund account(s). In case of ASBA Bidder bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block amount based on the Cap Price.

5. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had bid at Cut-Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the revised Price Band, with the members of the Syndicate or the SCSBs to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non Institutional category in terms of the Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off.
6. In case of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the respective Escrow Accounts/refund account(s) or unblocked by the SCSBs, as applicable.
7. Our Company in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.
8. When a Bidder has revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder's responsibility to request for and obtain the revised TRS, which will act as proof of revision of the previous Bid.
9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the Bids by ASBA Bidders, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.
10. When a Bidder revises his or her Bid, he or she should surrender the earlier TRS and request for a revised TRS from the Syndicate or the SCSB, as proof of his or her having revised the previous Bid.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Retail individual Bidders other than ASBA Bidders and payment into the Escrow Account

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non-retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

Our Company and the BRLM shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Retail individual Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus, the Prospectus and the Escrow Agreement to be entered into amongst our Company, the BRLM, Escrow Bankers and Registrar to the Issue. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank(s) for and on behalf of the Bidders until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account with the Bankers to the Issue as per the terms of the Escrow Agreement. Payments of refunds to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red

Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Escrow Collection Bank(s), our Company, Registrar to the Issue and BRLM to facilitate collection from the Bidders.

Payment mechanism for ASBA Bidders

Pursuant to SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011 non-retail Investors are mandatorily required to utilise the ASBA facility to participate in the Issue.

ASBA Bidders shall specify the bank account number in the ASBA Bid-cum-Application Form which is to be submitted to the Syndicate member. The Syndicate member shall in turn forward the ASBA Bid-cum-Application Form to the SCSB for processing and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid-cum-Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of ASBA Bid-cum-Application Form or for unsuccessful ASBA Bid-cum-Application Form, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one Working Day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in this Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/failure of this Issue or until rejection of the ASBA Bid, as the case may be.

In case of Bids by FIIs, a Special Rupee Account should be mentioned in the ASBA Bid-cum-Application Form, for blocking funds, along with documentary evidence in support of the remittance.

Upon completing and submitting the ASBA Form to the Designated Branch, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing without prior or subsequent notice of such changes to the ASBA Bidders.

Upon submission of an ASBA Bid-cum-Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch to block such Bid Amount in the ASBA Account. An ASBA Bid-cum-Application Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid-cum-Application Form until the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Accounts, in accordance with the SEBI ICDR Regulations, into the Public Issue Account. The balance amount, if any, against any Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

Terms of Payment for Retail individual Bidders other than ASBA Bidders and Payment into the Escrow Account

Each Retail individual Bidder who does not utilize the ASBA facility shall pay the full Bid Amount at the time of the submission of the Bid-cum-Application Form, and shall, along with the submission of the Bid-cum-Application Form, draw a cheque or demand draft in favour of the relevant Escrow Account of the Escrow Collection Bank(s) (see “Payment in Escrow Accounts” below), and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. Retail individual Bidders may also provide the entire Bid Amount by way of an electronic transfer of funds through the RTGS mechanism. Bid-cum-Application Forms accompanied by cash/stockinvest/money order/postal order shall not be accepted.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold the monies for the benefit of the Retail individual Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account of our Company shall be transferred to the Refund Account on the Designated Date. No later than

12 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank(s) shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment, to the Bidders.

Where the Retail individual Bidder has been allotted a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 12 Working Days from the Bid/Issue Closing Date. Our Company shall ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing date.

Payment into Escrow Accounts

1. All Retail individual Bidders who are not Bidding through ASBA facility would be required to pay the entire Bid Amount at the time of the submission of the Bid-cum-Application Form.
2. The Retail individual Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the entire Bid Amount in favour of the Escrow Account(s) and submit the same to the member of the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid shall be rejected. Bid cum Application Forms accompanied by cash, stockinvest, money order or postal order shall not be accepted.
3. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:
 - a. In case of Resident Retail Bidders: “[●]”
 - b. In case of Non Resident Retail Bidders: “[●]”
4. In case of Bids by Eligible Retail individual NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting an NRE Account or FCNR Account.
5. In case of Bids by Eligible Retail individual NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders till the Designated Date.
7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement and the Red Herring Prospectus into the Public Issue Account and the surplus amount shall be transferred to the Refund Account.
8. Our Company shall ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing date.

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 Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash, stockinvest, money orders or postal orders will not be accepted.
10. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.
11. Bidders are advised to mention the number of the Bid cum Application Form on the reverse of the cheque/demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.
12. Payments made through cheques without the Magnetic Ink Character Recognition ("MICR") code will be rejected.

Payment by Stock invest

In terms of Reserve Bank of India Circular Number DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Payment by cash/ money order

Payment through cash/ money order shall not be accepted in this Issue.

Submission of Bid-cum-Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to ASBA Bidders, the ASBA Bid-cum-Application Form or the ASBA Revision 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 Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Form or Revision Form by stamping and returning to the Bidder the acknowledgement slip. The acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form/ASBA Bid-cum-Application-Form or Revision Form ('First Bidder') as the case may be. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the demographic details received from the Depository or otherwise.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications will be checked for common PAN and Bids with common PAN will be identified as multiple unless they are from mutual funds for different schemes/plans or from portfolio managers

registered as such with SEBI seeking to invest under different schemes/plans.

2. In case of a Mutual Fund/ a SEBI registered port folio managers, a separate Bid can be made in respect of each scheme of the Mutual Funds/ scheme and such Bids in respect of more than one scheme will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Bids by QIBs under the QIB Portion will not be considered as multiple Bids.

Our Company in consultation with the BRLM reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories.

After Bidding on an ASBA Bid-cum-Application Form either in physical or electronic mode, where such ASBA has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid-cum-Application Form or a Bid-cum-Application Form. Submission of a second ASBA Bid-cum-Application Form, to either the same or to another Designated Branch of the SCSB/member of the Syndicate or a Bid-cum-Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in “*Build up of the Book and Revision of Bids*” below.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid-cum-Application Forms from such ASBA Bidders with respect to any single account. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids are provided below:

1. All Bids with the same name and age, as the case may be, will be accumulated and taken to a separate process file which would serve as a multiple master.
2. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple Bids.
3. Further, in the case of Mutual Fund Bidders and FII sub-accounts, Bids which use the same PAN, the Bid-cum-Application Forms will be scrutinised for DP ID and Beneficiary Account Numbers. In case such Bid-cum-Application Forms bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.
4. In cases where there are more than 20 valid applicants having a common address, such Equity Shares Allotted in the Issue will be kept in abeyance, post-Allotment and released on confirmation of KYC norms by the depositories.

Permanent Account Number (“PAN”)

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. Applications without this information and documents will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

The demat accounts for Bidders for which PAN details have not been verified shall be “suspended credit” and no credit of Equity Shares pursuant to the Issue shall be made into accounts of such Bidders. SEBI ICDR Regulations stipulate that all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid-cum-Application Form (including the ASBA Form), irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected. SEBI had issued a circular directing that with effect from July 2, 2007, PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction.

Therefore, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act.

Bid-cum-Application Form or the ASBA Bid-cum-Application Form without PAN number will be considered incomplete and are liable to be rejected. In terms of SEBI Circular bearing no. MRD/DoP/Cir-20/2008 dated

June 30, 2008, certain categories of investors (namely the Central Government, State Government, and the officials appointed by the courts e.g. Official liquidator, Court receiver etc. (under the category of Government) and residents of Sikkim for which submission of PAN is not mandatory) shall be exempted from submitting their PAN, only if such organisations submit sufficient documentary evidence to support the veracity of their claim for such exemption.

Unique Identification Number (“*UIN*”)

SEBI has, *vide* circular no. MRD/DoP/Cir- 05/2007 dated April 27, 2007, with effect from July 2, 2007 declared that the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Thus, the requirement of Unique Identification Number (UIN) under the SEBI (Central Database of market Participants Regulations), 2005/circulars by SEBI has been discontinued *vide* circular No. MRD/DoP/Cir- 08/2007 dated June 25, 2007.

Electronic Registration of Bids

- (a) The members of the Syndicate and the SCSBs will register the Bids received using the online facilities of the Stock Exchanges. There will be at least 1 online connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted. An SCSB shall not upload bids received through any ASBA in the electronic bidding system of the Stock Exchanges unless:
 - (i) it has received the ASBA Bid-cum-Application Form in a physical or electronic form; and
 - (ii) it has blocked the application money in the ASBA Account specified in the ASBA Bid-cum-Application Form or has systems to ensure that electronic ASBA Bid-cum-Application Form are accepted in the system only after blocking of application money in the relevant bank account opened with it.
- (b) The Stock Exchanges will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member, their authorized agents and the SCSBs during the Bid/Issue Period. The Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis.
- (c) On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the BRLM on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not be uploaded will not be considered for allocation. Bids will only be accepted on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).
- (d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price would be made available at the bidding centres and at the websites of each of the Stock Exchanges during the Bid/Issue Period along with category wise details.
- (e) At the time of registering each Bid (other than ASBA Bids) the Syndicate shall enter the following details of the Bidder in the on- line system:
 - Name of the Bidder(s): Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
 - Investor Category such as Individual, Corporate, NRI, etc.;
 - Numbers of Equity Shares Bid for;
 - Bid price and price option;

- Bid-cum-Application Form number;
- DP ID Number and Client Identification Number of the Demat Account of the Bidder;
- PAN; and
- Cheque amount and Cheque Number.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs/members of the Syndicate shall enter the following information pertaining to the Bidder into the electronic bidding system:

- Name of the Bidder(s);
- Application Number;
- PAN (of First Bidder if more than one Bidder) ;
- Investor Category and Sub-Category;
- Employee/shareholder (if reservation);
- Demat ID and client identification number;
- Beneficiary Account Number;
- Quantity;
- Price;
- Bank Account Number;
- Cheque Amount; and
- Cheque number.

- (f) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. **It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs.** The registration of the Bid by the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated either by the Syndicate or our Company.
- (g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (h) The members of the Syndicate can reject the Bids under the Non-Institutional Portion and Retail Individual Portion on the technical grounds listed in the Red Herring Prospectus. The SCSB shall have no right to reject Bids except on technical grounds.
- (i) It is to be distinctly understood that the permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and the BRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our Management or any scheme or project of our Company nor does it in any manner warrant, certify or endorse the correctness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
- (j) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for Allocation/Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Bid/Issue Period after which the data will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate or the Designated Branches, the decision of our Company, in consultation with the BRLM and the Registrar, based on the physical records of Bid-cum-Application Form shall be final and binding on all concerned. If the Syndicate Member finds any discrepancy in the DP name, DP ID and the client ID, the Syndicate will correct the same and the send the data to the Registrar for reconciliation and Allotment of Equity Shares.
- (k) It is to be noted that Syndicate Members shall be responsible for any error in the Bid details uploaded by them. In case of apparent data entry error by either Syndicate Member or collecting bank in entering the application number in their respective schedules other things remaining unchanged, the Bid may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock

Exchange(s). In the event of mistake in capturing the application number by either the Syndicate Member or collecting bank leading to rejection of Bid, the Registrar may identify based on the Bid form, the entity responsible for the error. Valid records in electronic file will be those for which money is received.

- (1) In case of QIB Bidders, only the (i) SCSBs; and (ii) BRLM and their affiliate Syndicate Members (only in the Specified Cities) have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, bids will be rejected on technical grounds listed herein. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate and SCSBs shall be electronically transmitted to the BSE or NSE mainframe on a regular basis.
2. The book gets built up at various price levels. This information will be available with the BRLM on a regular basis at the end of the Bid/Issue Period.
3. During the Bidding/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form/ASBA Bid-cum-Application Form.
4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form/ASBA Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being changed, in the Revision Form. Incomplete or inaccurate Revision Form will not be accepted by the members of the Syndicate and the Designated Branches of the SCSBs.
5. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate or the SCSB through whom the Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof. The QIBs cannot withdraw their Bids after Bid/Issue Closing Date.
6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 2,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 2,00,000, the Bid will be considered for allocation under the Non- Institutional Portion in terms of the Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
7. In case of a downward revision in the Price Band, announced as above and Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.
8. Our Company in consultation with the BRLM shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 5,000 to ₹ 7,000. In the event of any revision in the Price Band, whether upward or downward, the minimum application size shall remain [●] Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of ₹ 5,000 to ₹ 7,000.

9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. Retail Individual Bidders Bidding in such categories should note that the revised amount should not exceed ₹ 2,00,000. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of the Red Herring Prospectus. With respect to ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid amount. In case of Bids other than ASBA Bids, the members of the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases the members of the Syndicate will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the basis of Allotment.
10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
11. In case of discrepancy of data between BSE or NSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid-cum-Application Form shall be final and binding to all concerned.

Price Discovery and Allocation

After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with our Company. The Registrar to the Issue shall aggregate the demand generated under the ASBA and provide the same to the BRLM. Our Company, in consultation with the BRLM, shall finalise the Issue Price, the number of Equity Shares to be allotted and the allocation to successful Bidders.

1. At least 50% of the Issue (including 5% specifically reserved for Mutual Funds) would be available for allocation on a proportionate basis after consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
2. Not less than 15% and 35% of the Issue, would be available for allocation on a proportionate basis to Non- Institutional Bidders and Retail Individual Bidders, respectively, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
3. Under-subscription, if any, in any category would be allowed to be met with spillover from any of the other categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange. However, if the aggregate demand by Mutual Funds is less than 2,04,545 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has not been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and Designated Stock Exchange.
4. Allocation to eligible NRIs or FIIs or foreign venture capital fund registered with SEBI, multilateral and bilateral development financial institutions applying on repatriation basis will be subject to the Applicable Law.
5. Our Company reserves the right to cancel this Issue any time after the Bid/Issue Closing Date but before Allotment without assigning any reasons whatsoever. If our Company withdraws from the Issue, it shall issue a public notice that shall include reasons for such withdrawal within two days of the closure of the Issue. The notice of withdrawal shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid / Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.
6. In terms of SEBI ICDR Regulations, QIB Bidders shall not be allowed to withdraw their Bid after the

QIB Bid/Issue Closing Date.

