



## BRONZE INFRA-TECH LIMITED

(Our Company was originally incorporated with the Registrar of Companies on 12th October, 2004 as Shivpujan Agencies Private Limited. The name of our Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2nd July 2012. Further, our Company became a public limited company with the name of Bronze Infra-Tech Limited with fresh certificate of incorporation dated 4th July 2012, issued by the Registrar of Companies West Bengal, Kolkata. The Corporate Identification Number of our company is U74990WB2004PLC100116).

**Registered Office:** 158, Lenin Sarani, 3<sup>rd</sup> Floor, Room NO. 7B, Kolkata 700 013, West Bengal, India

(Please refer to page no. 79 for details of change in the registered office of our company)

**Tel.:** 91 (33) 2215 8486 **Fax:** 91 (33) 2215 8486; **Website:** www.bronzeinfrotech.com; **Email:** ipo@bronzeinfrotech.com

**Contact Person:** Ms. Shilpi Agarwal Company Secretary & Compliance Officer

### PROMOTERS OF OUR COMPANY

M/s. COMPETENT TEXTILES PRIVATE LIMITED, Mr. PUNIT SUREKA AND Mr. MANOJ KUMAR BAJAJ

### THE ISSUE

**PUBLIC ISSUE OF 57,04,000 EQUITY SHARES OF ₹ 10 EACH (“EQUITY SHARES”) OF BRONZE INFRA-TECH LIMITED (“BITL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹ 15 PER SHARE (THE “ISSUE PRICE”), AGGREGATING TO ₹ 855.60 LAKHS (“THE ISSUE”), OF WHICH 8,64,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (AS DEFINED IN THE SECTION “DEFINITIONS AND ABBREVIATIONS”) (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. ISSUE OF 48,40,000 EQUITY SHARES OF ₹ 10 EACH IS HEREAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 33.17 % AND 28.15 % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

**THIS ISSUE IS BEING IN TERMS OF CHAPTER X-B OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME.**

(For further details see “Issue Related Information” Beginning on Page 133 of this Draft Prospectus.)

All potential investors may participate in the issue through Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page 139 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS 1.5 TIMES THE FACE VALUE**

### RISK IN RELATION TO THE FIRST ISSUE

This being first issue of the Company, there has been no formal market for the securities of the Company. The face value of the shares is ₹ 10/- per Equity share and the issue price is 1.5 times of the face value. The issue price (as determined by the company in consultation with the Lead Manager) as stated under the paragraph on “Basis of the Issue Price” on Page 45 of this Draft Prospectus should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our company or regarding the price at which the equity shares will be traded after listing.

### GENERAL RISK S

Investment 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 risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision investors must rely on their own examination of the issuer and the issue including the risk involved. The securities have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy and adequacy of this document. **Specified attention of the Investors is invited to the statement of risk factors given on page 10 of this Draft Prospectus under the Section “General Risks”.**

### ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable enquiries, accepts responsibility for, and confirms that this offer document contains all information with regard to the issuer and the issue, which is in material in the context of the issue, that the information contained in this offer document 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 are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of the Bombay Stock Exchange (“BSE”). Our Company has received an in-principle approval for listing of its Equity Shares from BSE vide their letter dated [●]. For the purpose of this issue, the designated stock exchange will be the Bombay Stock Exchange Limited (“BSE”).

### LEAD MANAGER TO THE ISSUE



**STELLANT CAPITAL ADVISORY SERVICES PRIVATE LIMITED**  
Merchant Chamber, Basement, Opp. Patkar hall,  
New Marine Lines, Churugate, Mumbai - 4000 20  
Tel No.: 91 (22) 2206 1606; Fax No.: 91 (22) 2206 5061  
Email: ipo@stellantcapital.com  
Investor Grievance ID: investors @stellantcapital.com  
Website: www.stellantcapital.com  
SEBI Registration No: INM 000011773  
Contact Person: Mr. Jinesh Lodaya / Mr. Lokendra Parihar

### REGISTRAR TO THE ISSUE



**CB MANAGEMENT SERVICES (P) LIMITED**  
P-22 Bondel Road,  
Kolkata -700 019  
Tel No.: 91(33) 2280 6692  
Fax No.: 91(33) 2287 0263  
Email ID: ipo@cbmsl.com  
Website: www.cbmsl.com  
SEBI Registration No: INR000003324  
Contact Person: Mr. P. Basu

### ISSUE PROGRAMME

Issue Opens on : [●]

Issue closes on : [●]

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### General Terms

Term	Description
“Bronze Infra-Tech Limited”, “BITL”, “Bronze Infra”, “We” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to Bronze Infra-Tech Limited, a Company incorporated under the Companies Act, 1956 vide a certificate of incorporation issued by the Registrar of Companies, West Bengal, Kolkata.

#### Company Related Terms

Terms	Description
Articles / Articles of Association	Unless the context otherwise requires, requires, refers to the Articles of Association of Bronze Infra-Tech Limited.
Auditors	The Statutory Auditors of the Company, being M/s Surana Singh Rathi & Co.
“Bronze Infra-Tech Limited”, “BITL”, “Bronze Infra”, “We” or “us” or “our Company” or “the Issuer”	Bronze Infra-Tech Limited, public limited Company incorporated under the Companies Act, 1956 with its registered office at 158, Lenin Sarani, 3rd Floor, Room NO. 7B, Kolkata 700 013, West Bengal, India.
Board of Directors / Board	The Board of Directors of Bronze Infra-Tech Limited, including all duly constituted Committees thereof.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depositories Act	The Depositories Act, 1956, as amended from time to time
Director(s)	Director(s) of Bronze Infra-Tech Limited unless otherwise specified
Equity Shares	Equity Shares of our Company of Face Value of ₹ 10 each unless otherwise specified in the context thereof
HUF	Hindu Undivided Family
Indian GAAP	Generally Accepted Accounting Principles in India
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Bronze Infra-Tech Limited
Non Residents	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA.
NRIs / Non Resident Indians	A person outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India) Regulations, 2000.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters/ Core Promoters	M/s. Competent Textiles Private Limited, Mr. Punit Sureka and Mr. Manoj Kumar Bajaj
Promoter Group	<b>NA</b>

Group Company(s)	NA
Registered and/or Corporate Office	The Registered and Corporate Office of our company which is located at 158, Lenin Sarani, 3rd Floor, Room NO. 7B, Kolkata 700 013, West Bengal, India
RoC	Registrar of Companies, West Bengal situated at Kolkata
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI (ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009 as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time depending on the context of the matter being referred to.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
Stock Exchange	Unless the context requires otherwise, refers to, the BSE Limited.

### Issue Related Terms

Terms	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of the Company
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Bankers to the Company	HDFC Bank Limited
Bankers to the Issue	[•]
BSE	BSE Limited.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996
Escrow Account	Account opened/to be opened with the Escrow Collection Bank(s) and in whose favour the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application
Escrow Agreement	Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue at which bank(s) the Escrow Account of the Company will be opened
IPO	Initial Public Offering
Issue / Issue Size / Public Issue	The Public Issue of 57,04,000 Equity Shares of ₹ 10/- each at ₹ 15/- (including share premium of ₹ 5/-) per Equity Share aggregating to ₹ 855.60 Lakhs (Rupees Eight hundred and Fifty five lakhs and sixty thousand only) by Bronze Infra- Tech Limited.

Issue Price	The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being ₹ 15/-
LM / Lead Manager	Lead Manager to the Issue, in this case being Stellant Capital Advisory Services (P) Ltd.
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Agreement to be signed between our company and the SME Platform of BSE.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 48,40,000 Equity Shares of ₹10/- each at ₹ 15 (including share premium of ₹ 5/-) per Equity Share aggregating to ₹ 726.00 Lakhs/- (Rupees Seven Hundred and Twenty Six Lakhs Only) by Bronze Infra-Tech Limited.
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information
Qualified Institutional Buyers / QIBs	Mutual Funds, Venture Capital Funds, or Foreign Venture Capital Investors registered with the SEBI; FIIs and their sub-accounts registered with the SEBI, other than a subaccount which is a foreign corporate or foreign individual; Public financial institutions as defined in Section 4A of the Companies Act; Scheduled Commercial Banks; Multilateral and Bilateral Development Financial Institutions; State Industrial Development Corporations; Insurance Companies registered with the Insurance Regulatory and Development Authority; Provident Funds with minimum corpus of Rs. 2,500 Lakhs; Pension Funds with minimum corpus of Rs. 2,500 Lakhs; National Investment Fund set up by resolution F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Insurance Funds set up and managed by the army, navy, or air force of the Union of India. Insurance Funds set up and managed by the Department of Posts, India
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made
Refund Bank	[•]
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar/ Registrar to the Issue	Registrar to the Issue being CB Management Services (P) Limited
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Platform of BSE	The SME Platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations which was approved by SEBI as an SME Exchange on September 27, 2011.