7. If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form during the Bidding Period, the ASBA Bidder shall submit the withdrawal request to a Syndicate member the SCSB, which shall perform the necessary actions, including deletion of details of the withdrawn ASBA Bid-cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account.
8. If an ASBA Bidder wants to withdraw the ASBA Bid-cum-Application Form after the Bid/Issue Closing Date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.
9. Allotment status details shall be available on the website of the Registrar to the Issue.
10. The BRLM, in consultation with our Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders.
11. Our Company, in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing.
12. The Basis of Allotment shall be put up on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

1. Our Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
2. After signing the Underwriting Agreement, our Company and the BRLM would update and file the updated Red Herring Prospectus with RoC, in terms of Section 56, 60 and 60B of the Companies Act, which would then be termed the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue Size, underwriting arrangements and will be complete in all material respects.

Public Announcement upon filing of the Draft Red Herring Prospectus

Pursuant to the filing of the Draft Red Herring Prospectus with SEBI, our Company shall on the next day, make a Public Announcement in one English and one Hindi national newspaper and in one Tamil newspaper (regional language newspaper in the state of Tamil Nadu where our Registered Office is located) with wide circulation. This Public Announcement, subject to the provisions of Section 60 of the Companies Act, shall invite public to give their comments to SEBI in respect of disclosures made in the Draft Red Herring Prospectus.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI ICDR Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Tamil language daily newspaper, each with wide circulation in which the Public Announcement upon filing of the Draft Red Herring Prospectus have been published.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

Issuance of Allotment Advice

1. Upon approval of basis of Allotment by the Designated Stock Exchange and on Allotment by the Board of Directors or any committee constituted thereof, the Registrar to the Issue shall send to the members of the Syndicate and SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders in this Issue shall be done on the same date.
3. The Registrar to the Issue will then dispatch the Allotment Advise/CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of the Allotment Advise shall be deemed a valid, binding and irrevocable contract for the Bidders who have been Allotted Equity Shares in the Issue.
4. Bidders who have been Allotted Equity Shares shall receive the allotment advice from the Registrar to the Issue.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid ASBA Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid ASBA Bid, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful ASBA Bids, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the ASBA Bid, as the case may be.

Issuance of Allotment Advise to ASBA Bidders

Upon approval of the basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send the Controlling Branches, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:

1. The number of Equity Shares to be allotted against each successful ASBA;
2. The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;
3. The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
4. The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.
5. Investors 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.

The ASBA Bidders shall directly receive the Allotment Advise from the Registrar. The dispatch of an Allotment Advise to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Designated Date and Allotment of Equity Shares

1. Our Company will ensure that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within twelve (12) Working Days of the Bid/Issue Closing Date.

2. As per SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allotees.
3. Allotees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and in the manner stated in the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to this Issue.

Right to Reject Bids

In case of QIB Bidders, our Company, in consultation with the BRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders and Retail Individual Bidders who Bid, our Company has a right to reject Bids on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NECS/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected, *inter alia*, on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids by ASBA Bidders, the amounts mentioned in the ASBA Bid-cum-Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended;
- Application on plain paper;
- PAN not mentioned in the Bid-cum-Application Form;
- GIR number furnished instead of PAN;
- Bids for lower number of Equity Shares than specified for that category of investors;
- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Signature of sole and/or joint Bidders missing;
- Submission of more than five ASBA Bid-cum-Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for number of Equity Shares which are not in multiples of [●];
- Category not indicated;
- Multiple Bids as defined in the Draft Red Herring Prospectus;

- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stock invest/money order/postal order/cash;
- Bid-cum-Application Forms does not have the stamp of the BRLM or Syndicate Member or the SCSB;
- Bid-cum-Application Forms does not have the Bidder's depository account details;
- Bid-cum-Application Forms are not delivered by the Bidders within the time prescribed as per the Bid-cum- Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches the Depository Participant's identity (DP ID) and the beneficiary's account number;
- With respect to Bids by ASBA Bidders, if there are inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid-cum-Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Bank(s);
- Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs not intimated to the BRLM;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.

Basis of Allotment

For Retail Individual Bidders

1. Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
2. The Issue less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 28,63,636 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
4. If the aggregate demand in this category is greater than 28,63,636 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis of not less than [●] Equity Shares. For the method of proportionate basis of allotment, refer below.

For Non-Institutional Bidders

1. Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
2. The Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. If the aggregate demand in this category is less than or equal to 12,27,273 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
4. In case the aggregate demand in this category is greater than 12,27,273 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis not less than [●] Equity Shares. For the method of proportionate basis of allotment refer below.

For Qualified Institutional Bidders

1. Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.
2. The QIB Portion shall be available for allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.
3. Allotment shall be undertaken in the following manner:
 - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
 - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid Bids received above the Issue Price.
 - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below:
 - (b) In the second instance Allotment to all QIBs shall be determined as follows:
 - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
 - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The aggregate allotment available for allocation to QIB Bidders shall not be less than 40,90,909 Equity Shares.

Method of proportionate basis of allotment in this Issue

In the event of this Issue being over-subscribed, our Company and the BRLM shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the

Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Bidders will be categorised according to the number of Equity Shares applied for;
2. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
3. Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
4. In all Bids where the proportionate Allotment is less than [●] Equity Shares per Bidder, the allotment shall be made as follows:
 - i. Each successful Bidder shall be allotted a minimum of [●] Equity Shares; and
 - ii. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
5. If the proportionate allotment to a Bidder is a number that is more than [●] but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be Allotted Equity Shares arrived at after such rounding off.
6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	20,000 Lacs Equity Shares
4.	Allocation to QIB (50%)	10,000 Lacs Equity Shares
	Of which:	
	a. Allocation to MF (5%)	500 Lacs Equity Shares
	b. Balance for all QIBs including MFs	9,500 Lacs Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	50,000 Lacs Equity Shares

B. Details of QIB Bids

Sr. No.	Type of QIB Bidders [#]	No. of Equity Shares bid for (in Lacs)
1	A1	5,000
2	A2	2,000
3	A3	13,000
4	A4	5,000

Sr. No.	Type of QIB Bidders [#]	No. of Equity Shares bid for (in Lacs)
5	A5	5,000
6	MF1	4,000
7	MF2	4,000
8	MF3	8,000
9	MF4	2,000
10	MF5	2,000
	Total	50,000

A1-A5: (QIB Bidders other than MFs), MF1-MF5 (QIB Bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/Applicants

(Number of Equity Shares in Lacs)

Type of QIB Bidders	Equity Shares bid for	Allocation of 350 Lacs Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 6,650 Lacs Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	500	0	665	0
A2	200	0	266	0
A3	1,300	0	1,729	0
A4	500	0	665	0
A5	500	0	665	0
MF1	400	70	532	602
MF2	400	70	532	602
MF3	800	140	1,064	1,204
MF4	200	35	266	301
MF5	200	35	266	301
	5,000	350	6,650	3,010

Please note:

- The illustration presumes compliance with the requirements specified in the Draft Red Herring Prospectus in the Chapter titled “*Issue Structure*” beginning on page 207 of the Draft Red Herring Prospectus.
- Out of 10,000 Lacs shares allocated to QIBs, 350 Lacs (i.e. 5%) will be allocated on proportionate basis among 5 Mutual Fund applicants who applied for 2,000 Lacs shares in QIB category.
- The balance 9,500 Lacs shares (i.e. 10,000 - 500 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 5,000 Lacs shares (including 5 MF applicants who applied for 2,000 Lacs shares).
- The figures in the fourth column titled “Allocation of balance 9,500 Lacs shares to QIBs proportionately” in the above illustration are arrived as under:
 - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 665 / 4,965;
 - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 79.80/495.80; and
 - The numerator and denominator for arriving at allocation of 9,500 Lacs shares to the 10 QIBs are reduced by 500 Lacs shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment/Allotment Advise or refund orders to Bidders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with Depository Participants within two (2) Working Days from the date of allotment to all successful Bidders, including ASBA Bidders, which in any event shall be completed prior to twelve (12) Working Days from the Bid/Issue Closing Date. Applicants residing at the centers where clearing houses are managed by the RBI, will get refunds through NECS except where applicant is otherwise disclosed as eligible to get refunds through Direct Credit, NEFT or RTGS. Our Company shall

ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Form for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to twelve (12) Working Days from the Bid/Issue Closing Date.

In accordance with the requirements of the Stock Exchanges and SEBI ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made prior to twelve (12) Working Days from the Bid/Issue Closing Date; and
- Our Company shall ensure that refund instructions are given to the Refund Banker or the SCSBs, as applicable, within 12 Working Days of the Bid Closing Date. Our Company agrees that it shall pay interest at the rate of 15% per annum if the refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within 12 Working Days from the Bid Closing date.

Our Company will provide adequate funds required for despatch of refund orders or Allotment advice to the Registrar to the Issue. ***Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Bank(s) and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.***

Bidder's PAN, Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the Sole/First Bidder's Permanent Account Number, Depository Participant's name, DP ID number and beneficiary account number provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the members of the Syndicate and the SCSBs as the case may be, the Registrar to the Issue will obtain from the Depository the demographic details including the Bidder's address, occupation, category, age and bank account details including the nine-digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf ('Demographic Details'). These Demographic Details would be used for giving refunds and allotment advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and Bid-cum-Application Forms/ASBA Bid-cum-Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in dispatch/credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their depository account details in the Bid-cum-Application Form. Please note that in case the DP ID, Client ID and PAN mentioned in the Bid-cum-Application Form/ASBA Bid-cum-Application Form and entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate, do not match with the DP ID, Client ID and PAN available in the depositories' database, such Bid-cum-Application Form/ASBA Bid-cum-Application Form is liable to be rejected.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM/ASBA- BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID-CUM-APPLICATION FORM/ASBA BID-CUM-APPLICATION FORM AS THE CASE MAY BE IS

EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID-CUM-APPLICATION FORM/ASBA BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID-CUM-APPLICATION FORM/ ASBA BID-CUM-APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Bid-cum-Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

In case of Bidders 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 Bidder in the Bid-cum-Application Form/ASBA Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidders sole risk and neither our Company, the Registrar, Escrow Collection Bank(s) nor the BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, namely, PAN of the sole/first Bidders, the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Equity Shares in Dematerialized Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form, (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

1. a tripartite agreement dated [●], 2011 with NSDL, our Company and Registrar to the Issue;
2. a tripartite agreement dated [●], 2011 with CDSL, our Company and Registrar to the Issue.

All Bidders can seek Allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.

1. Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form/ASBA Bid-cum-Application Form or Revision Form.

3. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid-cum-Application Form/ASBA Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
5. Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
6. If incomplete or incorrect details are given under the heading ‘Request for Equity Shares in electronic form’ in the Bid-cum-Application Form, ASBA Bid-cum-Application Form or Revision Form, it is liable to be rejected.
7. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form or ASBA Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.
8. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares of our Company are proposed to be listed have electronic connectivity with CDSL and NSDL.
9. The trading of the Equity Shares of our Company on the Stock Exchanges would be in dematerialized form only for all investors.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid 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 Equity Shares in the respective beneficiary accounts, refund orders etc. For details regarding the Compliance Officer or the Registrar to the Issue please refer to the Chapter titled “General Information” beginning on page 19 of the Draft Red Herring Prospectus.

In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

Impersonation

Attention of the applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- 1. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein; or*
- 2. 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”.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form/ASBA Bid-cum-Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the BRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In the case of Bids from eligible NRIs and FIIs, refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Mode of making refunds

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for Bidders having an account at any of the centres specified by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the centres where such facility is made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as mentioned in the Bid-cum-Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the centres where such facility is available and whose refund amount exceeds ₹ 2 Lacs has the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to twelve (12) Working Days of the Bid/Issue Closing Date.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refunds are not made within a period of 12 Working Days from the Bid/Issue Closing Date.

Disposal of Applications and Application Moneys and Interest in case of delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment Advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give credit of Equity Share allotted to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two (2) Working Days from the date of allotment to all successful Bidders, including ASBA Bidders, which in any event shall be undertaken prior to twelve (12) Working Days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit, NEFT or RTGS, the refund instructions will be given to the clearing system prior to twelve (12) Working Days from the Bid/Issue Closing Date. In case of other applicants, our Company shall ensure dispatch of refund orders if any, by registered post or speed post at the sole or First Bidder's sole risk prior to twelve (12) Working Days from the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund prior to twelve (12) Working Days of Bid/Issue Closing date. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post or Direct Credit, NEFT, RTGS or NECS, as applicable, only at the sole or First Bidder's sole risk prior to Twelve (12) Working Days of the Bid/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer. Our Company shall ensure dispatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within two (2) Working Days of date of Allotment.