### Technical / Industry Related Terms

Terms	Description
GDP	Gross Domestic Product; the gross Domestic Product (GDP) or gross domestic income (GDI) is the amount of goods and services produced in a year, in a country. It is the market value of all final goods and services made within the borders of a country in a year.
CAGR	Compound Annual Growth Rate.
CFT	Cubic Feet
DWT	Dead Weight Tonnage
EOU	Export Oriented Unit
EPZ	Export Processing Zone
FTWZ	Free Trade and Warehousing Zone
Km	Kilometres
LNG	Liquefied Natural Gas
MT	Metric Tonnes
SPV	Special Purpose Vehicle
GOI	Government of India
BG	Bank Guarantee
BOO	Build, Own, Operate
BOOT	Build, Own, Operate and Transfer
BOM	Bill on Materials
BOT	Build, Operate and Transfer
CLRA	Contract Labour ( Regulation and Abolition) Act, 1970
CPWD	Central Public Works Department
DBFO	Design Build Finance Operate
EPC	Engineering Procurement and Commissioning
LC	Letter of Credit
NHAI	National Highway Authority of India
NHDP	National Highway Development Projects
AAI	Airports Authority of India
NSDC	National Skill Development Council
CSO	Central Statistical Organization
RBI	Reserve Bank of India
GQ	Golden Quadrilateral
NS-EW	North, South, East, West
CEA	Central Electricity Authority
IEBR	Internal resources and Extra-Budgetary Resources
I.R.	Internal resources
GBS	Gross Budgetary Support
EBR	Extra-Budgetary Resources
EASF	Essential Air Services Fund
RACF	Regional Air Connectivity Fund
SOP	Standard Operating Procedure
RSOP	Regional Scheduled Operator Permit
IT	Information Technology
SEZ	Special Economic Zone
MHUD	Ministry of Housing and Urban Development

REIT	Realestate Information Technology
REMF	Realestate Mutual Fund
PE	Private Equity
FDI	Foreign Direct Investment
O&M	Operations and Maintainence
PPP	Public Private Partnership
LT	Low tension
LSTK	Lump Sum Turnkey

#### Conventional Terms / General Terms / Abbreviations

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
BSE	BSE Limited (formerly known as The Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Company Identification Number
CIT	Commissioner of Income Tax
DIN	Director Identification Number
DP	Depository Participant
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
F&NG	Father and Natural Guardian
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
GDP	Gross Domestic Product
GoI/Government	Government of India
HUF	Hindu Undivided Family
I.T. Act	Income Tax Act, 1961, as amended from time to time
ICSI	Institute of Company Secretaries Of India
MAPIN	Market Participants and Investors' Integrated Database
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
NA	Not Applicable

NAV	Net Asset Value
NPV	Net Present Value
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent Account Number
PAT	Profit After Tax
QIC	Quarterly Income Certificate
RBI	The Reserve Bank of India
ROE	Return on Equity
RONW	Return on Net Worth
Bn	Billion
₹ or Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
Sec.	Section
STT	Securities Transaction Tax
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Days	All days except Saturday, Sunday and any public holiday



## **CERTAIN CONVENTIONS & USE OF MARKET DATA**

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included on page 98 of this Draft Prospectus. We have no subsidiaries. Accordingly, financial information relating to us is presented on a nonconsolidated basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year. In the Draft Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off.

All references to “Rupees” or Rs.” or “₹” are to Indian Rupees, the official currency of the Republic of India. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word "Lakhs" means "one hundred thousand" and the word "million" means "ten lakh" and the word "Crore" means "ten million". Throughout this Draft Prospectus, all figures have been expressed in Lakhs. Unless otherwise stated, all references to India contained in this Draft Prospectus are to the Republic of India.

Unless stated otherwise, industry data used throughout this Draft Prospectus has been obtained from industry publications, internal company reports, newspaper and magazine articles etc. Such publications generally state that content therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, we believe that the industry data used in this Draft Prospectus is reliable, it has not been verified by any independent source.

For additional definitions, please refer to "*Definitions and Abbreviations*" beginning on page 2 of this Draft Prospectus.

In the Section titled "*Main Provisions of the Articles of Association*" beginning on page 155 of this Draft Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.

## FORWARD LOOKING STATEMENTS

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

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

- General economic and business conditions in which we operate and in the local, regional, national and International economies;
- Our ability to manage our growth and expansion effectively and successfully launch the expansion project for which funds are being raised through this Issue.
- Our ability to meet out capital expenditure requirements;
- Implementation risks involved in our projects;
- If we are unable to pass on unanticipated increase in sub-contracting costs or in the price of materials consumed, labour, or other project-related inputs;
- If we are unable to get an adequate and timely supply of key materials such as steel, cement and aggregates;
- Contingent liabilities;
- If we are unable to attract, recruit and retain skilled personnel
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Government approvals;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Changes in political and social conditions in India.

For further details of factors that could cause our actual results to differ please refer to "Risk Factors", "Business overview" and "Management's Discussion and Analysis of the Financial Condition and Results of Operations of the Company" beginning on pages 10, 70 and 112 respectively of this Draft Prospectus.

## SECTION II: RISK FACTORS

*An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Offer Document could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Offer Document may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.*

### **Materiality**

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

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

### **Note:**

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

*In this Offer Document, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" and elsewhere in this Offer Document unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Auditors Report" prepared in accordance with the Indian Accounting Standards.*

## **INTERNAL RISK FACTORS**

- 1. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registration and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity.

Further, we may become liable to penal action if our activities are adjudged to be undertaken in the manner not authorized under the applicable law. This could materially and adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer to sections titled "Government and other Key Approvals" beginning on pages of page 123.

- 2. *The projects that are included in our Order Book may be delayed, modified, cancelled or not fully paid for by our clients and therefore, our Order Book may not be an accurate or reliable indicator of our future earnings.***

As on the date of filing of the Draft Prospectus, the value of our Order Book is ₹ 39.06 Crore. We define our Order Book as the value of projects awarded to us and for which we have entered into signed agreements or received letters of award or letters of intent or work orders, but for which we have not yet commenced the work; and the value of the unexecuted portion of projects on which we have commenced work. The Order Book is unaudited and our Company cannot guarantee that the revenues indicated in by our Order Book will be realised or, if realised, will be realised on time or result in profits. If our Company were to deviate from the expected margins or suffer losses on one or more contracts included in our Order Book, it could considerably reduce our net income or cause our Company to incur a loss.

Our Order Book represents business that we currently consider to be firm; however contracts may remain on our Order Book for an extended period of time, may be cancelled or may be subject to changes in scope or schedule. We may also encounter problems executing the projects as ordered, or executing them on a timely basis. Moreover, factors beyond our control or the control of our clients may postpone a project or cause its cancellation. Such factors could include delays or failures to obtain necessary permits, rights-of-way, or receive performance bonds and other types of difficulties or obstructions. Any delay, failure or execution difficulty with respect to projects in our Order Book or any other uncompleted projects could materially affect our business, results of operations and financial condition.

- 3. *Projects sub-contracted may be delayed on account of the performance of the sub-contractor, resulting in delayed payments.***

We typically sub-contract specific construction and development works on of our projects and we may be engaged as a sub-contractor for specific works on third party projects. As on the date of filing, the value of our Order Book is ₹ 39.06 Crore of which worth ₹24.06 crore have been subcontracted by us.

When we act as a sub-contractor, payment on such projects may depend upon the performance of our principal contractor and when we sub-contract; payments may depend on the subcontractor's performance.

A completion delay on the part of a principal or subcontractor, for any reason, could result in delayed payments to us. In addition, when our Company sub-contracts, we may be liable to the client due to failure on the part of a sub-contractor to maintain the required performance standards or insufficiency of a sub-contractor's performance guarantees.

- 4. *Our revenue and operating results are likely to fluctuate materially, particularly as we cannot predict the timing of milestones. As a result our past performance may not be an indicator of our future performance.***

Our revenue, net income or loss and cash flow may be highly variable because our financial results will be affected by the timing of milestones, as and when undertaken, which may make it difficult for us to achieve consistent results of operations and may cause the price of our Equity Shares to fluctuate. We cannot predict when, or if, any realization of profits will occur. As a result of these variables, performance in a specific period should not be relied upon as being indicative of performance in future periods.

- 5. *Failure to adhere to agreed timelines could adversely affect our reputation and / or expose us to financial liability.***

Typically contracts in the construction industry are subject to specific completion schedules with liquidated damages being payable in the event that the construction timelines are not adhered to. Failure to adhere to contractually agreed work completion schedules could impair to our reputation within the industry and burden us with additional financial commitments to pay liquidated damages.

Besides, certain contracts provide that we are required to complete the work as per schedule even if payments due to us have not been made. In the event of non-completion of work on schedule, or the discovery of defects in our work or due to damages to our construction due to factors beyond our control, or any of the reasons stated above, we may incur

significant contractual liabilities and losses under our projects contracts and such losses may materially and adversely affect our financial performance and results of operations.

**6. We could be adversely affected if we fail to keep pace with technical and technological developments in the construction industry.**

Our clients are increasingly developing larger, more technically complex project in the civil construction and infrastructure space. To meet our clients' needs, we need to regularly modernize existing technology and acquire or develop new technology for our construction business. In addition, rapid and frequent technology and market demand changes can also render existing technologies and equipment obsolete, requiring substantial outlay in capital expenditures and/or write-downs of obsolete assets. Our failure to anticipate or to respond adequately to changing technical, market demands and/or client requirements could adversely impact our business and financial results.

**7. Our Promoters do not have adequate experience in Construction Industry.**

Although our Promoters have experience in various industries and businesses, they are relatively new players in the construction industry and do not possess adequate experience in the same. This may adversely affect our result of operations.

**8. If we are unable to retain the services of our Key Managerial Personnel, our business and our operating results could be adversely impacted.**

We are dependent on our Key Managerial Personnel for setting our strategic direction and managing our businesses. The loss of our key managerial personnel may materially and adversely impact our business, results of operations and financial condition.

**9. We had negative cash flows from Operating Activities for certain periods. Any negative cash flow in future could affect our operations and financial conditions.**

We had negative cash flow from various activities, as per audited financial statements, details of which are as under:

(₹. In Lakhs)

Particulars	Four months period ended 31/07/2012	F.Y. ended 31/03/2012	F.Y. ended 31/03/2011	F.Y. ended 31/03/2010	F.Y. ended 31/03/2009	F.Y. ended 31/03/2008
Cash flow from Operating Activities	(1259.51)	44.03	(45.46)	(97.88)	172.71	(164.36)
Cash flow from Investing Activities	467.92	(41.65)	(139.85)	282.78	(172.86)	149.53
Cash flow from Financing Activities	1214.47	-	-	-	-	15.00
<b>Net Cash Flow for the period</b>	<b>422.88</b>	<b>2.38</b>	<b>(185.31)</b>	<b>184.89</b>	<b>(0.15)</b>	<b>0.17</b>

The net cash flow of a company is a key indicator to show the extent of cash generated from operations of the company to meet 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 flows, it may adversely affect our business and financial operations.