Letters of Allotment or Refund Orders or instructions to the SCSBs

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid-cum-Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids prior to twelve (12) Working Days from the Bid/Issue Closing Date, which shall be completed within one Working Day after the receipt of such instruction from the Registrar to the Issue.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations our Company further undertakes that:

- Allotment shall be made only in dematerialised form prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or NECS, shall be done prior to twelve (12) Working Days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or

unsuccessful Bids shall be made prior to twelve (12) Working Days from the Bid/Issue Closing Date; and

- Our Company shall, in accordance with Regulation 18 of the SEBI ICDR Regulations, pay interest at 15% p.a. if the allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or NECS, the refund instructions have not been given to the clearing system in the disclosed manner prior to the twelve (12) Working Days from the Bid/Issue Closing Date or 8 days after the day our Company becomes liable to repay, whichever is earlier, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given prior to the twelve (12) Working Days from the Bid/Issue Closing Date or 8 days after the day our Company becomes liable to repay, whichever is earlier.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the Direct Credit, NEFT, RTGS or NECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertaking by the Company

We undertake as follows:

1. That the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
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 seven Working Days of finalization of the Basis of Allotment or twelve (12) Working Days from the Bid/Issue Closing Date, whichever is earlier;
3. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar to the Issue by us;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. That our Promoters' contribution in full has already been brought in;
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 the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
8. 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.

Withdrawal of the Issue

Our Company, in consultation with the BRLM and in accordance with the SEBI ICDR Regulations, reserves the right not to proceed with this Issue at any time after the Bid/Issue Opening Date but before the Allotment, without assigning any reason thereof. In such an event our Company shall issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two Working Days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. The BRLM, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the day of receipt of such notification. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

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

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

In the event that our Company decides not to proceed with this Issue after Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Utilization of the Issue proceeds

The Board of Directors of our Company certifies that:

1. all monies received out of this Issue shall be transferred to a separate Bank Account other than the bank account referred to in Sub-Section (3) of Section 73 of the Companies Act;
2. details of all monies utilized out of the Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
3. details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
4. Our Company shall comply with the requirements of Clause 49 of the Listing Agreement in relation to the disclosure and monitoring of the utilisation of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The BRLM undertakes that the complaints or comments received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through circular 2 of 2011 with effect from October 1, 2011 (“FDI Policy”). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The FDI Policy consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on October 1, 2011. The Government proposes to update the consolidated circular on FDI policy once every six months and therefore, the FDI Policy will be valid until the DIPP issues an updated circular (expected on March 31, 2012).

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by 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, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The Authorized capital of our Company is ₹ 20,00,00,000 divided into 2,00,00,000 Equity Shares of ₹ 10 each.

CAPITAL

Title of the Article	Article Number and contents
Capital	4. The authorized share capital of the company shall be as mentioned in Clause V of Memorandum of Association.
Shares under the control of the Directors	5. Subject to the provisions of the Act and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased capital of the Company) shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or at a discount subject to compliance with the provisions of Section 79 and at such times as they may from time to time think fit and proper, and with the sanction of the Company in General Meeting give to any person the option to call for or be allotted shares of any class of the Company either at par or at a premium or subject as aforesaid at a discount, such option being exercisable at such times and for such consideration as the Board thinks it fit.
	(a) The company may opt to be a depository, if the Board of Directors so consider and shall if the SEBI requires the Company to be depository, the Board of directors may take such steps as may be necessary to have its securities dealt with in fungible form and partly in physical form or and partly in demat form as the case may be. The Board of Directors will also have power to have demat shares converted into shares in a physical form at the option of the shareholders, if such a course is permissible in law.
	(b) The Board of Directors shall also have power if and in any event of an legislation is made permitting the Company to issue shares without voting rights, may issue shares without voting rights on such terms and conditions as they may deem fit subject to the provisions of the Companies Act and other applicable provisions regulating the voting rights.
	(c) Company may, subject to the provisions of Section 77A & 77B of the Companies Act, purchase its own shares or other specified securities out of its free reserves or the securities premium account or the proceeds of any other shares or specified securities and also issue sweat equity shares subject to fulfilment of conditions as mentioned in Section 79A of the Companies Act and also shares to the employees of the Company or its associate companies under the employees stock option scheme as may be framed and followed in accordance with the guidelines that are notified, issued or may be issued by the Securities and Exchange Board of India.
Dematerialisation of Securities	5A. For the purpose of this article ‘Beneficiary Owner’ means a person or persons whose name is recorded as such with a depository: ‘SEBI’ means Securities Exchange Board of India: ‘Depository’ means a company framed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities Exchange Board of India Act, 1992; and ‘Security’ means such security as may be specified by the SEBI board from time to time. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
Options for Investors	Every person subscribing to securities offered by the company shall have the option to receive security certificate or to hold securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, and the company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificate of securities. If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Title of the Article	Article Number and contents
Securities in Depositories To Be In Fungible Form	All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
Rights of the Depositories and Beneficial Owners	<p>Notwithstanding anything to the contrary contained in the Act or these Articles, depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.</p> <p>b) Save and as otherwise provided in (a) above, the depository as registered owner of the securities shall not have any voting rights or any other rights in respect of securities held by it</p> <p>c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of these securities, which are held by a depository.</p>
Service of Documents	Notwithstanding anything in the act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
Transfer of Securities	Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer or securities effected by a transferor and transferee both of whom are entered as beneficial owner in the records of a depository.
Allotment of Securities Dealt With In a Depository	Notwithstanding anything in the Act or these Articles, where a depository deals with securities, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
Distinctive Number Of Securities Held In A Depository	Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held with a depository.
Register and Index of Beneficial Owner	The Register and Index of beneficial owner maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the purpose for these Articles.
Power to issue Preference and Other Shares	<p>6.</p> <p>The Board may at its discretion issue any part or parts of the unissued shares on such terms and conditions and with such rights and privileges annexed there to as the Board at its discretion may determine and in particular such shares may be issued with such preferential or qualified right to divided and in the distribution of the assets of the company, or as preference shares which are or at the option of the company are to be liable to be redeemed as the Board may deem fit.</p>
Allotment of Shares	<p>7.</p> <p>Subject to the provisions of these Articles, the shares shall be under, the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions, and at such times as the Board thinks fit and if so authorized by the Company in General Meeting, give to any person the call of any shares either at par or at premium, and for such time and for such consideration as the Board thinks fit, provided that after the first allotment, upon the issue of any further shares the Board shall comply with the provisions of Section 81 unless they shall have obtained the sanction of the company in General Meeting to the issue of such shares on other terms.</p>
Power of General Meeting to offer Shares to such persons as the Company may resolve	<p>8.</p> <p>In addition to and without derogating from the powers for that purpose conferred on the Board under Article 7 above, the Company in General Meeting may determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether members or holders of debentures of the Company or not) giving them the option to call for or be allotted shares of any class of the Company either at a premium or at par, or at a discount (subject to compliance with the provisions of section 79 such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment or disposal of any shares.</p>
Further issue of capital	<p>9.</p> <p>The Board may at any time increase the subscribed capital of the Company by issue of new shares out of the unissued part of the Share Capital in the original or subsequently created capital but subject to Section 81 of the Act and subject to the following conditions namely :</p>
	<p>1(a)</p> <p>such further shares shall be offered to the persons who, at the date of the offer, are holders of the</p>

Title of the Article	Article Number and contents
	equity shares of the Company in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date.
	(b) the offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than twenty-one days, from the date of the offer within which the offer if not accepted will be deemed to have been declined.
	(c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in clause (b) shall contain a statement of this right.
	(2) The Directors may with the sanction of the Company in General Meeting offer and allot shares to any person at their discretion provided that such sanction is accorded either by:
	(a) a special resolution passed at any General Meeting
	(b) "by an ordinary resolution passed at a General Meeting by a majority of the votes cast with the approval of the Central Government in accordance with Section 81 of the Act., Provided that an option or right to call of shares shall not be given to any person or person except with the sanction of the company in general meetings".
	(3) Nothing in this article shall apply:
	(a) To the increase of the subscribed capital of the Company, caused by the exercise of an option attached to debentures issued or loans raised by the Company.
	(b) To convert such debentures or loans into shares in the Company; or
	(c) To subscribe for shares in the Company, provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;
	(i) has been approved by a Special resolution passed by the Company in General Meeting before the issue of the Debentures or the raising of the loans also; and
	(ii) either has been approved by the Central Government before the issue of the debentures or raising of the loans or is in conformity with the rules, if any, made by that Government in this behalf.
Variation of rights	10 (1) The rights attached to each class of shares (unless otherwise provided by the terms of the issue of the shares of that class), may, subject to the provisions of Sections 106 and 107 of the Act be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the Holders of the shares of that class.
	(2) To every such separate General Meeting, the provisions of these Articles relating to General Meetings shall Mutatis Mutandis apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued shares of that class.
Issue of further shares shall not affect the rights of shares already issued.	11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided for the terms of the issue of shares of that class, be deemed to be varied by the creation of further shares ranking pari passu therewith.
	12. Subject to Article 5(b), the Company shall not issue any shares (not being preference Shares) which carry voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares not being preference shares.
Power to pay Commission.	13. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock of the Company or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debenture or debenture stock of the Company but so that if the commission in respect of shares shall be paid or payable out of the capital, the statutory conditions and requirements shall be observed and complied with and the amount or rate of commission shall not exceed five per cent of the price at which the shares are issued and in the case of debentures the rate of commission shall not exceed two and half per cent of the price at which the debentures are issued. The commission may be

Title of the Article	Article Number and contents
	satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares pay such brokerage as may be lawful.
Liability of joint holders of shares.	14. The join-holders of a share or shares shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share or shares.
Trust not recognised	15. Save as otherwise provided by these Articles, the Company shall be entitled to treat the Registered holder of any shares as the absolute owner thereof and accordingly the Company shall not, except as ordered by a Court of competent jurisdiction or as by a statute required, be bound to recognise any equitable, contingent, future or partial interest lien, pledge or charge in any share or (except only as by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.
Issue other than for cash	16(a) The Board may issue and allot shares in the capital of the Company as payment or part payment for any property sold or goods transferred or machinery or appliances supplied or for services rendered or to be rendered to the Company in or about the formation or promotion of the Company or the acquisition and or conduct of its business and Shares may be so allotted as fully paid-up shares, and if so issued, shall be deemed to be fully paid-up shares.
	(b) As regards all allotments, from time-to-time made, the Board shall duly comply with Section 75 of the Act.
Acceptance of Shares	17. An application signed by or on behalf of the applicant for Shares in the Company, followed by an allotment of any shares therein, shall be acceptance of the shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a shareholder.
Members' right to share Certificates	18 (1) Every person whose name is entered as a member in the Register shall be entitled to receive without payment:
	(a) One Certificate for all his shares; or
	(b) Where the shares so allotted at any one time exceed the number of shares fixed as market lot in accordance with the usages of the Stock Exchange, at the request of the shareholder several certificates one each per marketable lot and one for the balance.
	(2) The Company shall within three months after the allotment and within one month after application for registration of the transfer of any shares or debentures complete and have ready for delivery, the share certificates for all the shares and debentures so allotted or transferred unless the conditions of the issue of the said shares otherwise provide.
	(3) Every Certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
One Certificate for joint Holder	19. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate for the same share or shares and the delivery of a certificate for the share or shares to one of the several joint holders shall be sufficient delivery to all such holders. Subject as aforesaid, where more than one share is so held, the joint holders shall be entitled to apply jointly for the issue of several certificates in accordance with Article 21 below.
Renewal of Certificate	20. If a certificate be worn out, defaced, destroyed, or lost or if there is no further space on the back thereof for endorsement of transfer, it shall, if requested, be replaced by a new certificate (on payment of fee, not exceeding Rupees Two is so required by the Board) provided however that such new certificate shall not be given except upon delivery of the worn out or defaced or used up certificate, for the purpose of cancellation, or upon proof of destruction or loss, on such terms as to evidence, advertisement and indemnity and the payment of out of pocket expenses as the Board may require in the case of the certificate having been destroyed or lost. Any renewed certificates shall be marked as such in accordance with the Companies (Issue of Share Certificate) Rules 1960 or any modification thereof for the time being in force.
Splitting and consolidation of Share Certificates	21. Any person (whether the registered holder of the shares or not) being in possession of any share certificate or share certificates for the time being may surrender the said share certificates or certificate to the Company and apply to the Company for the issue of two or more fresh share certificates comprising the same shares, bearing the same distinctive numbers comprised in the said

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	certificates and in such separate lots as he may desire in lieu of such share certificate so surrendered or for the consolidation of the shares comprised in such surrendered certificates as the case may be in the name of the person or persons in whose name the original certificate or certificates stood and the new certificate so issued shall be delivered to the person who surrendered the original certificates or to his order.
	(a) Notwithstanding anything contained in Article 21 hereof the Board may refuse any application for sub-division or consolidation of number of shares into denomination of less than 50 Equity Shares except where such sub-division or consolidation is required to be made for compliance with any law or statutory regulation or an order of a competent court or a request from a member to convert his holding of odd lots of shares into transferable / marketable lots. Provided nevertheless that the Board may, at its discretion and in exceptional circumstances and for avoiding any hardship or for any just and sufficient cause, or if so required by listing requirements (on each of them the Board's decision shall be final and conclusive) accept any application for sub-division or consolidation of number of shares into denomination of less than 50 Equity Shares of the Company.
Directors may issue new certificates.	22. Where any shares under the powers in that behalf herein contained are sold by the Directors and the Certificate thereof has not been delivered upto the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they think fit from the certificate not so delivered up.
Person by whom instalments are payable	23. If, by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being and from time-to-time shall be the registered holder of the share or his legal representatives or representative if any.
	(a) The Board of Directors may permit the holder of shares / debentures / deposits nominate any person, to whom his shares in or debentures / deposits of Company shall vest in the event of death and may in addition to the manner prescribed under the provisions of the Companies Act consider framing of such procedure as may be necessary for regulating the nomination of shares in or debentures / deposits of the Company under the provisions of the Companies Act.

LIEN

Title of the Article	Article Number and contents
Company's lien on shares	24. The Company shall have first and paramount lien upon all shares other than fully paid up shares registered in the name of any member, either individually or along or jointly with any other person and upon the proceeds or sale thereof for fixed time in respect of such shares and such lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. . Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien if any on such shares. But the Directors at any time may declare any shares to be exempt, wholly or partially, from the provisions of this Article.
As to enforcing lien by sale	25. For the purpose of enforcing such lien the Board of Directors may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until the expiration of 14 days after a notice in writing stating and demanding payment of such amount in respect of which the lien exists has been given to the registered holder of the shares for the time being or to the person entitled to the shares by reason of the death or insolvency of the registered holder.
Authority to transfer	26(a). To give effect to such sale, the Board of Directors may authorise any person to transfer the shares sold to the purchaser thereof and the purchaser shall be registered as the holder of the shares comprised in any such transfer.
	(b) The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
Application of proceeds of sale.	27. The net proceeds of any such sale shall be applied in or towards satisfaction of the said moneys due from the member and the balance, if any, shall be paid to him or the person, if any, entitled by transmission to the shares on the date of the sale.

CALLS ON SHARES

Title of the Article	Article Number and contents
	28.

Title of the Article	Article Number and contents
Calls	Subject to the provision of Section 91 of the Act, the Board of Directors may from time-to-time 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 thereof made payable at fixed times, and the members shall pay the amount of every call so made on him to the persons and at the time and place appointed by the Board of Directors.
When call deemed to have been made	29. A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed. The Board of Directors making a call may by resolution determine that the call shall be deemed to be made on a date subsequent to the date of the resolution; and in the absence of such a provision a call shall be deemed to have been made on the same date as that of the resolution of the Board of Directors making such calls.
Length of notice of call	30. Not less than twenty-one days notice of any call shall be given specifying the time and place of payment provided that before the time for payment of such call the Directors may, by notice in writing to the members, extend the time for payment thereof.
Sum payable in fixed instalments to be deemed calls	31. If by the terms of issue of any share or otherwise, any amount is made payable at any fixed time or by instalments at fixed times whether on account of the share or by way of premium every such amount or instalment shall be payable as if it were a call duly made by the Directors, of which due notice had been given, and all the provisions herein contained in respect of call shall relate and apply to such amount or instalment accordingly.
When interest on call or instalment payable.	32. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for 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 per cent, per annum from the day appointed for the payment thereof to the time of the actual payment or at such lower rate as the Directors may determine. The Board of Directors shall also be at liberty to waive payment of that interest wholly or in part.
Sum-payable at fixed time to be treated as calls.	33. The provisions of these Articles as to payment of interest shall apply in the case of non-payment of any sum which by the terms of issue of a share, becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had become payable by virtue of a call duly made and notified.
Payment of call in advance.	34. The Board of Directors, may, if they think fit, receive from any member willing to advance all or any part of moneys uncalled and unpaid upon any shares held by him and upon all or any part of the moneys so advanced may (until the same would, but for such advance become presently payable) pay interest at such rate as the Board of Directors may decide but shall not in respect of such advances confer a right to the dividend or participate in profits.
Partial payment not to preclude forfeiture	35. Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

FORFEITURE OF SHARES

Title of the Article	Article Number and contents
If call or instalment not paid, notice may be given.	36 (a) If a member fails to pay any calls or instalment of a call on the day appointed for the payment thereof, the Board of Directors may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest, which may have accrued. The Board may accept in the name and for the benefit of the Company and upon such terms and conditions as may be agreed upon, the surrender of any share liable to forfeiture and so far as the law permits of any other shares.
Evidence action by company against Shareholders	(b) On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register of shareholders of the Company as a holder, or one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call not that a quorum of Directors was present at the Board at which any call was

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	made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
Form of Notice	37. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice), on or before which the payment required by the notice is to be made, and shall state that, in the event of non-payment on or before the day appointed the shares in respect of which the call was made will be liable to be forfeited.
If notice not complied with Shares may be forfeited.	38. If the requirements of any such notice as aforementioned are not complied with, any share in respect of which the notice has been given may at any time thereafter before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
Notice after forfeiture.	39. When any shares shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture shall not be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
Board's rights to disposal of forfeited share or cancellation of forfeiture.	40. A forfeited or surrendered share may be sold or otherwise of such terms and in such a manner as the Board may think fit, and at any time before such a sale or disposal the forfeiture may be cancelled on such terms as the Board may think fit.
Liability after forfeiture.	41. A person whose shares have been forfeited shall cease to be member in respect of the forfeited shares but shall, notwithstanding such forfeiture remain liable to pay and shall forthwith pay the Company all moneys, which at the date of forfeiture is payable by him to the Company in respect of the share whether such claim be barred by limitation on the date of the forfeiture or not but his liability shall cease if and when the Company received payment in full of all such moneys due in respect of the shares.
Evidence of forfeiture.	42. 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 shares and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved. 43. A duly verified declaration in writing that the declarant is a Director of the Company and that a share in the Company has 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 share, and that declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposal thereof, shall constitute a good title to the share and the person to whom the share is sold or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
Non-payment of sums payable at fixed times.	44. The provisions of these regulations as to forfeiture shall apply in the case of non payment of any sum which by terms and issue of a share, becomes payable at a fixed time, whether, on account of the amount of the share or by way of premium or otherwise as if the same had been payable by virtue of a call duly made and notified.
Validity of such sales	45. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given the Directors may cause the purchasers' name to be entered in the register in respect of the shares sold and may issue fresh certificate in the name of such purchaser. The purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

TRANSFER AND TRANSMISSION OF SHARES

Title of the Article	Article Number and contents
Transfer	46(a). The instrument of transfer of any shares in the Company shall be executed both by the transferor and

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	the transferee and the transferor shall be deemed to remain holder of the shares until, the name of the transferee is entered in the Register of members in respect thereof.
	(b) The Board shall not register any transfer of shares unless a proper instrument/common form of transfer has been used, as prescribed under the Companies Act, 1956 or any amendment thereto, duly stamped and executed by the transferor and the transferee has been delivered to the Company along with the certificate and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and the transferee has been lost, the Company may, if the Board thinks fit, on an application in writing made by the transferee and bearing the stamp required for an instrument of transfer, register the transfer on such terms as to indemnity as the Board may think fit.
	(c) An application for the registration of the transferor of any share or shares 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 to be effected unless the company gives notice of the application to the transferee. 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.
	(d) For the purpose of sub-clause (c) notice to the transferee shall be deemed to have been duly given if dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been delivered at the time at which it would have been delivered in the ordinary course of post.
	(e) Nothing in sub-clause (d) shall prejudice any power of the Board to register as a shareholder any person to whom the right to any share has been transmitted by operation of law.
	(f) Nothing in this Article shall prejudice the power of the Board to refuse to register the transfer of any shares to a transferee, whether a member or not.
	47. The instrument of transfer shall be in writing and all the provisions 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.
Board's right to refuse to register	48(a) The board may, at their absolute discretion and without assigning any reason, decline to register:
	(1) The transfer of any share whether fully paid or not to a person of whom they do not approve, or
	(2) Any transfer or transmission of shares on which the company has a lien
	Provided that registration of any transfer shall not be refused on the ground of the transferor being either along or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares.
	(b) If the Board refuses to register any transfer or transmission of right, they shall within one month from the date on which the instrument of transfer or the intimation of such transmission was delivered to the Company send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.
	(c) In case of such refusal by the Board, the decision of the Board shall be subject to right of appeal conferred by Section 111 sub-clause (3).
	(d) The provision of this clause shall apply to transfers of stock also.
Further right of the Board of Directors to refuse, to register	49. The Board may also decline to recognise any instrument of transfer unless.
	(a) A fee of two rupees is paid to the Company in respect thereof
	(b) The instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and

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	(c) The Instrument of transfer is in respect of only one class of shares.
	50. The Company shall be entitled to charge a fee not exceeding two rupees on the registration of every probate, letters of administration, certificate of death or marriage, power of attorney or other instruments.
Rights to Shares on death of a member for transmission.	51(1) In the event of death of any one or more of several joint holders, the survivor or survivors, alone shall be entitled to be recognised as having title to the shares.
	(2) In the event of death of any sole holder or of the death of last surviving holder, the execution or administrators of such holder or other person legally entitled to the shares shall be entitled to be recognised by the company as having any title to the shares of the deceased.
	Provided that on production such evidence as to title and on such indemnity or other terms as the Board may deem sufficient, any person may be recognised as having title to the shares as heir or legal representative of the deceased shareholder.
	Provided further that in any case it shall be lawful for the Board in their absolute discretion to dispense with the production of probate or letters of administration or other legal representation upon such evidence and such terms as to indemnity or otherwise as to the Board may deem just.
	Provided further that if the deceased shareholder was a member of Hindu joint family the Board on being satisfied to that effect and on being satisfied that the shares standing in his name in fact belonged to the joint family, may recognise the survivors or the Kartha thereof as having title to the shares registered in the name of such members.
Rights and liabilities of a person	51(1) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time be required by the Board and subject as hereinafter provided, elect either;
	(a) to be registered himself as a holder of the share, or
	(b) to make such transfer of the share as the deceased or insolvent member could have made.
	(2) The board, shall, in either case have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
Notice by such a person of his election	53(1) If the person so becoming entitled shall elect to be registered as holder, of the shares himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
	(2) If the person aforesaid shall elect to transfer the share he shall testify his election by executing a transfer of the share.
	(3) All the limitations, restrictions and provisions of these regulations relating to the right of transfer and the registration of transfers of shares shall be applicable to any such notice, or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer had been signed by that member.
	54. No transfer shall be made to a minor or a person of unsound mind.
Endorsement on transfer and issue of Certificate	55. Every endorsement upon the certificate of any share in favour of any transferee shall be signed by the Managing Director or by some person for the time being duly authorised by the Board in that behalf. In case any transferee of a share shall apply for a new certificate in lieu of the old or existing certificate he shall be entitled to receive a new certificate on payment (in addition to the transfer fee) a sum of Rupee one for every such certificate of shares to which the said transfer relates and upon his delivering up to be cancelled every old or existing certificate which is to be replaced by a new one.
	Provided that the additional sum of Rupee One shall not be charged for issue of new certificate in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have seen fully utilised
Custody of transfer	56. The instrument of transfer shall, after registration, remain in the custody of the Company. The Board may cause to be destroyed all transfer deeds lying with the Company for a period of ten years or

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	more.
Register of Members	57(1) The Company shall keep a book to be called the "Register of Members" and therein shall be entered the particulars of every transfer or transmission of any shares and all other particulars of shares required by the act to be entered in such Register.
Closure of Register of Members.	(2) The Board may after giving not less than seven days previous notice by advertisement in some newspapers circulating in the district in which the registered office of the company is situate, close the register of members or the register of Debenture Holders for any period or periods not exceeding in the aggregate forty five days in each year but not exceeding thirty days at any one time.
When Instruments of transfer to be retained.	(3) All instruments of transfer which shall be registered shall be retained by the Company but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same
	57(a) The Company shall be entitled to maintain the Register of Members in such form and such mode as may be permitted under the provisions of the Companies Act and the Company be permitted to maintain "Foreign Registers" at the place other than the Registered Office of the Company as the Board of Directors may consider expedient.
Company's right to register transfer by apparent legal owner	58. The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the company may have had notice of such equitable right or title or interest prohibiting registration of such transfer and may have entered such notice referred thereto in any book of the Company and the company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the books of the Company; but the Company shall nevertheless be at liberty to have regard and to attend to any such notice and give effect thereto, if the Board shall think fit.

ALTERATION OF CAPITAL

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Alteration and consolidation sub-division and cancellation of division	59(1) The Company may from time to time in accordance with the provisions of the Act alter the conditions of its Memorandum of Association as follows :
	(a) increase its share capital by such amount as it thinks expedient by issuing new shares
	(b) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares.
	(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;
	(d) sub-divide its 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 shares shall be the same as it was in the case if the shares from which the reduced share is derived.
	(2) The Resolution whereby any share is subdivided may determine subject to the provisions of the Act, that, as between the holders, of the shares resulting from such sub-division one or more such shares shall have some preference of special advantage as regards dividend, capital or otherwise over or as compared with the others.
Reduction of Capital etc., by Company	60. The Company may, by Special Resolution, reduce in any manner and with and subject to any incident authorised and consequent required by law;
	(a) its share capital
	(b)

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	any capital redemption reserve account; or
	(c)
	any share premium account

CONVERSION OF SHARES INTO STOCK

Title of the Article	Article Number and contents
Conversion of Shares	64. The Company may by ordinary resolution convert all or any fully paid shares of any denomination into stock and vice versa.
Transfer of Stock	65. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit; provided that the Board may, from time to time fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
Right of Stockholders	66. The holders of the stock shall according to the amount of the stock held by them have the same right, privileges and advantages as regards dividends voting at meetings of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividends and profits of the Company and its assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
Applicability of Regulations to stock and stockholders	67. Such of the regulations contained in these presents other than those relating to share warrants as are applicable to paid up shares shall apply to stock and the words shares and shareholder in these presents shall include stock and stock holders respectively.