- 10. *The sectors in which we operate are capital intensive in nature, and involve relatively long gestation periods, and we may not be able to raise the required capital for these projects or the capital to sustain these projects through their full development cycles, which could have a material adverse effect on our ability to complete our projects.***

Projects in the sectors in which we operate typically are capital intensive, involve relatively long gestation periods, and require us to obtain financing through various means. Whether we can obtain such financing on acceptable terms is dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investors' confidence, our high levels of existing indebtedness and other factors beyond our control as well as on the timely completion of our projects. Therefore, our future financing attempts may not be successful or be on favorable terms. Any inability to arrange for financing on commercially acceptable terms could result in the loss of or inability to complete planned projects and materially affect our business and results of operations.

- 11. *The development of our projects may require the involvement of certain strategic and financial partners, which may dilute our equity interest and may adversely affect our business, financial condition and results of operations.***

As we develop projects we are required to bring in partners to secure necessary expertise and capital. Further, in the event that projects are developed in areas in which our prior experience is limited, we may need to bring in partners with the required expertise. As a result, our equity interest in certain projects may be diluted and we may have to enter into agreements containing restrictive covenants, which may adversely affect our business, financial condition and results of operations. Further, our interests and the interests of our partners may not be aligned.

- 12. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the issue. Further we have not identified any alternate source of financing the 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.***

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our owned funds, internal accruals and debt. Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations.

Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details please refer to the chapter titled "*Objects of the Issue*" beginning on page 41 of this Draft Prospectus.

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

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

***14. We do not own our Registered Office from which we operate.***

We do not own the premises on which our Registered Office is situated. The premises have been taken by us on rental. Currently we occupy the office based on a lease agreement which is valid until 10 years, subject to yearly renewal. We cannot assure you that we will own, or have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. For further details of our office premises please refer to the section titled "Our Business Overview" on page 70 of this Draft Prospectus.

***15. We have not made an application for registration of our trademark under the Trade Marks Act. Our ability to use the trademark may be impaired.***

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. We have not made an application for registration of trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such name and logo by anybody by means of statutory protection.

***16. The proposed objects of the issue for which funds are being raised have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.***

The objects of the issue for which part of the fund are being raised have not been appraised by any bank or financial institution. In the absence of such independent appraisal, the requirement of funds raised through this issue, as specified in the section titled "objects of the issue" are based on the company's estimates and deployment of these funds is at the discretion of the management and the Board of Directors of the company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

***17. Post this Issue, our Promoters and Promoter Group will continue to hold majority shares in our Company.***

Post this Issue, our Promoters and Promoter Group will collectively own 50.40% of our Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is in its best interest. Our Promoters and Promoter Group may also influence our material policies in a manner that could conflict with the interests of our other shareholders.

***18. Future issuances of Equity Shares or future sales of Equity Shares by our Promoters and certain shareholders, or the perception that such sales may occur, may result in a decrease of the market price of our Equity Shares.***

In the future, we may issue additional equity securities for financing our capital requirements. In addition, our Promoters and certain shareholders may dispose off their interests in our Equity Shares directly, indirectly or may pledge or encumber their Equity Shares. Any such issuances or sales or the prospect of any such issuances or sales could result in a dilution of shareholders' holding or a negative market perception and potentially in a lower market price of our Equity Shares.

***19. We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into transactions with our promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable 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. Based on our audited



and restated financials for fiscal 2012 and the period of four months ended 31<sup>st</sup> July, 2012 our aggregate related party transactions were ₹ 0.96 Lakhs and ₹ 800.85 Lakhs respectively. For further details, please refer to “Annexure XVI – Related Party Transactions” of the “Auditors Report” beginning on page 98 of this Draft Prospectus.

## **EXTERNAL RISKS**

***1. Demand for our construction services depends principally on activity and expenditure levels that influence construction and infrastructure related sectors.***

Demand for our construction services is principally dependent on sustained economic development in the regions in which we operate. In addition, demand for our infrastructure services is largely dependent on government policies relating to infrastructure development and budgetary allocations made by governments for such development, as well as funding provided by international and multilateral development financial institutions for infrastructure projects. Investment by the private sector in infrastructure projects is dependent on the potential returns from such projects and is therefore linked to government policies relating to private sector participation and the sharing of risks and returns from such projects. A reduction of capital investment in the building or infrastructure sectors for any reason could have a material adverse effect on our business, results of operations and financial condition.

***2. Our operations are sensitive to weather conditions.***

Construction activity is materially and adversely affected by severe weather. Severe weather conditions may require us to evacuate personnel or curtail services and may result in damage to our facilities, resulting in the suspension of operations, and may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record contract revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, holdup in work execution of the projects due to adverse weather conditions could impact our financial performance.

***3. Natural calamities and changing weather conditions caused as a result of global warming could have a negative impact on the Indian economy and consequently impact our business and profitability.***

Natural calamities such as draughts, floods, and earthquakes could have a negative impact on the Indian economy and may cause suspension, delays or damage to our current projects and operations, which may adversely impact our business and our operating results. India's being a monsoon driven economy, climate change caused due to global warming bringing deficient / untimely monsoons could impact Government policy which in turn would adversely affect our business.

***4. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.

***5. Tax rates applicable to Our Company may increase and may have an adverse impact on our business.***

Any increase in the tax rates including surcharge and education cess applicable to us may have an adverse impact on our business and results of operations and we can provide no assurance as to the extent of the impact of such changes.



**6. Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.**

The Government of India has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued in the future. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and adversely affect our business, financial condition and results of operations.

**7. Civil unrest, acts of violence including terrorism or war involving India and other countries could materially and adversely affect the financial markets and our business.**

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Terrorist attacks and other acts of violence may adversely affect the Indian stock markets, where our Equity Shares will trade, and the global equity markets generally.

**8. *There is no guarantee that the Equity Shares issued pursuant to the Issue will be listed on the SME Platform of BSE in a timely manner, or at all.***

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 authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Prior to this Issue, there has been no public market for our Equity Shares. The company and the Lead Manager have appointed Sherwood Securities Private Limited as Designated Market Maker for the equity shares of our company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the chapter titled "General Information" beginning on page 27 of this Draft Prospectus.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

#### PROMINENT NOTES:

1. Pre and Post Issue Net Worth (assuming full subscription to the Issue)

<b>Pre Issue Net worth (Based on audited accounts as on July 31, 2012)</b>	₹ 1735.88 Lakhs
<b>Post Issue Net worth</b>	₹ 2591.48 Lakhs
<b>Issue Size</b>	Issue of 57,04,000 Equity Shares of ₹ 10/- each at ₹15 (including share premium of Rs. 5/-) per Equity Share aggregating ₹ 855.60 Lakhs/- (Rupees Eight Hundred and Fifty Five Lakhs and sixty thousand Only)
<b>Cost Per Share to the Promoters and Promoters' Group</b>	M/s. Competent Textiles Private Limited : ₹9.06 Mr. Manoj Kumar Bajaj : ₹14.94 Mr. Punit Sureka : ₹14.94
<b>Net Asset Value per share or Book Value (Based on Audited Accounts as on July 31, 2012) (Face Value of ₹10/- per share)</b>	₹ 15.10

2. Our Company its Promoters / Directors, Company's Associates or Group companies have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI. The Promoters, their relatives, Company, group companies, associate companies are not declared as willful defaulters by RBI / Government authorities and there are no violations of securities laws committed in the past or pending against them.
3. Investors are advised to refer to the paragraph titled "*Basis for Issue Price*" beginning on pages 45 of this Draft Prospectus.
4. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
5. Investors are free to contact the Lead Manager for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
6. In the event of over-subscription, allotment shall be made as set out in paragraph titled "*Basis of Allotment*" beginning on Page 144 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
7. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any equity shares (of Bronze Infra-Tech Limited) held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please refer to the section titled "*Our Management*" on page 82 of this Draft Prospectus.

8. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details please refer to “*Section VI Financial Information*” beginning on page 98 of this Draft Prospectus.
9. The details of transaction by our Company are disclosed under “*Related Party Transactions*” in “*Section VI Financial Information*” of our Company on page 110 of this Draft Prospectus.
10. Our Company was originally incorporated with the Registrar of Companies on 12th October, 2004 as Shivpujan Agencies Private Limited. The name of our Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2nd July 2012. Pursuant to the shareholders resolution dated 3<sup>rd</sup> July 2012 the Company was converted to Public Limited Company and the name of our Company was changed from Bronze Infra-Tech Private Limited to Bronze Infra-Tech Limited. Fresh Certificate of Incorporation consequent to the such change of name was issued by the Registrar of Companies, West Bengal, Kolkata vide letter dated July 4, 2012.

## SECTION III: INTRODUCTION

### SUMMARY OF INDUSTRY

#### Overview of Indian Economy

The Indian economy has been one of the fastest growing economies in the world, backed by strong economic fundamentals that have helped maintain a high growth trajectory with GDP growth averaging over 8% over the last five years i.e. FY07-FY11. In recent times however, the economy has been adversely affected by some spillover effects of global economic slowdown coupled with domestic pressures. During FY12, the Indian economy registered growth of 6.5% as against 8.5% during FY11.

YoY (%)	FY07	FY08	FY09	FY10	FY11	FY12
GDP	9.6	9.3	6.8	8.0	8.5	6.5
Agriculture	4.2	5.8	-0.1	0.4	6.6	6.8
Industry	12.2	9.7	4.4	8.0	7.9	8.8
Services	10.1	10.3	10.3	10.1	9.4	10.00

*(Source: MOSPI, EAC, RBI, BUSINESS STANDARD at GDP Factor Cost (2004-05 prices))*

#### *Economic scenario in the first half of FY 12*

During the current fiscal, quarterly GDP for the Q2FY12 grew by 6.9% over the corresponding quarter of the previous year while the half yearly GDP growth stood at 7.3%. During the first half of the current fiscal, agriculture & allied activities grew by 3.6% compared to growth of 3.7% in the corresponding period last year. Sectors such as mining, manufacturing and construction have taken a beating in the first half this year, consequent on lower production and investments in the backdrop of rising interest rate regime. Mining & quarrying registered a negative growth of -0.5% during the first half of FY 12 while the construction registered the sluggish growth of mere 2.7% compared to 7.2% registered in the last year. Manufacturing sector registered a growth of 4.9% during the same period.