GENERAL MEETINGS

Title of the Article	Article Number and contents
Statutory Meeting	72(a) The Company shall within a period of not less than one month nor more than six months from the date at which the Company is entitled to commence business, hold a General Meeting of the members of the Company which shall be called the Statutory Meeting.
	(b) The Board of Directors shall not less than 21 days before the date on which meeting is held forward a report called the Statutory Report to every member of the Company provided that if the Statutory Report is forwarded later than is required above, it shall, notwithstanding the fact, be deemed to have been duly forwarded if it is so agreed to by all the members entitled to attend and vote at the meeting.
	(c) The Board of Directors shall comply with the provisions of Section 165 of the Act in connection therewith.
	72(2) The Chairman or President or Managing Director or Secretary if or directed by the Board convene an Extraordinary General Meeting at such time and place as may be determined.
Annual General Meeting	73. The Company shall in addition to any other meetings hold a general meeting which shall be styled as Annual General Meeting at intervals and in accordance with the provisions specified below:
	(a) The Company shall hold an Annual General Meeting within six months after the expiry of each financial year subject however to the power of the Registrar of Companies to extend the time within which such a meeting can be held for a period not exceeding six months and (subject thereto) not more than 15 months shall elapse from the date of one annual general meeting and that of the next. The first annual general meeting may be held within eighteen months from the date of incorporation.
	(b) Every annual general meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city, town or village in which the Registered Office of the Company is situate and the notice calling such meeting shall specify it as the Annual General Meeting.
	(c) All other meetings shall be referred to as Extraordinary General Meetings.
	74(1)

Title of the Article	Article Number and contents
Extraordinary General Meetings	Extraordinary General Meetings may be held either at the Registered Office of the Company or at such convenient place as the Board or the Managing Director (subject to any directions of the Board) may deem fit.
	(2) The Chairman or President may whenever they think fit and shall if so directed by the Board convene an Extraordinary General Meeting at such time and place as may be determined.
Extraordinary Meeting by Requisition	75(a) The Board shall on the requisition of such number of members of the Company as is specified below proceed duly to call an Extraordinary General Meeting of the Company and comply with the provisions of the Act in regard to meetings on requisition.
	(b) The requisition shall set out matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company or sent to the Company by Registered Post addressed to the Company at its Registered Office.
	(c) The requisition may consist of several documents in like forms each signed by one or more requisitionists.
	(d) The number of members entitled to requisition a meeting in regard to any matter shall be such number of them as hold on the date of the deposit of the requisition of not less than 1/10th of such of the paid up capital of the Company as at the date carried the right of voting in regard to the meeting set out in the requisition.
Length of notice for calling meeting	76. A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing, provided that a General Meeting may be called after giving shorter notice if consent thereto is accorded in the case of the Annual General Meeting by all the members entitled to vote there at an in the case of any other meeting of the Company holding not less than 95% of the part of the paid-up share capital which gives the right to vote on the matters to be considered at the meeting.
	Provided that where any members of a Company are entitled to vote only on some resolutions to be moved at the meeting and not on the others, those members shall be taken into account for purpose of this clause in respect of the former resolution or resolutions and not in respect of the latter.
Accidental omission to give notice not to invalidate meeting	77. The accidental omission to give notice of any meeting to or the receipt of any such notice by any of the members shall not invalidate the proceedings or any resolution passed at such meeting.
Special business and Statements to be annexed	78. All business shall be deemed special that is transacted at an Extraordinary Meeting and also that is transacted at an Annual Meeting with the exception of declaration of a dividend, the consideration of the accounts, Balance Sheets and the reports of the Directors and Auditors, the election of the Directors in the place of those retiring, and the appointment of and the fixing of the remuneration of Auditors. Where any items of business to be annexed to the notice of the meeting a statement setting out all materials facts concerning each such item of business, including in particular the nature of the concern or interest, if any therein, of every Director. If any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
Quorum	79. Five members personally present shall be a quorum for a General Meeting and no business shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business.
If quorum not present when meeting to be dissolved and when to be adjourned	80. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if called upon the requisition of members shall be dissolved in any other case it shall stand adjourned to the same day in the next week and at the same time and place or to such other day at such other time and place as the Board may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present shall be quorum.
Chairman of General Meeting	81. The Chairman of the Board of Directors shall preside at every general meeting of the Company and if he is not present within 15 minutes after the time appointed for holding the meeting, or if he is unwilling to act as Chairman the Vice-Chairman of the Board of Directors shall preside at every general meeting of the Company.
	(a) The Board of Directors of the Company either by circulation or at its meeting, shall be entitled to cancel or postpone the meeting of shareholders duly called in emergency situation like a bandh, or the Government of Central / State declaring holiday under the Negotiable Instrument Act or in the

Title of the Article	Article Number and contents
	event of death of any person or for any other reason, notwithstanding that notice of the meeting has already been sent to the members of the Company and such cancellation of meeting may be intimated to the members by publication in one issue of English daily and in one issue of Local / Vernacular newspaper having circulation in the area where the registered office is situate.
When Chairman absent choice of another Chairman	82. If there is no such Chairman or Vice-Chairman or if at any General Meeting either the Chairman or Vice-Chairman is not present within 15 minutes after the time appointed for holding the meeting or if they are unwilling to act as Chairman the members present shall choose a Director present shall choose a Director present to be the Chairman of the Meeting and if no Directors present and all the Directors are unwilling to take the chair, the members present shall choose someone of their number to be the Chairman.
Adjournment of Meeting	83. The Chairman may, with the consent of any meeting at which a quorum is present and shall, if so directed by the meeting, adjourn that meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
Questions at General Meeting how decided	At a General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hand, unless a poll in (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 179; Unless a poll is so demanded a declaration by the Chairman that a resolution has, on a show of hands been carried unanimously or by a particular majority or lost and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.
Casting Vote	85. In the case of an equality of votes, the Chairman shall, both on a show of hands and on a poll, have a casting vote in addition to the vote or voters to which he may be entitled as a member.
Taking of Poll	86. If a poll is duly demanded in accordance with the provisions of Section 179, it shall be taken in such manner as the Chairman, subject to the provisions of Section 184 and Section 185 of the Act, may direct, and the result of the Poll shall be deemed to be the decision of the meeting on the resolutions on which the poll was taken.
In what cases poll taken without adjournment	87. A poll demanded on the election of Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time being later than 48 hours from the time when demand was made as the Chairman may direct.
Votes	88(1) Every member of the Company holding any Equity Share Capital shall have a right to vote in respect of such capital on every resolution placed before the Company. On a show of hands, every such member present shall have one vote and shall be entitled to vote in person or by proxy and his voting right on a poll shall be in proportion to his share of the paid-up Equity Capital of the Company.
	(2) Every member holding any Preference shares shall in respect of such shares have a right to vote only on resolutions which directly affect the rights attached to the Preference shares' and subject as aforesaid, every such member shall in respect of such capital be entitled to vote in person or by proxy if the dividend due on such preference shares or any part of such dividends has remained unpaid in respect of an aggregate period of not less than two years, preceding the date of the meeting. Such dividend shall be deemed to be due on Preference shares in respect of any period, whether a dividend has been declared by the Company for such period or not, on the day immediately following such period.
	(3) Whenever the holder of a Preference shares has a right to vote an any resolution in accordance with the provisions of this Article, his voting right on a poll shall be in the same proportion as the capital paid up in respect of such preference shares bears to the total equity paid up capital of the company
	(4) Notwithstanding anything contained in the provisions of these articles and in accordance with the provisions of Section 192A of the Companies Act, 1956 and the rules framed thereunder from time to time, the Company may, and in the case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in General Meeting of the Company. The Company shall comply with the procedures prescribed by the Act and the rules and notifications issued thereunder in this regard.

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Business may proceed notwithstanding demand for poll	89. A demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than that on which a poll has been demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
Joint Holders	90. In the case of joint holders, the vote of the first named of such joint holders who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders
Member of unsound mind	91. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by proxy.
No member entitled to vote while call due to company	92. No member shall entitled to vote at a general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
Proxies permitted on Polls	93. On a poll, votes may be given either personally or by proxy provided that no company shall vote by proxy as long as resolution of its Directors in accordance with provisions of Section 187 is in force.
Instrument of Proxy	94(a) The instrument appointing a proxy shall be in writing under the hand of appointer his attorney duly authorised in writing, or if the appointer is a corporation, either under the common seal or under the hand of an officer or attorney so authorised. Any person may act as proxy whether he is a member or not.
	(b) A body corporate (whether a company within the meaning of this Act or not) may:
	(i) If it is a member of the Company by resolution of its Board of Directors or other governing body authorise such person as it think fit to act as its representative at any meeting of the company or at any meeting of any class of members of the Company.
	(ii) If it is a creditor (including a holder of Debentures) of the Company, by resolution of its Directors or other governing body, authorise such person as it thinks fit to act its representative at any meeting of any creditors of the Company held in pursuance of this Act or of any rules made thereunder, or in pursuance of the provisions contained in any debentures or trust deed, as the case may be.
	(c) A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and Powers (including the right to vote by proxy) on behalf of the body corporate which he represents, as if he were personally the member, creditor or debenture holder.
Instrument of proxy to be deposited at the office	95. The instrument appointing a proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting or, adjourned meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
Validity of vote by proxy	96. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the appointer, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.
Form of Proxy	97. Any instrument appointing a proxy may be in the form which the Board shall approve
Board of Directors	98(a) Subject to the provisions of Section 252 the number of Directors shall not be less than three and more than Twelve inclusive of all kinds of Directors.
	(b) The first Directors of the company are:
	1. Adith Kumar 2. R.Kannan
	(c) Subject to the provisions of the Act the Company shall be entitled to appoint director on a non-rotational basis.
	99.

Title of the Article	Article Number and contents
Qualification of Direction	<p>Any person, whether a member of the Company or not may be appointed, Director. No qualification by way of holding shares in the capital of the Company shall be required of any Director.</p> <p>100.</p> <p>A director may resign from his office upon giving one month's notice in writing to the Company of his intention to do so and such resignation shall take effect upon the expiration of such notice or its earlier acceptance.</p>
Director's Remuneration	<p>101(a)</p> <p>The remuneration of each of the Directors shall be such sum that may be prescribed under Sec.310 of the Act, from time to time, for each meeting attended. The Company may allow and pay to a Director who for the time being is residing out of the place at which any meeting of the Directors may be held and who shall come to that place for the purpose of attending that meeting such sum as the Directors may consider fair compensation for his expenses in connection with his attending the meeting in addition to his remuneration as above specified. The Directors shall be paid their travelling, etc., and sitting fees for attending adjourned meetings also. The directors shall also be paid such sum as the Board may consider fair compensation for travelling, boarding, lodging and other expenses incurred in connection with the business of the Company.</p> <p>(b)</p> <p>Subject to the provisions of the Act, the Directors may, with the sanction of a Special Resolution passed in the General Meeting, and such sanction if any of the Government of India as may be required under the Companies Act, sanction and pay to any or all Directors such remuneration for their services as Directors or otherwise and for such period and on such terms as they may deem fit.</p> <p>(c)</p> <p>Subject to the provisions of the Act, the Company in general Meeting may by special resolution sanction special resolution sanction and pay to the Directors in addition to the said fees set out in sub-clause (a) above, a remuneration of not exceeding one percent (1%) of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act. The said amount of remuneration so calculated shall be divided equally between all the Directors of the Company who held office as Directors at any time during the year of account in respect of which such remuneration is paid or during any portion of such year irrespective of the length of the period for which they had held office respectively as such Directors.</p> <p>(d)</p> <p>Subject to the provisions of Section 314 of the Companies Act, and subject to such sanction of the Government of India, as may be required under the Companies Act, if any Director shall be appointed to advise the Directors as an expert or be called upon to perform extra services or make special exertions for any of the purpose of the Company, the Directors may pay to such Director such special remuneration as they think fit; such remuneration may be in the form of either salary, commission, or lump sum and may either be in addition to or in substitution of the remuneration specified in clause (a) of the Article.</p>
Casual vacancy	<p>102.</p> <p>If the Office of any Director becomes vacant before the expiry of the period of his Directorship in normal course, the resulting causal vacancy may be filled by the Board at a Meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if the vacancy had not occurred as aforesaid.</p>
Additional Director	<p>103.</p> <p>The Directors may from time to time appoint any person as an additional Director provided that the number of Directors and additional Directors together shall not exceed the maximum number of Directors fixed under Article 98 above. Any person so appointed as an additional Director shall hold office upto date of the next Annual General Meeting of the Company.</p>
Vacation of office by Directors	<p>104(1)</p> <p>The office of a Director shall be vacated if</p> <p>(a)</p> <p>he fails to obtain within the time specified in Sub-Section (1) of Section 270 or at any time thereafter ceases to hold the share qualification, required of him by the Articles of the Company.</p> <p>(b)</p> <p>he is found to be unsound mind by a Court of competent jurisdiction;</p> <p>(c)</p> <p>he applies to be adjudicated as an insolvent;</p> <p>(d)</p> <p>he is an undischarged insolvent;</p> <p>(e)</p> <p>he is convicted by a Court of India of any offence and is sentenced in respect thereof to imprisonment for not less than six months;</p> <p>(f)</p> <p>he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly</p>

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	with others, within six months from the last date fixed for the payment of the call.
	(g) he absent himself from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board.
	(h) he or any firm in which he is a partner or any private Company of which he is a Director accepts a loan, or any guarantee or security for a loan from the Company in contravention of Section 295.
	(i) he acts in contravention of Section 299.
	(j) he becomes disqualified by an order of Court under Section 203 or
	(k) he is removed in pursuance of Section 284.
	(2) Notwithstanding anything in clause (d), (e) and (j) aforesaid the disqualification referred to in those clauses shall not take effect.
	(a) for thirty days from the date of the adjudication
	(b) where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentences, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or
	(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would results in the removal of the disqualification, until such further appeal or petition is disposed of;
	105(1) The Board may appoint an Alternate Director to act for a Director, hereinafter called in this clause "The original Director" during his absence for a period of not less than 3 months from the State in which the meetings of the Board are ordinarily held.
	(2) An alternate Director appointed as aforesaid shall vacate office if and when the original Director return to the State in which meetings of the Board are ordinarily held.
Directors and Managing Director may contract with Company	<p>106(a) Subject to the provisions of the Act, the Directors and the Managing Director shall not be disqualified by reason of their office as such from contracting with the Company either as vendor, purchaser, lender, agent, broker, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any Director or the Managing Director or with any company or partnership of or in which any Director or the Managing Director 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 or the Managing Director holding that office or of the fiduciary relation thereby established, but the nature of the interest must be disclosed by the Director or Managing Director at the meeting of the Board at which the contract or arrangement is determined on, if the interest then exists or in any other case at the first meeting of the Board after the acquisition of the interest.</p> <p>Provided nevertheless that no Director shall vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid or take part in the proceedings thereat and he shall not be counted for the purpose of ascertaining whether there is quorum of Directors present. This provision shall not apply to any contract by or on behalf of the Company to give to the Directors or the Managing Director or any of them any security by way of indemnity against any loss which they or any of them suffer by becoming or being sureties for the Company. A general notice that the Managing Director or any Director is a Director or a member of any specified Company or is a member of any specified firm and is to be regarded as interested in any subsequent transaction with such Company or firm, shall, as regards any such transaction, be sufficient disclosure under this Article and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such Company or firm.</p>
When Director appointed Director of Subsidiary Company	(b) A Director may be or become a Director of any Company promoted by this Company or in which this Company may be interested as Vendor, Shareholder or otherwise and no such Director shall be accountable to the Company for any benefits received as a Director or member of such Company.
Rights of Directors	107. Except as otherwise provided by these Articles, all the Directors of the Company shall have in all

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	matters equal rights and privileges, and be subject to equal obligations and duties in respect of the affairs of the Company.