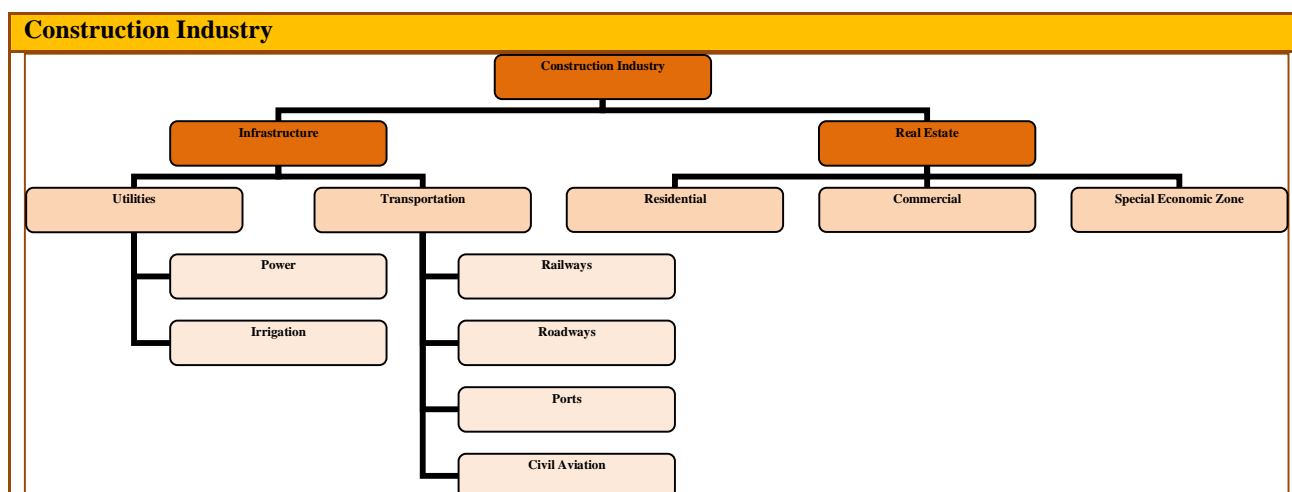
#### *Construction Industry Overview*

The Construction Industry in India is the second largest economic activity after agriculture and provides employment to large amount of people. Broadly, construction can be classified into two segments – infrastructure and real estate.

The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, etc. Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country. Development of infrastructure in the country mainly depends upon the spending by GoI in various sub-segments of infrastructure.

#### **Characteristics of Construction Industry**

- ✓ Highly fragmented
- ✓ Labour intensive
- ✓ Working capital intensive
- ✓ Close linkage with economic growth
- ✓ Rising trend of Joint ventures
- ✓ Low mechanisation levels compared to global standards
- ✓ Varied gestation period and profitability across different construction projects.



Source: NSDC

## Construction Sector and GDP

### GDP and Construction at Factor Cost

Year	GDP (₹ In Cr.)	GDP Growth %	Construction (₹In Cr.)	Construction as % of GDP
FY07	35,66,011	9.6	2,84,798	8.0
FY08	38,98,958	9.3	3,15,389	8.1
FY09	41,62,509	6.8	3,32,557	8.0
FY10	44,93,743	8.0	3,55,918	7.9
FY11	48,77,842	8.5	3,84,629	7.9
FY12	52,02,515	6.5	2,49,720	4.8

Source: CSO, RBI, Business Standard

Construction Sector as a percentage of GDP has shown a constant growth up to FY11 around 7.9%-8.1%, but in FY12 the sector decelerated sharply at 4.8% majorly due to slowdown in economy, shortage of skilled labour, high interest rates, slow environmental clearances, etc.

### Brief Outlook on Construction industry

The Government of India has given importance to infrastructure spending, which has widened the growth opportunity for players in EPC segment. The Planning Commission has envisaged an outlay of about \$500bn during the 11th five year plan for infrastructure development in the country. In the 12<sup>th</sup> five year plan the infrastructure spending is going to get doubled to touch at \$1025 bn, which is 10% of GDP compared to average yield of 7.55% of GDP in 11th plan and 5% of GDP 10th plan.

### Overview of Infrastructure Sector in India

India's Infrastructure build-out envisages investments of close to US\$500 billion, with US\$420 billion of this in the core transport and utility sectors. About one-fourth of this investment is expected to be met through Public-Private Partnerships (PPP). Successful implementation of this ambitious plan depends on four interdependent factors namely, the creation of adequate projects for tender by government agencies, the uptake of available projects by private sector developers and cash contractors, the financial closure and start of construction, and finally, the execution of projects on time- and within budget. India faces multiple challenges along all these dimensions in its quest to reach the targets set by the Eleventh Plan. To date, India's success across sectors has been mixed. Capacity under construction or fully constructed relative to the Eleventh Plan (an integrated measure of the first three dimensions mentioned above) reveals that only the power sector is on track, achieving 100 percent of planned capacity, while the ports sector is at 85 percent,

the airports sector at 75 percent and the roads sector at 50 percent (including the National Highway Development Programme) that has achieved only 10 percent of planned capacity.

### ***Conclusion- Infrastructure***

With the overall above information explained with regarding to Infrastructure Industry, we conclude that upcoming opportunities in the road, airports and ports sector which could drive order inflows for infrastructure companies. “We believe that return profiles are highest in ports, (free pricing in minor ports, high barriers to entry), followed by airports (regulated aero tariffs) and then by roads (high competition). Portraying dismal picture of capacity addition by the major ports in India, Given that the development of green field ports is more challenging (delays in awards, litigation etc), most companies would look at opportunities in existing major ports (privatization of individual terminals) as a route for expansion (at lower returns due to revenue share offered, while the private players operating as nor- major player have recorded an impressive growth of 17% in cargo movement during fiscal 2012, talking their share to 40% in the overall traffic, cargo at major ports, which account for majority of capacity, shrunk by 2%, it said. Analyzing, the revenue mechanism minor and major ports, “We believe that return profiles are highest in ports (free pricing in minor ports, high barriers to entry), followed by airports (regulated aero tariffs) and then by road (high competition).”

### **Overview of Real Estate Sector in India.**

Real estate are one of most of significant sectors of Construction Industry, The real estate sector in India has evolved over the years, accompanied by various regulatory reforms. In the past, factors such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater efficiency and transparency due to the various laws and regulations that have been implemented to govern the sector.

The real estate sector in India is highly fragmented with many regional players, who have a significant presence in their respective local markets. The sector is one of the largest employers providing employment across various skill sets thereby significantly contributing to the overall economic development. Highly correlated with the economy, the growth of the sector is supported by favorable demographics, increasing urbanization, availability of finance and rising income levels. This sector is directly affected by changes in government policies like Floor Space Index (FSI), related regulations and any changes in the approvals required for the projects from various government bodies, usually at the state level.

### ***Conclusion- Real Estate***

With the overall inferences drawn out of Real Estate sector We believe that the property prices for residential property are likely to remain stable at current levels as further increase in prices would lower demand by 15-20%. Also, RBI and government are likely to adopt more stringent measures to keep property prices under check in order to avoid real estate bubble. However with overhang of oversupply and marginal improvement in demand for commercial and retail properties, we believe prices for commercial and retail properties are likely to remain stable for the next six months and expect a marginal increase in property prices in few pockets. Going further, developers would raise funds from newer channels (such as REIT, REMF, PE etc) and consolidation of land parcels is likely to gain traction with increase in cash flows for large developers. Also, with rise in economic growth, positive sentiment of job security, increase in disposable income due to lower income tax applicable with revision in income tax slab, and increasing aspirations are likely to drive the demand for properties

## SUMMARY OF OUR BUSINESS

### BUSINESS OVERVIEW

#### OVERVIEW

Our Company was originally incorporated on 12th October, 2004 as Shivpujan Agencies Private Limited. The name of our Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2nd July 2012. Further, our Company became a public limited company with the name of Bronze Infra-Tech Limited with fresh certificate of incorporation dated 4th July 2012, issued by the Registrar of Companies West Bengal, Kolkata. The Corporate Identification Number of our company is U74990WB2004PLC100116

We are an infrastructure development company in India with interest in the business of Land Development, Construction and execution of infrastructure projects. We are currently executing five diversified projects, two of which are land development based projects, one is related to civil construction, one project for property development and another project related to supply of IT Equipments. Our company proposes to undertake multiple projects in the future, under the same segments.

Our Promoters are M/s Competent Textiles Private Limited, Mr. Manoj Kumar Bajaj and Mr. Punit Sureka.

#### **Our Competitive Strengths**

##### **Strong and diverse order book.**

Our current order book in the construction and infrastructure segment is around ₹ 39 crores and we continue to add new orders to our Order Book at a steady pace. Furthermore, we have orders for supply of IT equipments worth Rs.10.07 Crore. We believe that an increasing order book will increase our operational efficiency by allowing us economies of scale.

##### **We maintain operations in diverse businesses and geographies, which reduces our dependence on any one area of the infrastructure business.**

We currently operate in the areas of land and property development, construction in the infrastructure sector and supply of IT equipments. In the construction sector, we provide construction services for various types of civil construction and infrastructure projects. This variety of project types enables us to keep our business diversified and reduces our dependence on any one segment, while providing us with an opportunity to participate in the overall growth in the India infrastructure sector.

##### **Strategically positioned to realize opportunities in the infrastructure sector**

Infrastructure growth in India has been propelled in the past decade with reforms and benefits extended by the government, which has been accompanied by a host of private investments. Increased allocation of resources to the infrastructure sector, facilitation of incremental lending to the infrastructure sector and increased social sector projects benefiting infrastructure development are contemplated as part of the eleventh five year plan. Our Company believes that the increasing level of investment in infrastructure by central and state governments and private industry will be a major growth driver for its business in the future and its demonstrated expertise and experience in the infrastructure segment will provide our Company with a significant advantage in pursuing such opportunities. We believe that our Company is in an advantageous position because of its operating history, industry knowledge, experience and familiarity with civil and infrastructure construction projects.