ROTATION OF DIRECTORS

Title of the Article	Article Number and contents
	108.
Rotation and Retirement of Directors	At every annual general meeting, one-third of the Directors liable to retirement by rotation for the time being or, if their number is not three or multiple of three, then the number nearest to one-third shall retire from office.
	109.
Retiring Director eligible for re-election	A retiring Director shall be eligible for re-election and the Company at the General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing a person thereto.
	110.
Which Directors to retire	The Directors to retire in every year shall be those who have been longest in office since their last election, but as between persons who become Directors on the same day, those to retire shall unless they otherwise agree among themselves, be determined by lot.
	111.
Retiring Directors to remain in office till successors appointed	Subject to Section 256 of the Act, if at any meeting at which an election of Directors ought to take place, the place of the vacating or deceased Directors is not filled up and the meeting has not expressly resolved not to fill up the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place, or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place, and if at the adjourned meeting, the place of Vacating Director is not filled up and the meeting has also not expressly resolved not to fill up the vacancy, then the vacating Directors or such of them as have not had their places filled up shall be deemed to have been re-appointed at the adjourned meeting.
	112.
Power of General Meeting to increase or reduce number of Directors	Subject to the provisions of Section 252, 255 and 259 the Company in General Meeting may increase or reduce the number of Directors subject to the limits set out in Article 98 and may also determine in what rotation the increased or reduced number is to retire.
	113.
Power to remove Directors by ordinary resolution	Subject to provisions of Section 284, the Company may by an ordinary resolution remove any Director before the expiration of his period of office, and by an ordinary resolution appoint another person in his instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.
	114.
Rights of persons other than retiring Directors to stand for Directorship	A person not being a retiring Director shall be eligible for appointment to the office of a Director at any general meeting if he or some other member intending to propose him as a Director has, not less than fourteen days before the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of the Director, or the intention of such member to propose him as a candidate for that office as the case may be.
	(a)
Nominee Directors.	Notwithstanding anything to the contrary contained in these articles, so long as any monies remain owing by the Company to the Industrial Developments Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), the Industrial Credit and Investment Corporation of India (ICICI), the Industrial Reconstruction Bank of India (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), United India Insurances Company Limited (UII), or a State Financial Corporation or any financial institution owned or controlled by the Central or State Government or the Reserve Bank of India or by two or more of them or by the Central Government or State Government's by themselves (each of the above hereinafter in this articles referred to as "The Corporation" out of any loans / Debentures assistance granted by them to the Company or so long as any liability of the Company arising out any guarantee furnished by the Corporation on behalf of the company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole time, (which Director or Directors is / are hereinafter referred as "Nominee Directors") on the Board of the Company and to remove from such office any person or persons in his or their place(s).
	The Board of Directors of the Company shall have no power to remove from office the nominee Director(s). At the option of the Corporation such nominee Director(s) shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director(s) shall not be liable to retirement by rotation of Directors. Subject as aforesaid the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same

Title of the Article	Article Number and contents
	obligations as any other Director of the Company.
	The Nominee Director(s) so appointed shall hold the said office only so long as any monies remain owing by the Company to the Corporation or holds or continues to hold Debentures / Shares in company as a result of underwriting by direct subscription or private placement or the liability of the Company arising out of the guarantee is outstanding and the Nominee Director(s) so appointed in exercise of the said power shall ipso facto vacate such office immediately the monies owing by the Company to the Corporation are paid-off or the corporation ceasing to hold debentures / Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished by the Corporation.
	The Nominee Director(s) so appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings, and of the meetings of the Committee of which the Nominee Director(s) is / are member(s) as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.
	The Company shall pay to the Nominee Director(s) sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, the commission, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the corporation of such Nominee Director(s) in connection with their appointment of Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director(s).
	Provided that if any such Nominee Director is an officer of the Corporation the Sitting fees, in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.
	Provided also that in event of the Nominee Director(s) being appointed as whole time Director(s), such Nominee Director(s) shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a whole time Director in the management of the affairs of the Company. Such whole time Director(s) shall be entitled to receive such remuneration, fees, commission and monies as may be approved by the Corporation.
Register of Directors and notification of change of Register	115. The Company shall keep at its Principal Office a register containing the addresses and occupation and other particulars required by Section 303 of the Act of its Directors and Secretary and shall send to the Registrar of Companies returns as required by the Act.
Business to be carried	116. The business of the Company shall be carried on by the Board of Directors.
Meeting of the Board	117. The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings, as it think fit; provided that a meeting of the Board shall be held at least once in every three months and at least four such meetings shall be held in every year.
Director may summon meeting	118. A director may at any time summon a meeting of the Board of Directors. All meetings of the Board or any Committee of the Board shall be called by giving at least seven (7) days prior notice to the other directors, which notice shall be in writing and accompanies by the Agenda setting out in detail the business proposed to be transacted at such meeting and all relevant documents thereto. All notices shall be sent to each of the directors at their usual address whether in India or abroad by an effective means of communication and through email. No meeting of the Board shall be convened at a shorter notice period without the prior written consent of all the Directors. The meeting of the Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.
Question how decided	119(1) Save as otherwise expressly provided in the Act, a meeting of the 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 regulations of the Company for the time being vested in or exercisable by the Directors generally and all questions arising at any meeting of the Board shall be decided by a majority of the Board. (2) In case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a Director.
Right of continuing Directors when there is no quorum	120. The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as their number is reduced below five, the continuing Directors or Director may act for the purpose of increasing the number of Directors to five or for summoning a general meeting of the Company and for no other purpose

Title of the Article	Article Number and contents
Quorum	121. The quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher; provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength the number of the remaining Directors that is to say the number of Directors who are not interested present at the meeting being not less than two shall be the quorum during such time. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting that is to say, the total strength of the Board after deducting there from the number of Directors, if any whose places are vacant at the time.
Election of Chairman of the Board	122. If no person has been appointed as Chairman under Article 98 above or if at any meeting the Chairman or Managing Director is not present within 15 minutes after the time appointed for holding the meeting the Directors present may choose one of their number to be the Chairman of the meeting.
Powers to appoint Committees and to delegate	123(1) The Board may from time-to-time and at any such time constitute one or more Committees of the Board consisting of such member or members of its body as the Board may think fit.
	(2) Subject to the provisions of Section 292, the Board may delegate from time-to-time and at any time to any Committee so appointed all or any of the powers, authorities and discretions for the time being vested in the Board and such delegation may be made on such term and subject to such conditions as the Board may think fit.
	(3) The Board may from time-to-time revoke, add to or vary any powers, authorities and discretions so delegated.
	(4) The company shall have an Audit Committee, an Investment committee, an Investor Grievance Committee and a Remuneration and Nomination Committee. The Audit Committee and the Investor Grievance Committee shall be constituted in accordance with all the requirements of the listing agreements by which the company is bound. the remuneration and nomination committee shall review and make recommendations inter-alia regarding (a) the nomination of independent directors on the Board; and (b) the compensation scheme for the managerial employees of the company and the directors; The Board of Directors shall appoint the independent directors based on the recommendations of the remuneration and nomination committee.
Proceedings of Committee	124. The meeting and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meeting and proceedings of the Directors so far as the same are applicable thereto, and not superseded by any regulations made by the Directors under the last preceding Articles.
Election of Chairman of the Committee	125(1) The Chairman shall be the Chairman of its meetings; if he is not available or if for any meeting he is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their number to be Chairman of the meeting. (2) The quorum of a Committee may be fixed by the Board and until so fixed if the Committee is of a single member or two members the quorum shall be one and if more than two members it shall be two.
Question how determined	126(1) A committee may meet and adjourn as it thinks proper.
	(2) Question arising at any meeting of a Committee shall be determined by the sole member of the Committee or by a majority of votes of the members present as the case may be and in case of an equality of votes, the Chairman shall have a second or casting vote in addition to his vote as a member of the Committee.
Acts done by Board of Committee valid notwithstanding defective appointment etc	127. All acts done by any meeting of the Board or of a Committee thereof or by any person acting as a Director shall, notwithstanding that it may be afterward discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as a valid as if every such Director and such person has been duly appointed and was qualified to be a Director
Resolution by circulation	128. Save as otherwise expressly provided in the Act, resolution in writing circulated in draft together with the necessary papers, if any to all the members of the Committee then in India (not being less in

Title of the Article	Article Number and contents
	number than the quorum fixed for the meeting of the Board or the Committee as the case may be) and to all other Directors or members at their usual addresses in India and approved by such of the Directors or members as are then in India or by a majority of such of them as are entitled to vote on the resolution shall be valid and effectual as if it had been a resolution duly passed at a meeting of the Board or Committee duly convened and held.
General powers of company vested in Directors	129. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by the Act or any statutory modification thereof for the time being in force, or by these Articles, to the provisions of the said Act, and to such regulations being not inconsistent with the aforesaid regulations or provision or provisions as may be prescribed by the Company in General Meeting; but no regulation made by the Company in General Meeting, shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.
Attorney of the Company	130. The Board may appoint at any time and, from time-to-time by a power of Attorney under the Company's seal, any person to be the Attorney of the Company for such purpose and with such powers authorities and discretions not exceeding those vested in or exercisable by the Board under these Articles and for such period and subject to such conditions as the Board may from time-to-time think fit and any such appointment may, if the Board thinks fit be made in favour of the members, or any of the members of any firm or Company, or the members, Directors, nominees or managers of any firm or Company or otherwise in favour of any body or persons whether nominated directly or indirectly by Board and such power-of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the Board may think fit.
Powers to authorise sub-delegations	131. The Board may authorise any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him.
Director's duty to comply with the provisions of the Act	132. The Board shall duly comply with the provisions of the Act and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors, and to sending to the Registrar and annual list of and Registrar and annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital and copies of special resolutions and such other resolutions and agreements required to be filed under Section 192 of the Act and a copy of the register of Directors and notifications of any changes therein.
Specific powers of Directors	133. In furtherance of and without prejudice to the General powers conferred by or implied in Article and other powers conferred by these Articles and subject to the provisions of Section 292 and 293 of the Act it is hereby expressly declared that it shall be lawful for the directors to carry out all or any of the objects set forth in the Memorandum of Association and to do the following things.
To acquire and dispose of property and rights	(a) To purchase or otherwise acquire for the company any property, rights on privileges which the company is authorised to acquire at such price and generally on such terms and conditions and for such consideration as they may think fit.
To pay for property in debentures etc	(b) At their discretion to pay for any property, rights and privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid-up sum as may be either specifically charged upon all or any part of the property of the company and is uncalled capital or not so charged.
To secure contracts by mortgages	(c) To secure the fulfillment of any contracts or agreements entered into by the company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they think fit.
To appoint officers etc.	(d) To appoint and at their discretion remove or suspend such Agents, Secretaries, Officers, Clerks and servants etc. for permanent, temporary or special services as they may from time-to-time think fit and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.
To being and defend action etc.	(e) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payments, or satisfaction of any dues and of any claims or demands by or against the Company.
To refer to	(f) To refer any claims or demands by or against the Company to arbitration and observe and perform

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arbitration	the awards.
To give receipts	(g) To make and give receipts, release, and other discharge for money payable to the Company and of the claims and demands of the Company.
To act in matter of bankrupts and insolvents	(h) To act on behalf of the company in all matters, relating to bankrupts and insolvents.
To give security by way of indemnity	(i) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur personal liability for the benefit of the Company such mortgage of the Company's property (Present and Future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.
To give commission	(j) To give any person employed by the Company a commission on the Profits of any particular profits or transaction or a share in the general profits of the Company.
To make contracts etc.	(k) To enter into all such negotiation and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company the contracts can be entered into with the company in which the Company's directors, may be interested subject to necessary disclosures and restrictions under the Act.
To make Bye-laws	(l) From time-to-time make, vary and repeal bye-laws for the regulations of the business for the company, its officers and servants.
To set aside profits for Provident Fund	(m) Before recommending any dividends to set aside portions of the profits of the Company to form a fund to provide for such pensions, gratuities or compensations or to create any Provident Fund or Benefit Fund in such or any other manner as the Directors may deem fit.
To make and alter rules	(n) To make and alter rules and regulations concerning the time and manner of payments of the contributions of the employees and the Company respectively to any such fund and accrual employments, suspension and forfeiture of the benefits of the said fund and the application and disposal thereof and otherwise in relation to the working and management of the said, fund as the Directors shall from time-to-time think fit.
Secretary	(o) Generally, at their absolute discretion to do and perform every act, which they may consider necessary or expedient for the purpose of carrying on the business of the Company, excepting such acts and things as by Memorandum of Association of the Company or these presents may stand prohibited. 134. The Board shall have power to appoint as the Secretary a person fit in their opinion for the said office, for such period and on such terms and conditions as regards remuneration and otherwise as it may determine. The secretary shall have such powers and duties as may, from time-to-time be delegated or entrusted to him by the Board.
Powers as to commencement of business	135. Any branch or kind of business which by the memorandum of Association of the Company on these presents is expressly or by implication authorised to be undertaken by the Company, may be undertaken by the Company, may be undertaken by the Board at such time or times as they shall think fit and further may be suffered by them to be in abeyance whether such branch or kind or business may have been actually commenced or not so long at the Board may deem it expedient not to commence or proceed with such branch or kind of business
Delegation of powers	136. Subject to Section 292 the Board may delegate all or any of its powers to any Directors jointly or severally or to any one Director at its discretion.

BORROWING

Title of the Article	Article Number and contents
Borrowing powers	137. 1. The Board may from time to time raise any moneys or any money or sums of money for the purpose of the Company provided that the moneys to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) shall not without the sanction of the Company at a General Meeting

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	<p>exceed aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and in particular but subject to the provisions of Section 292 of the Act the Board may from time to time at their discretion raise, borrow or secure the payment of any such sum or sums of money for the purpose of the Company by the issue of debentures to members, perpetual or otherwise including debentures convertible into shares of this or any other company or perpetual annuities and in security of any such money so borrowed, raised or received, mortgage, pledge or charge, the whole or any part of the property, assets or revenue of the Company present or future including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and purchase, redeem or pay off any securities.</p> <p>Provided that every resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow as stated above shall specify the total amount upto which moneys may be borrowed by the Board of Directors.</p> <p>Provided that subject to the provisions of section 292 the Board may by a resolution delegate the power to borrow money otherwise than on debentures to a committee of Directors or the Managing Directors subject to limits specified in the said resolution of the total amount which may be so borrowed.</p> <p>2. Subject to the provisions of the clause next above the board may time-to-time use their discretion, raise or borrow or secure the repayment of any sum of or sums of money for the purpose of the Company at such times and in such manner and upon such terms and conditions in all respects as they think fit, including loans from financial institutions and in particular by promissory notes or by opening current accounts, or by receiving deposits and advances with or without security or by the issue of bonds, perpetual or redeemable debentures of debenture stock of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, bonds or other property and securities of the Company or by such other means as to them may seem expedient.</p>

MANAGING DIRECTOR

Title of the Article	Article Number and contents
Appointment of Managing Directors	<p>150(a) The board may from time-to time with such sanction of the Central Government as may be required by law appoint one or more of their body to the office of Managing Director or Managing Directors.</p> <p>(b) The Directors may from time-to-time resolve that there shall be either one or two Managing Directors and unless otherwise resolved there shall be only one Managing Director.</p> <p>(c) In the event of any vacancy arising in the Office of a Managing Director or if the Directors resolve to increase the number of Managing Directors, the vacancy shall be filled by the Board of Directors and the Managing Director so appointed shall hold the Office for such periods as the Board of Directors may fix.</p>
Term of office of Managing Director	<p>151. If a Managing Director ceases to hold office as Director, he shall ipso facto and immediately cease to be a Managing Director.</p>
Managing Director to retire by rotation	<p>152. The Managing Director shall not be liable to retirement by rotation so long as he holds office as Managing Director.</p>
Remuneration of Managing Director	<p>153. The Managing Director shall subject to such sanction by the Central Government as by law required receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Company in general meeting may from time-to-time determine.</p>
Powers to be exercised by Managing Directors	<p>155(1) The Managing Director shall, subject to the supervision and control of the Board of Directors, have the management of all the affairs and business of the Company and of all its assets and he shall have power to do all acts and things which he shall consider necessary or desirable in the management of the affairs of the Company and to exercise and perform all the powers and duties vested in him for the time being in accordance with the provisions of these presents or by any resolution of the Board.</p> <p>(a) Subject to the provision of Section 293 of the Act, to sell for cash or on credit and either wholesale or in retail and for ready or future delivery and realise the proceeds of sale of property, movable or immovable or any rights or privileges belonging to the Company or in which the Company is</p>

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	interested or over which the Company may have such power of disposal and to exchange any such property or rights belonging to the Company for other property or rights.
	(b) To determine from time – time who shall be entitled to sign on the Company’s dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.
	(c) To execute all deeds, agreements, contracts, receipts and other documents that may be necessary or expedient for the purpose of the company and to make and give receipts, releases and other discharge for moneys or goods or property received in the usual course of business of the Company or lent or payable to or belonging to the Company and for the claims and demands of the company.
	(d) To institute, conduct, defend compound or abandon any action, suits and legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound or compromise or submit to arbitration the same action, suits and legal proceedings.
	(e) To enter into, vary or cancel all manner of contracts on behalf of the Company.
	(f) To engage and in their discretion to remove, suspend, dismiss and remunerate bankers, legal advisers, accountants, managers, cashiers, clerks, agents, commission agents, dealers, brokers, foremen, servants, employees or technical or skilled assistants as from time to time may in their opinion be necessary or advisable in the interests of the Company and upon such terms as to duration of employment, remuneration or otherwise and may require security in such instances and to such amounts as the Managing Director thinks fit.
	(g) To acquire by purchase, lease, pledge, hypothecation or otherwise transfer lands, estates, fields, buildings, office, showrooms, godowns, and other buildings in the state of Madras or elsewhere, Machinery Engine, plant, Rolling stock, Tools Machine Tools outfits, stores, Hardware and any other materials of whatever description either on credit or for cash and for present or future delivery.
	(h) To plan, develop, improve, cut down, process, sell or otherwise dispose of the products of the Company and to incur all expenses in this behalf.
	(i) To erect, maintain, repair equip, alter and extend building and machinery in the state of Madras or in any other place.
	(j) To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
	(k) To pay all moneys due by the Company and look after the finance of the Company.
	(l) To open current and time-deposit accounts or other account with banker or bankers at his choice and to operate on such accounts and also when necessary to over draw or take loans on such accounts on the security of the Company or of any of its assets.
	(m) To draw, accept, endorse, discount, negotiate and discharge on behalf of the Company all bills of exchange, promissory notes, cheques, hundies drafts, railway receipts, dock warrants, delivery orders, Government Promissory notes, other Government instruments, bonds, debentures or debentures stocks of Corporation, local bodies, Port Trusts, Improvement Trusts or other corporate bodies and to execute transfer deeds for transferring stocks, shares or stock-certificates of the Government and other local or corporate bodies in connection with any business or any subject of the company.
	(n) Subject to Article 133 above to borrow from time-to-time such sums of money for the purpose of the Company upon such terms as may be expedient and with or without security.
	(o) To receive and give effectual receipts, and discharge on behalf of and against the company for moneys, funds, goods, or property lent, payable or belonging to the Company or for advances against the goods of the Company.
	(p) To make or receive advance of moneys, goods, machinery, plant and other things by way of sale, mortgage, hypothecation, lien, pledge, deposits or otherwise in such manner and on such terms as the Managing Director may deem fit.
	(q)

Title of the Article	Article Number and contents
	To submit to arbitration and enforce the fulfillment of awards, regarding any claims in which the Company may be interested to adjust, settle or compromise any claims due to or by the Company and to give to debtors of the Company time for payment.
	(r) To institute appear in or defend any legal proceeding in the name of and on behalf of the Company to sign any pleading and other documents to engage and to instruct any Advocate, Solicitors, and lawyers and to execute any Vakalat or other authority in their favour and to compound and compromise any claim, suit of proceedings.
	(s) To make all manner of insurances
	(t) To delegate all or any powers, authorities and discretions for the time being vested in the Managing Director and also from time to time provide by the appointment of an attorney or attorneys to sign, seal, execute deliver, register, or cause to be registered all instruments, deeds, documents or writings usually necessary or expedient for any of the purpose of the Company not requiring the common seal of the Company. Provided that the Directors may time-to-time revoke withdraw, alter or vary all or any of the above powers.
Managing Director Powers, to be exercised severally	156. All the powers conferred on the Managing Director by these presents, or otherwise may subject to any directions to the contrary by the Board of Directors, be expressed by any of them severally.

COMMON SEAL

Title of the Article	Article Number and contents
Common Seal	157. The Board shall provide a common seal of the Company and shall have, power from time-to-time to destroy the same and substitute a new seal in lieu thereof. The common seal shall be kept at the registered office of the Company and committed to the custody of the Managing Director.
Affixture of Common Seal	158. The seal shall not be affixed to any instrument except by an authority of a resolution of the Board or Committee and unless the Board otherwise determine every deed or other instrument to which the seal is required to be affixed shall unless the same is executed by a duly constituted attorney for the Company be signed by one Director at least in whose presence the seal shall have been affixed and countersigned by the Managing Director, or such other person as may from time-to-time be authorised by the Managing Director, or by the Board provided that the same person shall not sign in the dual capacity of a director and as representing the Managing Director and provided nevertheless that any instrument bearing the seal of the Company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching the authority to issue the same provided also the counter signature of the Managing Director, or other authorised person shall not be necessary in the case of instrument executed in favour of the Managing Director, which shall be sealed in the presence of any one Director and signed by him on behalf of the Company.

DIVIDEND AND RESERVES

Title of the Article	Article Number and contents
Rights to dividend	159. The profits of the Company subject to any special rights relating thereto created or authorised to be created by these presents, and subject to the provisions of these present as to the Reserve Fund, shall be divisible among the equity shareholders.
Declaration of Dividends	160. The Company in Annual General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board.
Interim dividend	161. The board may from time to time pay to the members such interim dividends as appear to it be justified by the profits of the Company.
	162. The Board may declare dividend in relation to any year by an extraordinary general meeting in addition to what has already been declared in the last Annual General Meeting.
What to be deemed net profits.	163. That declaration of the Director as to the amount of the net profits of the Company shall be conclusive.
	164.

Title of the Article	Article Number and contents
Dividend to be paid out of profits only	No dividend shall be payable except out of the profits of the year or any other undistributed profits except as provided by section 205 and 208 of the Act.
Reserve Funds.	165(1) The board may before recommending any dividends set aside out of the profits of the Company such sums as it thinks proper as a reserve or 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, including provision for meeting contingencies or for equalising dividends, and pending such application may at the like discretion whether 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 - time-time think fit.
	(2) The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as Reserve.
Method of Payment of dividend	166(1) Subject to the rights of persons if any entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on shares in respect whereof the dividend is paid.
	166(2) No amount paid or credited as paid on a shares in advance of calls shall be treated for the purposes of these regulations as paid on the share.
	166(3) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portion of the period in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
Deduction of Arrears	167. The Board may deduct from any dividend payable to any member all sums of money if any, presently payable by him to the Company on account of calls in relation to the shares of the Company or otherwise.
Adjustment of dividend against call.	168. Any General Meeting declaring a dividend or bonus may make, a call on the members of such amounts 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 be made payable at the same time as the dividend and the dividend may if so arranged between the Company and themselves be set off against the call.
Payment by cheque or warrant	169(1) Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or warrant sent through post directed to the registered address of the holder or in case of joint holders to the registered address of that one of the joint holders who is first named in the Register of Members or to such person and to such address of the holder as the joint holder may in writing direct.
	(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
	(3) Every dividend or warrants or cheque shall be posted within forty-two-days from the date of declaration of the dividends.
Retention in certain case	170. The Directors may retain the dividends payable upon shares in respect of which any person is under the transmission clause entitled to become a member in respect thereof or shall duly transfer the same.
Receipt of Joint Holders	171. Any one of two or more joint holders of a share may give effectual receipt for any dividends, bonuses or other moneys payable in respect of such share.
Notice of dividends	172. Notice of any dividend that may have been declared shall be given to the person entitled to share therein in the manner mentioned in the Act.
Dividends not to	173. No dividend shall bear interest against the Company.

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bear interest	
Unclaimed dividend	174. No unclaimed dividend shall be forfeited by the Board and all unclaimed dividend shall be dealt with in accordance with the provisions of the Act.
Transfer of share not to pass prior dividend	175. Any transfer of shares shall not pass the right to any dividend declared thereto before the registration of the transfer.