**SUMMARY OF OUR FINANCIAL INFORMATION**

**SUMMARY of STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As on	As on March 31				
	31st July	2012	2011	2010	2009	2008
<b>A. Non-Current Assets</b>						
1. Fixed assets						
(i) Tangible assets	0.29	0.31	0.40	0.51	0.66	0.88
(ii) Intangible assets	-	-	-	-	-	-
(iii) Capital work-in-progress	-	-	-	-	-	-
(iv) Intangible assets under development	-	-	-	-	-	-
3. Deferred tax assets	0.07	0.07	0.06	0.05	0.03	-
4. Long term loans and advances	-	-	-	-	-	-
5. Other non-current assets	-	-	-	-	-	-
<b>Total A</b>	<b>0.36</b>	<b>0.38</b>	<b>0.46</b>	<b>0.56</b>	<b>0.69</b>	<b>0.88</b>
<b>B. Current Assets</b>						
1. Current investments	2.98	470.70	428.45	288.41	571.18	397.78
2. Inventories	-	-	-	-	-	-
3. Trade receivables	15.42	53.81	35.33	86.67	103.26	41.67
4. Cash and cash equivalents	425.73	2.85	0.47	185.78	0.89	1.04
5. Short-term loans and advances	1,528.32	8.01	86.18	87.23	19.59	115.26
6. Other current assets	-	-	-	-	-	-
<b>Total B</b>	<b>1,972.46</b>	<b>535.37</b>	<b>550.43</b>	<b>648.09</b>	<b>694.92</b>	<b>555.74</b>
<b>Total Assets C ( A + B )</b>	<b>1,972.81</b>	<b>535.75</b>	<b>550.88</b>	<b>648.64</b>	<b>695.61</b>	<b>556.62</b>
<b>D. Non-Current Liabilities</b>						
1. Long-term borrowings	-	-	-	-	-	-
2. Deferred tax liabilities (Net)	-	-	-	-	-	0.01
3. Other Long term liabilities	-	-	-	-	-	-
4. Long term provisions	-	-	-	-	-	-
<b>Total D</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>
<b>E. Current Liabilities</b>						
1. Short-term borrowings						
2. Trade payables	29.94	29.94	50.43	147.86	183.46	52.73
3. Other current liabilities	199.61	0.28	0.08	0.08	16.47	8.67
4. Short-term provisions	7.39	3.06	1.43	1.86	0.55	0.47
<b>Total E</b>	<b>236.94</b>	<b>33.27</b>	<b>51.93</b>	<b>149.79</b>	<b>200.48</b>	<b>61.88</b>
<b>F. Total Liabilities &amp; Provisions (D+E)</b>	<b>236.94</b>	<b>33.27</b>	<b>51.93</b>	<b>149.79</b>	<b>200.48</b>	<b>61.88</b>
<b>G. Net Worth [ C - F ]</b>	<b>1,735.88</b>	<b>502.47</b>	<b>498.95</b>	<b>498.85</b>	<b>495.13</b>	<b>494.74</b>
<b>Represented by Shareholders' Fund:</b>						
Share Capital	1,149.25	25.65	25.65	25.65	25.65	25.65
Reserves & surplus	586.63	476.82	473.30	473.20	469.55	469.29
Miscellaneous Expenditure (to the extent not written off)	-	-	-	-	(0.07)	(0.20)
<b>Net Worth</b>	<b>1,735.88</b>	<b>502.47</b>	<b>498.95</b>	<b>498.85</b>	<b>495.13</b>	<b>494.74</b>

**Note:** The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V of the Auditor Report respectively.



**SUMMARY of STATEMENT OF PROFITS AND LOSSES, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	For the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>REVENUE</b>						
Revenue from operations	1,265.69	346.82	27.09	2,187.96	521.17	1,563.25
Other Income	0.20	34.76	0.20	0.07	4.64	6.38
<b>Total Income</b>	<b>1,265.89</b>	<b>381.58</b>	<b>27.28</b>	<b>2,188.03</b>	<b>525.82</b>	<b>1,569.63</b>
<b>EXPENSES</b>						
Cost of Services	1,238.95	328.98	23.27	2,163.76	509.81	1,549.35
Employee benefit expense	1.30	6.20	1.68	10.30	7.20	8.60
Financial costs	0.00	-	0.01	0.15	0.17	0.18
Depreciation and amortization expense	0.02	0.08	0.11	0.15	0.22	0.31
Other expenses	10.73	40.21	1.59	7.82	7.37	9.91
Directors Remuneration	0.85	0.96	0.48	0.48	0.48	0.48
Preliminary Expenses written off				0.07	0.13	0.13
<b>Total Expenditure</b>	<b>1,251.85</b>	<b>376.43</b>	<b>27.14</b>	<b>2,182.73</b>	<b>525.38</b>	<b>1,568.96</b>
<b>Net Profit/(Loss) before tax</b>	<b>14.04</b>	<b>5.15</b>	<b>0.14</b>	<b>5.30</b>	<b>0.44</b>	<b>0.67</b>
<b>Less : Provision for Taxation</b>						
Current Years Income Tax	4.34	1.63	0.06	1.66	0.16	0.24
Deferred Tax	-	(0.01)	(0.01)	(0.02)	(0.03)	(0.04)
Fringe Benefit Tax	-	-	-	-	0.05	0.05
<b>Net Profit after tax but before extraordinary Items</b>	<b>9.70</b>	<b>3.52</b>	<b>0.10</b>	<b>3.66</b>	<b>0.26</b>	<b>0.41</b>
Extra-ordinary items	-	-	-	-	-	-
<b>Net Profit after extraordinary Items available for appropriation</b>	<b>9.70</b>	<b>3.52</b>	<b>0.10</b>	<b>3.66</b>	<b>0.26</b>	<b>0.41</b>
Proposed Dividend	-	-	-	-	-	-
Dividend distribution Tax	-	-	-	-	-	-
<b>Net Profit carried to Balance sheet</b>	<b>9.70</b>	<b>3.52</b>	<b>0.10</b>	<b>3.66</b>	<b>0.26</b>	<b>0.41</b>

**Note:** The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V of the Auditor Report respectively

**SUMMARY of STATEMENT OF CASH FLOWS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	For the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>A. Cash Flows from operating activities</b>						
Net Profit before tax	14.04	5.15	0.14	5.30	0.44	0.67
Adjustments for:						
Depreciation	0.02	0.08	0.11	0.15	0.22	0.31
Preliminary Expenses W/off		-	-	0.07	0.13	0.13
Share Issue Expenses	9.23	-	-			
Interest Received	(0.20)	(0.60)	(0.20)	-	(0.54)	(6.38)
Provision on Standard Assets						
<b>Operating cash generated before working capital changes and taxes</b>	<b>23.09</b>	<b>4.63</b>	<b>0.06</b>	<b>5.52</b>	<b>0.24</b>	<b>(5.27)</b>
(Increase) / Decrease in Receivables	38.39	(18.48)	51.34	16.60	(61.60)	(41.67)
(Increase) / Decrease in Inventory	-	-	-	-	-	-
(Increase) / Decrease in short term Current Assets	(1,520.32)	78.17	1.05	(67.64)	95.67	(5.20)
Increase / (Decrease) in short Term Current Liabilities	199.33	(20.29)	(97.42)	(52.00)	138.53	(112.21)
<b>Operating cash generated before taxes</b>	<b>(1,259.51)</b>	<b>44.03</b>	<b>(44.97)</b>	<b>(97.53)</b>	<b>172.84</b>	<b>(164.34)</b>
Less: Direct Tax paid	-	-	(0.49)	(0.35)	(0.13)	(0.02)
<b>Net cash generated from operating activities (A)</b>	<b>(1,259.51)</b>	<b>44.03</b>	<b>(45.46)</b>	<b>(97.88)</b>	<b>172.71</b>	<b>(164.36)</b>
<b>B. Cash Flows from investing activities</b>						
Sale / (Purchase) of Fixed Assets (Net)						
Sale / (Purchase) of Investments (Net)	467.72	(42.25)	(140.05)	282.78	(173.40)	143.15
Interest Received	0.20	0.60	0.20	-	0.54	6.38
Dividend Received	-	-	-	-	-	-
<b>Net Cash generated from investing activities (B)</b>	<b>467.92</b>	<b>(41.65)</b>	<b>(139.85)</b>	<b>282.78</b>	<b>(172.86)</b>	<b>149.53</b>
<b>C. Cash flow from financing activities</b>						
Proceeds from issue of share capital (including Share Premium)	1,223.70	-	-	-	-	15.00
Increase / (Decrease) in Secured Loans	-	-	-	-	-	-
Increase / (Decrease) in Unsecured Loans	-	-	-	-	-	-
Share Issue Expenses	(9.23)	-	-	-	-	-
Dividend Paid (including Div Tax)	-	-	-	-	-	-
<b>Net cash from financing activities [C]</b>	<b>1,214.47</b>					<b>15.00</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>422.88</b>	<b>2.38</b>	<b>(185.31)</b>	<b>184.89</b>	<b>(0.15)</b>	<b>0.17</b>
Opening balance of cash and cash equivalents	2.85	0.47	185.78	0.89	1.04	0.86
<b>Closing balance of cash and cash equivalents</b>	<b>425.73</b>	<b>2.85</b>	<b>0.47</b>	<b>185.78</b>	<b>0.89</b>	<b>1.04</b>

**Note:** The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V of the Auditor Report respectively

## ISSUE DETAILS IN BRIEF

### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

<b>Equity Shares Offered:</b> Present Issue of Equity Shares by our Company	57,04,000 Equity Shares of ₹ 10 each for cash at a price of ₹ 15/- per share aggregating ₹ 855.60 Lakhs
<b>Issue Reserved for the Market Makers</b>	8,64,000 Equity Shares of ₹10 each for cash at a price of ₹15/- per share aggregating ₹129.60 Lakhs
<b>Net Issue to the Public</b>	48,40,000 Equity Shares of ₹10 each for cash at a price of ₹15/- per share aggregating ₹726. Lakhs
<b>Equity Shares outstanding prior to the Issue</b>	11492500 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	17196500 Equity Shares
<b>Objects of the Issue</b>	Please refer Chapter to the title “ <i>Objects of the Issue</i> ” on page 41 of this Draft Prospectus

This issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 137 of this Draft Prospectus.

## GENERAL INFORMATION

Our Company was originally incorporated with the Registrar of Companies on 12th October, 2004 as Shivpujan Agencies Private Limited. The name of our Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2nd July 2012. The Company was converted to Public Limited Company and the name of our Company was changed from Bronze Infra-Tech Private Limited to Bronze Infra-Tech Private Limited with fresh Certificate of Incorporation consequent to the change of name was issued by the Registrar of Companies, West Bengal, Kolkata vide letter dated July 4, 2012. The Corporate Identification Number of our company is U74990WB2004PLC100116

### Brief Company and Issue Information

<b>Registered Office</b>	158, Lenin Sarani, 3rd Floor, Room NO. 7B, Kolkata 700 013, West Bengal, India. Tel No.: +91(33) 2215 8486 Fax No.: +91 (33) 2215 8486
<b>Date of Incorporation</b>	October 12, 2004
<b>Company Identification No.</b>	U74990WB2004PLC100116
<b>Address of Registrar of Companies</b>	Nizam Palace, 2 <sup>nd</sup> MSO Building, 2 <sup>nd</sup> Floor, 234/4 A.J.C.B Road, Kolkata- 700 020, West Bengal, India.
<b>Name of the Stock Exchange</b>	SME Platform of BSE Limited
<b>Issue Programme</b>	Issue Opens on : [●] Issue Closes on : [●]
<b>Company Secretary &amp; Compliance Officer</b>	<b>Ms. Shilpi Agarwal</b> 158, Lenin Sarani, 3rd Floor, Room NO. 7B, Kolkata 700 013, West Bengal, India. Tel No.: +91(33) 2215 8486 Fax No.: +91 (33) 2215 8486 Email: <a href="mailto:ipo@bronzeinftratech.com">ipo@bronzeinftratech.com</a>

**Note: Investors can contact the Compliance Officer in case of any Pre Issue or Post Issue related problems such as non-receipt of letter of allotment or share certificates, credit of securities in depositories' beneficiary account or dispatch of refund orders etc.**

### Board of Directors of the Company

Our Board of Directors consists of:

Name	Designation	DIN No.
Mr. Manoj Kumar Bajaj	Chairman and Managing Director	03371881
Mr. Punit Sureka	Non Executive Director	00535780
Mr. Sumit Sharma	Non Executive and Independent Director	05155563
Mr. Niraj Jewrajka	Non Executive and Independent Director	05318153

For further details pertaining to the education qualification and experience of our Directors, please refer to page 82 of this Draft Prospectus under the Section titled "Our Management".

**Details of Key Intermediaries pertaining to this Issue and our Company**

<b>Lead Manager of the Issue</b>	<b>Registrar to the Issue</b>
<b>Stellant Capital Advisory Services (P) Ltd</b> Merchant Chamber, Basement, Opp: Patkar Hall, New Marine Lines, Churchgate, Mumbai -400 020 Tel. No.: 91(22) 2206 1606; Fax No.: 91(22)2206 5061 Website: <a href="http://www.stellantcapital.com">www.stellantcapital.com</a> Email: <a href="mailto:ipo@stellantcapital.com">ipo@stellantcapital.com</a> , Contact Person: Mr. Jinesh Lodaya/ Mr.Lokendra Parihar SEBI Registration No.: INM 000011773	<b>CB MANAGEMENT SERVICES (P) LIMITED</b> P-22 Bondel Road, Kolkata -700 019 Tel No.:91(33) 2280 6692; Fax No.:91(33) 2287 0263 Email ID: ipo@cbmsl.com Website: <a href="http://www.cbmsl.com">www.cbmsl.com</a> Contact Person: Mr. P. Basu SEBI Registration No: INR000003324
<b>Bankers to the Company</b>	<b>Legal Advisor to the Issue</b>
<b>HDFC Bank Limited,</b> Central Plaza Building, 2/6, Sarat Bose Road, Kolkata, West Bengal 700 020  Tel. No.:+91 33 30578217 Fax No.:+91 33 22836922 Website: <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> Email ID: <a href="mailto:zafar.ehsan@hdfcbank.com">zafar.ehsan@hdfcbank.com</a> Contact person: Zafar Ehsan	<b>SUBHASH BANDYOPADHYAY</b> 48/1, Pathak Para Road, Behala, Kolkata, West Bengal 700 060  Tel. No. +91 09051269720  Email:subhas.advocate@gmail.com Contact Person: Mr. Subhash Bandyopadhyay
<b>Auditors of the Company</b>	<b>Bankers to the Issue (Escrow Collection Banks)</b>
<b>M/s Surana Singh Rathi &amp; Co.</b> Chartered Accountant 13/A, Laxmi Narayan Mukherjee Road, Kolkata 700 006 Membership No.: 053271 Tel. No.: +91(33)22594182 Fax No.: +91 (22 ) Email:sksurana1955@yahoo.co.in Contact Person: Mr. S.K. Surana	[•]
<b>Refund Banker to the Issue</b>	
[•]	

**Statement of inter se allocation of responsibilities**

Since Stellant Capital Advisory Services Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

**Self Certified Syndicate Banks ("SCSBs")**

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on <http://www.sebi.gov.in/pmd/scsb.html>. For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

**Credit Rating**

As this is an issue of Equity Shares there is no credit rating for this Issue.

**Trustees**

As the Issue is of Equity Shares, the appointment of trustees is not required.

### Monitoring Agency

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below ₹ 50000.00 Lakhs. Since the Issue size is only of ₹ 855.60 Lakhs, our Company has not appointed any monitoring agency for this Issue.

However, as per the Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchange upon listing of the equity shares and the Corporate Governance Requirements, the Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### Details of the Appraising Authority

The objects of the issue and deployment of funds are not appraised by any independent agency/ bank/ financial institution.

### Underwriting

This issue is 100% Underwritten. The Underwriting agreement is dated September 6, 2012. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this issue:

<b>Details of the Underwriter</b>	<b>No. of shares underwritten</b>	<b>Amount Underwritten (₹ in Lakhs)</b>	<b>% of the Total Issue Size Underwritten</b>
<b>Stellant Capital Advisory Services (P) Ltd</b> Merchant Chamber, Basement, Opp: Patkar Hall, New Marine Lines, Churchgate, Mumbai -400 020 Tel. No.: +91 (22) 2206 1606 Fax No.: +91 (22) 2206 5061 Website: www.stellantcapital.com Email: ipo@stellantcapital.com, Contact Person: Mr. Jinesh Lodaya/ Mr. Lokendra Parihar SEBI Registration No.: INM 000011773	856000	128.40	15.01%
<b>Sherwood Securities Private Limited</b> 2 <sup>nd</sup> Floor, 19B, B.B Ganguly Street, Kolkata-700 012 Tel. No. +91 (33) 3256 3107 Fax. No. +91 (33) 2236 9295 Email: rahuljjwala@gmail.com Contact Person: Mr. Alok Harlalka/ Mr. Rahul Jhunjunwala SEBI Registration No.: INB011394633	4848000	727.20	84.99%
<b>Total</b>	<b>5704000</b>	<b>855.60</b>	<b>100%</b>

In the opinion of our company's Board of Directors the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective obligations in full.

### Details of the Market Making Arrangement for this Issue

Our company and the Lead Manager have entered into a tripartite agreement dated September 6, 2012 with the following Market Maker to fulfil the obligations of Market Making:

<b>Name:</b>	Sherwood Securities Private Limited
<b>Address:</b>	2 <sup>nd</sup> Floor, 19B, B.B Ganguly Street, Kolkata-700 012
<b>Tel No.:</b>	+91 (33) 3256 3107
<b>Fax No.:</b>	+91 (33) 2236 9295
<b>Email:</b>	rahuljjwala@gmail.com
<b>Contact Person</b>	Mr. Alok Harlalka, Mr. Rahul Jhunjunwala
<b>SEBI Registration No.:</b>	INB011394633

The Market Maker shall fulfil the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- 2) The minimum depth of the quote shall be ₹ 1,00,000/- . However, the investors with holdings of value less than Rs.1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- 3) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 4) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 5) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time.

The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

## CAPITAL STRUCTURE

The share capital of the Company as at the date of this Draft Prospectus, before and after the Issue, is set forth below.

( ₹ in Lakhs, except share data)

	Particulars	Aggregate Nominal value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	1,75,00,000 Equity Shares of face value of ₹ 10/- each	1750.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital before the Issue</b>		
	1,14,92,500 Equity Shares of face value of ₹ 10/- each fully paid up in cash	1149.25	-
<b>C</b>	<b>Present Issue in terms of this Draft Prospectus*</b>		
	57,04,000 Equity Shares of ₹ 10/- each at a premium of ₹ 5/- per Equity Share	570.40	855.60
	<b>Which Comprises</b>		
<b>(I)</b>	8,64,000 Equity Shares of ₹ 10/- each at a premium of ₹ 5/- per Equity Share reserved as Market Maker Portion	86.40	129.60
<b>(II)</b>	Net Issue to Public of 48,40,000 Equity Shares of ₹ 10/- each at a premium of ₹ 5/- per Equity Share to the Public	484.00	726.00
	<b>Of Which</b>		
	24,20,000 Equity Shares of ₹ 10/- each at a premium of ₹ 5/- per Equity Share will be available for allocation for Investors of up to ₹ 2.00 Lakhs	242.00	363.00
	24,20,000 Equity Shares of ₹ 10/- each at a premium of ₹ 5/- per Equity Share will be available for allocation for Investors of above ₹ 2.00 Lakhs	242.00	363.00
<b>D</b>	<b>Post Issue Issued, Subscribed &amp; Paid-up Share Capital</b>	<b>1719.65</b>	-
<b>E</b>	<b>Share Premium Account</b>		
	Before the issue		<b>568.45</b>
	After the Issue		<b>853.65</b>

\* The present issue has been authorized pursuant to a resolution of our Board dated July 16, 2012 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at an Extra Ordinary General Meeting of our shareholders held on July 31, 2012.

### CLASSES OF SHARES

The Company has only one class of share capital i.e. Equity Shares of ₹10/- each only.