CAPITALISATION OF PROFITS

Title of the Article	Article Number and contents
Capitalisation of profits	176(1) The Company in General Meeting may on the recommendation of the Board resolve.
	(a) that the whole or any part of any amounts standing to the credit of the Share Premium Account or the Capital Redemption Reserve Account or any moneys, investment or other assets forming part of the undivided profits, including profits or surplus moneys arising from the realisation and (where permitted by law) from the appreciation in value of any Capital assets of the Company standing to the credit of the general Reserve, Reserve or any Reserve Fund or any amounts standing to the credit of the Profit and Loss Account or any other fund of the Company or in the hands of the Company and available for the distribution as dividend capitalised and
	(b) that such sum be accordingly set free for distribution in the manner specified in sub-clause (3) amongst the members who would have been entitled there to if distributed by way of dividend and in the same proportion.
	(2) The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in sub-clause (3) either in or towards.
	(i) paying up any amounts for the time being unpaid on any shares held by such members respectively;
	(ii) paying up in full unissued shares of the Company to be allotted and distributed and credited as fully paid-up to and amongst such members in the proportions aforesaid; or
	(iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii)
	(3) A share premium account and a capital redemption reserve account may for the purpose of this regulation be applied only in the paying up of unissued shares to be issued to the members of the Company as fully paid bonus shares.
	(4) The Board shall give effect to resolutions passed by the Company in pursuance of this Article.
	176(a) If in the event of Company declaring a conditional dividend effective only on the date of the fulfillment of the conditions of approval from the institutions or banks under any contract with them, such declaration of conditional dividend would be effective only from the date of fulfillment of such conditions and if the conditions are not fulfilled and approval of payment dividend is not granted, the dividend shall be deemed not to have been declared to the members.
Powers of Directors for declaration of Bonus	177(1) Whenever such a resolution as aforesaid shall have been passed the Board shall:
	(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid shares if any; and
	(b) generally do all acts and things required to give effect thereto.
	(2) The Board shall have full power
	(a) to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it think fit, in the case of shares becoming distributable in fractions; and also,
	(b) to authorise any person to enter on behalf of all the members entitled thereto into an agreement with

Title of the Article	Article Number and contents
	the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on the existing shares.
	(3) Any agreement made under such authority shall be effective and binding on all such members.

AUDIT

Title of the Article	Article Number and contents
Accounts to be studied	188(1) Every Balance sheet and Profit and Loss Account shall be audited by one or more Auditors to be appointed as hereinafter mentioned.
	(2) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next Annual General Meeting.
	(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed, shall be re-appointed unless.
	(a) he is not qualified for re-appointment;
	(b) he has given the Company notice in writing of his unwillingness to be re-appointed;
	(c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be appointed; or
	(d) where notice has been given of an intended resolution to appoint some person or persons in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be the resolution cannot be proceeded with.
	(4) Where at an Annual General Meeting no auditors are appointed or re appointed the Central Government may appoint a person to fill the vacancy.
	(5) The Company shall, within seven days of the Central Government's power under sub-clause (4) becoming exercisable, give notice of that fact to that Government.
	(6) The Directors may fill any casual vacancy in the office of an Auditor, but while any such vacancy continues, the remaining Auditor or Auditors, if any, may act, but where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
	(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution for appointment of that person to the office of Auditor has been given by a member to the company not less than twenty eight days before the meeting in accordance with Section 190 and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the members in accordance with section 190 and all the other provisions of section 225 shall apply in the matter. The provisions of this sub clause shall also apply to a resolution that retiring auditors shall not be re appointed.
	(8) The person qualified for appointment as Auditors shall be only those referred to in Section 226.
Audit of Branch Office	189. The company shall comply with the provisions of Section 228 in relation to the audit of the Accounts of branch offices of the company.
Remuneration of Auditors	190. The remuneration of the Auditors shall be fixed by the Company in General Meeting except that the remuneration of any Auditors appointed to fill any casual vacancy may be fixed by the Board.
Rights and duties of Auditors.	191(1) Every Auditor of the Company shall have a right of access at all times to the books of accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of his duties as auditor.
	(2)

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	All notice of and other communication relating to any General Meeting of a company which any member of the Company is entitled to have sent to him shall also be forwarded to the Auditor and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends any part of the business which concerns him as Auditor.
	(3) The auditor shall make a report to the members of the Company on the accounts, examined by him and on every balance sheet and profit and loss account and on every other documents declared by the Act to be part of or annexed to the Balance sheet or profit and Loss Account, which are laid before the company in General Meeting during his tenure of office, and the report shall state whether, in his opinion and to the best of his information and according to the explanations given to him, the said accounts give the information required by this Act, in the manner so required and give a true and fair view.
	(i) in the case of the Balance sheet of the state of the Company's affairs as at the end of the financial year; and
	(ii) in the case of the profit and Loss Account of the Profit and Loss for its financial year
	(4) The Auditor's Report shall also state:
	(a) whether he has obtained all the information and explanation which to the best of his knowledge and belief were necessary for the purpose of his audit;
	(b) whether, in his opinion books of account as required by law have been kept by the Company so far as appears from his examination of those books, and proper returns adequate for the purposes of his audit have been received from branches not visited by him; and
	(c) whether the Balance sheet and profit and loss account dealt with by the Report are in agreement with the books of account and returns.
	(5) Where an of the matters referred to in clauses (i) and (ii) of sub section (2) of section 227, or in clauses (a), (b) (c) of sub section (3) of Section 227 or sub-clause (4) (a) (b) and (c) hereof is answered in the negative or with a qualification of the Auditor's Report shall state the reason for such answer.
	(6) The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.
Accounts when audited and approved to be conclusive except to errors discovered within three months.	192. Every Account of the Directors when audited and approved by a General Meeting shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered, within that period the accounts shall forthwith be corrected, and henceforth be conclusive.

SERVICE OF DOCUMENTS AND NOTICE

Title of the Article	Article Number and contents
Service of documents on the Company	193. A document may be served on the Company by sending it to the Company at the Registered office of the Company by post under Certificate of posting or by registered post or leaving it at the Registered Office.
How document to be served on members	194(1) A document (which expression for this purpose shall be deemed to include and shall include any summons, notice requisition, process, order, judgement or any other document in relation to or in the winding up of the Company) may be served or sent by the Company on or to any member either personally or by sending it by post to him to his registered address, or (if he has no registered address in India) to the address if any, within India supplied by him to the Company for the giving of notices to him.
	(2) All notice shall, with respect to any registered shares to which person are entitled jointly, be given to whichever of such persons is named first in the Register, and notice so given shall be sufficient notice to all the holders of such shares.
	(3)

Title of the Article	Article Number and contents
	Where a document is sent by Post:
(a)	service thereof shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice, provided that where a member has intimated to the Company in advance that documents should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents shall not be deemed to be effected unless it is sent in the manner intimated by the member; and such service shall be deemed to have been effected.
(i)	in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the notice is posted, and
(ii)	in any other case at the time at which the letter would be delivered in the ordinary course of post.
Members to notify address in India	195. Each registered holder of shares shall from time-to time at which notify in writing to the company some place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be the address to which notice or other documents may be sent.
Services on members having no registered address in India.	196. If a member has no registered address in India, and has not supplied to the Company an address within India for the giving of notices to him a document advertised in a newspaper circulating in the neighbourhood of the registered office of the Company shall be deemed to be duly served on him on the day on which the advertisement appears.
Services on persons acquiring shares on death or insolvency of a member.	197. A document may be served by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of representative of deceased, or assignees of the insolvent or by any like description at the address, if any in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served if the death or insolvency had not occurred.
Notice valid though member deceased	198. Any notice or document delivered or sent by post or left at the registered address of any member in pursuance of the presents shall notwithstanding, that such member be then deceased and whether or not the Company have notice of his decease, be deemed to have been duly served in respect of any registered share whether held solely or jointly with other persons by such member until some other person be registered in his stead as holder or joint holder thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or on her heirs, executors or administrators, and all other persons, if any jointly interested with him or her in any such share.
Persons entitled to notice of General Meeting	199. Subject to the provisions of the Act and these Articles, notice of General Meeting shall be given :-
(i)	To the members of the Company as provided by Article 76 or as authorised by the Act.
(ii)	To the persons entitled to a share in consequence of the death or insolvency of a member as provided by Article 198 or as authorised by the Act.
(iii)	To the Auditor or Auditors for the time being of the Company in any manner authorised by the Act in case of any member or members of the Company.
Advertisement	200(1) Subject to the provisions of the Act any document required to be served on or sent to the members, or any of them by the Company and not expressly provided for by these presents, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District where the registered office of the Company is situated.
Transference etc., bound by prior notices	(2) Every person who by operation of law, transfer or 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 or stock.
Members bound on documents given to previous holders	201. Every person who by the operation of law transfer, or other means whatsoever shall become entitled to any share, shall be bound by every document in respect of such share which previously to his name and address being entered on the Register, shall have been duly served on or sent to the person

Title of the Article	Article Number and contents
	from whom he derives his title to the share.
	202.
How notice to be signed	Any notice to be given by the Company shall be signed by the Managing Director or by such Director or officer as the Directors may appoint. The signature to any notice to be given by the Company may be written or printed or lithographed

WINDING UP

Title of the Article	Article Number and contents
	204.
Winding up	Subject to the provisions of the Act as to preferential payments, the assets of the Company shall, on its winding up be applied in satisfaction of its liabilities pari passu and, subject to such application, shall unless the articles otherwise provide, distributed among the members according to their rights and interests in the Company.
	205.
Division of assets of the Company in specie among members	If the Company shall be wound up whether voluntarily or otherwise the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of the Company, and may with the like sanction vest any part of the assets of the Company, in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidators with the like sanction shall think fit. In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the Special Resolution by notice in writing, direct the liquidators to sell his proportion and pay him the net proceeds, and the liquidators shall, if practicable, act accordingly.

SECRECY CLAUSE

Title of the Article	Article Number and contents
	208(a)
Secrecy Clause	No member shall be entitled to visit or inspect the Company's works without the permission of the Directors or Managing Director, or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade or secret process or 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 interests of the Company to communicate to the public.
	(b)
	Every Director, Managing Director, Manager, Secretary, Auditor, Trustee, Members of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall if so required by the Directors before entering upon his duties, or at any time during his term of office, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company and the state of accounts and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General Meeting or by a Court of Law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions contained in these Articles.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at B2-2, Vijayaraghava Manor No. 1, Vijayaraghava Road, Teynampet, Chennai – 600 018, Tamil Nadu, India, from date of filing the Draft Red Herring Prospectus with RoC to Bid / Issue Closing Date on working days from 10.00 a.m. to 4.00 p.m. until the date of closure of the Issue.

Material Contracts

1. Memorandum of understanding dated November 2, 2011 between our Company and the BRLM.
2. Memorandum of Understanding dated November 2, 2011 between our Company and Sharepro Services (India) Private Limited appointing them as Registrar to the Issue.
3. Escrow Agreement dated [●] between our Company, the BRLM, Syndicate Members, Escrow Collection Bank and the Registrar to the Issue.
4. Syndicate Agreement dated [●] between our Company, BRLM and the Syndicate Members.
5. Underwriting Agreement dated [●] between our Company, BRLM and the Syndicate Members.
6. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●], 2011.
7. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●], 2011.

Material Documents

8. Certified true copy of the Memorandum and Articles of Association of our Company, as amended from time to time including certificates of incorporation.
9. Resolution of the Board dated August 11, 2011 authorising the Issue.
10. Special Resolution of the shareholders passed at the Annual General Meeting dated September 29, 2011 authorising the Issue.
11. Agreement dated November 10, 2010 between our Company and Senthil Kumar for the appointment of Senthil Kumar as our Company's Managing Director and a certified true copy of the resolution of the shareholders of our Company passed at their Extra Ordinary General Meeting held on August 16, 2011, for approving the appointment of Senthil Kumar as our Company's Managing Director.
12. Consent of M/s. Vivekanandan Associates, Chartered Accountant, for inclusion of their report dated October 25, 2011 in the Draft Red Herring Prospectus.
13. Copy of the Statement of Tax Benefits dated August 19, 2011 issued by our Statutory Auditor, M/s. Vivekandan Associates, Chartered Accountants.
14. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Review Certified Auditor, Legal Advisor to the Issue, Bankers to our Company, the BRLM, Registrar to the Issue, Syndicate Members, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, IPO Grading Agency, to act in their respective capacities.
15. IPO Grading Report issued by [●] dated [●] and the IPO Grading perspective.

16. Reports of our Statutory Auditor, M/s. Vivekandan Associates, Chartered Accountants dated September 30, 2011 regarding restated standalone and consolidated financials of the Company for Financial year ended as on March 31, 2009, 2010 and 2011 and for the quarter ended as on June 30, 2011 and mentioned in the Draft Red Herring Prospectus.
17. Deed of Assignment of Trade Mark dated September 22, 2011 entered into between A-Team Information Technology Limited and our Company.
18. In-principle listing approval from BSE and NSE dated [●] and [●] respectively.
19. Due Diligence Certificate dated November 3, 2011 provided to SEBI from the BRLM.
20. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines and 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 the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Red Herring Prospectus are true, fair, accurate and correct.

Signed by all the Directors of A-Team Edutech Limited

Name and designation	Signature
Dr. Senniyappan Raju <i>Chairman</i>	
Senthil Kumar <i>Managing Director</i>	
Adith Kumar <i>Non Executive Director</i>	
Putheneri Sriraman Srinivasan <i>Independent Director</i>	
M. Ramani <i>Independent Director</i>	
Dr. Arun Varma <i>Independent Director</i>	
Jayaprakash Gandhi <i>Independent Director</i>	
Sankaran Agneeswaran Sivakkumar <i>Independent Director</i>	

Signed by the Chief Financial Officer and the Secretary and Compliance Officer of the Company

P.K. Shankara Narayanan
Chief Financial Officer

Taher Noor Sayed
Company Secretary and Compliance Officer

Place: Chennai

Date: November 3, 2011