#### Changes in Authorized Share Capital

Date Of Meeting	Nature Of meeting	Number Of Equity Shares	Face Value	Cumulative No. of Equity Shares	Cumulative Authorised Share Capital (₹)
On Incorporation		20000	10	20000	200000
March 28, 2005	EGM	150000	10	170000	1700000
March 30, 2006	EGM	75000	10	245000	2450000
March 30, 2007	EGM	5000	10	250000	2500000
March 28, 2008	EGM	10000	10	260000	2600000
July 12, 2012	EGM	17240000	10	17500000	175000000



## Notes to the Capital Structure:

### 1. Share Capital History of our Company:

#### a) Equity Share Capital

Our Company has made allotments of Equity Shares from time to time. Our Company has not made any allotment of preference shares. The following is the Equity share capital build-up of our Company:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Premium (₹)	Nature of Allotment	Consideration	Cumulative No. of Equity shares	Cumulative Paid-up Equity Capital	Cumulative Share Premium(₹)
12/10/2004	10000	10	-	Subscription to MoA <sup>(1)</sup>	Cash	10000	100000	-
31/03/2005	160000	10	190	Further Allotment <sup>(2)</sup>	Cash	170000	1700000	30400000
31/03/2006	74000	10	190	Further Allotment <sup>(3)</sup>	Cash	244000	2440000	44460000
31/03/2007	5000	10	190	Further Allotment <sup>(4)</sup>	Cash	249000	2490000	45410000
31/03/2008	7500	10	190	Further Allotment <sup>(5)</sup>	Cash	256500	2565000	46835000
14/07/2012	3078000	10	0	Bonus Shares in the ratio of 12:1 <sup>(6)</sup>	Other Than Cash	3334500	33345000	16055000
31/07/2012	8158000	10	5	Preferential Allotment <sup>(7)</sup>	Cash	11492500	114925000	56845000

1. Initial Subscriber's to Memorandum of Association Mr. Mukesh Bhuwalka and Mr. Amit Badiya were each allotted 5000 Equity Shares of ₹ 10/- fully paid up.
2. The Company allotted 1,60,000 Equity shares at the price of ₹ 200/- (premium of ₹ 190 ) at the face value of ₹ 10/-. Following are the members to whom the shares are allotted:-
  - a. 17500 Equity shares were allotted to Allworth Commodities Private Limited.
  - b. 5500 Equity shares were allotted to Athithi Commodeal Private Limited.
  - c. 2500 Equity shares were allotted to Belfast Agencies Private Limited.
  - d. 5000 Equity shares were allotted to Budhiya Commercial Private Limited.
  - e. 2500 Equity shares were allotted to Chitrakoot Trade links Private Limited
  - f. 4500 Equity shares were allotted to Citikool agencies Private Limited
  - g. 6250 Equity shares were allotted to Daccon Impex Private Limited.
  - h. 8500 Equity shares were allotted to Dhirendra Memorial hospital Private Limited
  - i. 2000 Equity shares were allotted to Evergreen trafin Private Limited.
  - j. 1100 Equity shares were allotted to George Distributors Private Limited.
  - k. 3500 Equity shares were allotted to Graceful Traders Private Limited.
  - l. 2500 Equity shares were allotted to Kalantar Suppliers Private Limited.
  - m. 3750 Equity shares were allotted to Karun Syntex Private Limited.
  - n. 4650 Equity shares were allotted to Krishna Chlorate Private Limited.
  - o. 1000 Equity shares were allotted to Madhu Sharma.
  - p. 7500 Equity shares were allotted to Moran Plantation Private Limited.

- q. 5000 Equity shares were allotted to Mudrika Fiscal Services Private Limited.
  - r. 2500 Equity shares were allotted to Nawneet Marketing Private Limited.
  - s. 5000 Equity shares were allotted to Ontrack Suppliers Private Limited.
  - t. 5000 Equity shares were allotted to Pragya Commerce Private Limited
  - u. 5000 Equity shares were allotted to Rahul Traders Private Limited.
  - v. 1750 Equity shares were allotted to Rankini Tracom Private Limited.
  - w. 7500 Equity shares were allotted to Saharsh Suppliers Private Limited.
  - x. 7500 Equity shares were allotted to Silverpoint Marketing Private Limited.
  - y. 7500 Equity shares were allotted to Sital Suppliers Private Limited.
  - z. 3500 Equity shares were allotted to Sugam International Private Limited.
  - aa. 2500 Equity shares were allotted to Surendra Kumar Kedia.
  - bb. 2500 Equity shares were allotted to Surya Shakti Marketing Private Limited.
  - cc. 15000 Equity shares were allotted to Swift Vanijya Private Limited.
  - dd. 2500 Equity shares were allotted to Trimurti Auto Finance Limited.
  - ee. 4000 Equity shares were allotted to VR Digital Private Limited.
  - ff. 5000 Equity shares were allotted to Wrinkle Vyapaar Private Limited.
3. The Company allotted 74,000 Equity Shares at the price of ₹200 /- (premium of ₹190 ) at the face value of ₹10/-. Following are the members to whom the shares are allotted:
- a. 5000 Equity shares were allotted to Ambition Tie-up Private Limited.
  - b. 16500 Equity shares were allotted to Dhanlakshmi Vyapar Private Limited.
  - c. 30750 Equity shares were allotted to Evergreen Trafin Private Limited.
  - d. 7500 Equity shares were allotted to Citikool Agencies Private Limited.
  - e. 11750 Equity shares were allotted to Nischay Distributors Private Limited.
  - f. 2500 Equity shares were allotted to Rotomac Vinimay Private Limited.
4. The Company allotted 5,000 Equity Shares to Key Engineers Developers Private Limited at the price of ₹200 /- (premium of ₹190 ) at the face value of ₹10/-.
5. The Company allotted 7,500 Equity Shares to Parag Communication Private Limited at the price of ₹200 /- (premium of ₹190 ) at the face value of ₹10/-.
6. The Company allotted 3078000 Equity share at the face value of ₹10/- as a bonus shares Following are the members to whom the shares are allotted:
- a. 3076320 Equity shares were allotted to M/s. Competent Textiles Private Limited
  - b. 600 Equity shares were allotted to Mr. Manoj Kumar Bajaj.
  - c. 600 Equity shares were allotted to Mr. Punit Sureka
  - d. 120 Equity shares were allotted to Ms. Gita Gupta.
  - e. 120 Equity shares were allotted to Mr. Chnadra Rekha Gupta
  - f. 120 Equity shares were allotted to Mr. Raj Kumar Bajoria.
  - g. 120 Equity shares were allotted to Ms. Priti Bajoria.
7. The Company allotted 8158000 Equity shares at a price of ₹15/- (premium of ₹5) at the face value of ₹10 as Preferential allotment. Following are the members to whom the shares are allotted:
- a. 22500 Equity shares were allotted to Mr. Manoj Goel
  - b. 22500 Equity shares were allotted to Ms. Rashmi Goel
  - c. 70000 Equity shares were allotted to Mr. Raghunath Mittal.
  - d. 70000 Equity shares were allotted to Raghunath Mittal HUF
  - e. 60000 Equity shares were allotted to Ms. Madhu Mittal
  - f. 70000 Equity shares were allotted to Mr. Rahul Mittal
  - g. 60000 Equity shares were allotted to Ms. Nidhi Mittal
  - h. 60000 Equity shares were allotted to Ms. Juhi Mittal
  - i. 30000 Equity shares were allotted to Nidhi Harwarka

- j. 100000 Equity shares were allotted to Mr. Vikram Harwalkar
- k. 33000 Equity shares were allotted to Deepa Vaid
- l. 33000 Equity shares were allotted to Madhusudan Vaid
- m. 30000 Equity shares were allotted to Vikram Harwalkar HUF
- n. 47000 Equity shares were allotted to Lalita Devi Nahata
- o. 23500 Equity shares were allotted to Krishna Murari Nahata HUF
- p. 23500 Equity shares were allotted to Krishna Murari Nahata
- q. 2000000 Equity shares were allotted to Salavation Developers
- r. 5000000 Equity shares were allotted to Competent Textiles Private Limited
- s. 166500 Equity shares were allotted to Manoj Kumar Bajaj
- t. 166500 Equity shares were allotted to Punit Sureka

**b) Shares allotted for consideration other than cash**

The Following are the shares were allotted for consideration other than Cash

Date of Allotment	Name Of Person	No. Of Equity Shares	Face value ₹	Issue Price ₹	Reason For Allotment	Benefits accrued to our Company
14/07/2012*	Competent Textiles Private Limited	30,76,320	10	-	Bonus Issue in the ratio of 12 Equity Shares for every 1 Equity Shares held.	NIL
	Manoj Kumar Bajaj	600				
	Punit Sureka	600				
	Gita Gupta	120				
	Chandra Rekha Gupta	120				
	Raj Kumar Bajoria	120				
	Priti Bajoria	120				
	<b>Total</b>	<b>3078000</b>				

\* Pursuant to EGM held on 14<sup>th</sup> July, 2012, our Company has issued 3078000 Bonus Shares in the ratio of 12 Equity Shares for every 1 Equity Shares held to all the Shareholders, by capitalization of the reserves and surplus and Securities Premium Account.

**c) History & Share Capital Build-up of our Promoters**

Our Promoters have been allotted Equity Shares and have entered into Purchase/Sale Transactions of the Company's Equity shares from time to time. The following is the Equity share capital build-up of our Promoter:

Date of Allotment / Transfer	No. Of Equity Shares	Face Value ₹	Issue/ Acquisition Price Per Equity Shares ₹	Pre Issue %	Post Issue %	Consideration	Nature Of transaction	Lock in Period
<b>M/s Competent Textiles Private Limited</b>								
21/5/2010	2,56,400	10	2	2.23	1.49	Cash	Acquisition	1 years
29/6/2010	(40)	10	(196)	Negligible	Negligible	Cash	Transfer	-
14/7/2012	30,76,320	10	NIL	26.76	17.89	Other than Cash	Bonus Issue of Equity Share in the ratio of 12:1	1 year
31/7/2012	50,00,000	10	15	43.50	29.08	Cash	Preferential Allotment	3439300 No. Of Shares

Date of Allotment / Transfer	No. Of Equity Shares	Face Value ₹	Issue/ Acquisition Price Per Equity Shares ₹	Pre Issue %	Post Issue %	Consideration	Nature Of transaction	Lock in Period
								For 3 Year
								1560700 No. Of Shares For 1 Year
<b>Sub-Total (i)</b>	<b>8332680</b>			<b>72.50</b>	<b>48.47</b>			
<b>(ii) Mr. Manoj Kumar Bajaj</b>								
12/10/2011	50	10	10	0.0004	0.0002	Cash	Acquisition by transfer	1 Year
14/7/2012	600	10	NIL	0.005	0.003	Other Than Cash	Bonus Issue of Equity Share in the ratio of 12:1	1 Year
31/7/2012	166500	10	15	1.45	0.97	Cash	Preferential Allotment	1 year
<b>Sub-Total (ii)</b>	<b>167150</b>			<b>1.45</b>	<b>0.97</b>			
<b>(iii) Mr. Punit Sureka</b>								
12/10/2011	50	10	10	0.0004	0.0002	Cash	Acquisition by transfer	1 Year
14/7/2012	600	10	NIL	0.005	0.003	Other Than Cash	Bonus Issue of Equity Share in the ratio of 12:1	1 Year
31/7/2012	166500	10	15	1.45	0.97	Cash	Preferential Allotment	1 year
<b>Sub-Total (iii)</b>	<b>167150</b>			<b>1.45</b>	<b>0.97</b>			
<b>Total (i+ii+iii)</b>	<b>8666980</b>			<b>75.41</b>	<b>50.40</b>			

*Notes:*

- Our Promoters M/s Competent Textiles Private Limited took over the management of our Company in the May 2010.
- None of the shares belonging to our promoters have been pledged till date.
- All the promoters' shares shall be subject to lock-in from allotment of shares issued through this Draft Prospectus for periods as applicable under Regulation 36 of the SEBI (ICDR) Regulations. For details please refer to Note No. 2 of "Capital Structure" on page 31 of this Draft Prospectus

- d) Except for the Bonus Shares Issued to our Promoters and Promoters Group Members, no other shares have been acquired by the Promoters and Promoters Group members during the last one year for a price which is below the issue price. Details of the Bonus Shares allotted to our Promoters and Promoters Group Members are as below:

Name of Promoter and Promoter Group and Member	Shares
M/s Competent Textiles Private Limited	3076320
Mr. Manoj Kumar Bajaj	600
Mr Punit Sureka	600
<b>Total</b>	<b>3077520</b>

- e) None of the members of the Promoters Group/Directors and their immediate relatives have entered into any Transactions in the Equity shares of our Company within the last six months from the date of this Draft Prospectus.
- f) None of the members of the Promoters Group/Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Prospectus with SEBI.

## 2. Promoters Contribution and Other Lock-In details:

### a) Details of Promoters Contribution locked-in for 3 years

Pursuant to the Regulation 32(1) and 36(a) of the SEBI Regulations, an aggregate 20% of the Post-Issue Equity Share capital of our Company shall be locked up by our Promoters for a period of three years from the date of allotment of Equity Shares in this Issue.

The details of the Promoters' Equity Shares locked-in for a period of three years are as follows:

Name of Promoter	No. of Shares	As a % of Post Issue Share Capital
Ms. Competent Textiles Private Limited	34,39,300	20%
<b>Total</b>	<b>34,39,300</b>	<b>20%</b>

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

- Equity Shares acquired during the preceding three years for consideration other than cash and out of revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or reserves without accrual of cash resources.
- Equity Shares acquired, except the bonus shares issued, by the Promoters during the preceding one year, at a price lower than the price at which Equity Shares are being offered to public in the Issue.
- Private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.
- The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge
- Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum promoters' contribution subject to lock-in.
- Equity shares issued to our promoters on conversion of partnership firms into limited companies.

The lock in period shall commence from the date of allotment of Equity Shares in the proposed public issue as per the applicable SEBI Regulations.

Our Promoter has given their written undertaking for inclusion of the aforesaid Equity Shares as a part of Promoter's contribution which is subject to lock-in for a period of 3 years from the date of Allotment of Equity Shares in the proposed Issue.

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

**b) Details of Shares locked-in for one year:**

- Pursuant to Regulation 37 of the SEBI Regulations, in addition to the Promoters’ contribution to be locked-in for a period of 3 years, as specified above, the entire Pre-Issue issue Equity Share capital will be locked in for a period of one (1) year considering from the date of allotment in this Issue.
- Pursuant to Regulation 39 of the SEBI Regulations, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. However, as on date of this Draft Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by the Promoters, which are locked in as per Regulation 36 of the SEBI Regulations, may be transferred to and amongst the Promoters/ Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.
- Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than the Promoters, which are locked-in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

**3. Pre-Issue and Post Issue Shareholding Pattern of the Company is set Below**

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	as a % of Issued Equity	No. of Equity Shares	as a % of Issued Equity
A	<b>Promoters</b>				
	Total (A)	86,66,980	75.41	86,66,980	50.40
B	<b>Others ( other than Promoter and Promoter Group)</b>				
	Total (B)	28,25,520	24.59	8529520	49.60
<b>Total (A+B)</b>		<b>1,14,92,500</b>	<b>100.00</b>	<b>17196500</b>	<b>100.00</b>

- Neither the Company, nor its promoters, directors, nor the LM have entered into any buyback and/or standby arrangements for purchase of Equity Shares of the Company from any person.
- None of our Directors or Key managerial personnel holds Equity Shares in the Company, except as stated in the section titled “*Our Management*” beginning on page 82 of this Draft Prospectus.
- The top ten shareholders of our Company and their Shareholding is as set forth below:**
  - The top ten Shareholders of our Company as on the date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	M/s Competent Textiles Private Limited	83,32,680	72.51
2	Manoj Kumar Bajaj	1,67,150	1.45
3	Punit Sureka	1,67,150	1.45
4	Arvind Agarwal	1,00,000	0.87
5	Vikram Harlalka	1,00,000	0.87
6	Kavita Agarwal	75,000	0.65
7	Raghunath Mittal	70,000	0.61
8	Raghunath Mittal HUF	70,000	0.61
9	Rahul Mittal	70,000	0.61
10	Rohit Mittal	70,000	0.61
<b>Total</b>		<b>92,21,980</b>	<b>80.24</b>

b. The top ten Shareholders of our Company ten (10) days prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Competent Textiles Private Limited	8,33,2680	72.51
2	Salvation Developers	20,00,000	17.40
3	Manoj Kumar Bajaj	1,67,150	1.45
4	Punit Sureka	1,67,150	1.45
5	Vikram Harlalka	1,00,000	0.87
6	Raghunath Mittal	70,000	0.61
7	Raghunath Mittal HUF	70,000	0.61
8	Rahul Mittal	70,000	0.61
9	Rohit Mittal	70,000	0.61
10	Madhu Mittal	60,000	0.52
11	Niddhi Mittal	60,000	0.52
12	Juhi Mittal	60,000	0.52
<b>Total</b>		<b>1,12,26,980</b>	<b>97.69</b>

c. The top ten Shareholders of our Company two (2) years prior to date of this Draft Prospectus are:

Sr. No.	Particulars	No. of Shares	% of Shares to Pre – Issue Share Capital
1	Competent Textiles Private Limited	2,56,400	99.96
2	Ashoke Derasari	100	0.04
<b>Total</b>		<b>2,56,500</b>	<b>100</b>

7. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. 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.
8. In the case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43(4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
9. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange. Such inter-se spill over, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.
10. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be specified by SEBI from time to time.
11. Since the entire application money is being called on application, all successful applications, shall be issued fully paid up shares only. Also, as on the date of filing of this Draft Prospectus the entire pre-issue share capital of the Company has been made fully paid up.
12. The Company presently does not have any intention or proposal to alter its capital structure for a period of six months commencing 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 or securities convertible into Equity Shares, whether on a preferential basis or otherwise.
13. We have not issued any Equity Shares out of revaluation reserves. We have not issued any Equity Shares for consideration other than cash except as stated in this Draft Prospectus.
14. As on date of filing this Draft Prospectus, there are no outstanding ESOP's, warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares, nor has the company ever allotted any equity shares pursuant to conversion of ESOP's till date.
15. Our Company shall ensure that transactions in the Equity Shares by our Promoters and our Promoter Group between the date of this Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
16. The Lead Manager and its associates do not directly or indirectly hold any shares of the Company.
17. As of the date of filing of this Draft Prospectus the total number of holders of the Equity Shares is 150.
18. Our Company has not made any public issue or rights issue since its incorporation.



### Shareholding Pattern of the Company

The following is the shareholding pattern of the Company as on the date of filing of this Draft Prospectus:

Category of Shareholder	No. of Shareholders	Total No. of Shares	Total No. of Shares Held in Demat Form *	Total shareholding as a % of total no. of shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	No. of shares	As a % of Total no. of shares
<b>(A) Shareholding of Promoter and Promoter Group</b>							
(1) Indian							
Individuals/ Hindu Undivided Family	2	334300	[●]	2.90	2.90	-	-
Bodies Corporate	1	8332680	-	72.51	72.51	-	-
<b>Sub Total</b>	<b>3</b>	<b>8666980</b>	<b>[●]</b>	<b>75.41</b>	<b>75.41</b>	<b>-</b>	<b>-</b>
(2) Foreign	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)</b>	<b>3</b>	<b>8666980</b>	<b>[●]</b>	<b>75.41</b>	<b>75.41</b>	<b>-</b>	<b>-</b>
<b>(B) Public Shareholding</b>							
(1) Institutions	-	-	-	-	-	-	-
(2) Non-Institutions							
Bodies Corporate			-	17.40	17.40	-	-
<b>Individuals</b>							
Individual shareholders holding nominal share capital upto ₹ 1 lakh	77	346020	-	3.01	3.01	-	-
Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	70	2479500	-	21.57	21.57	-	-
NRI's / OCB's	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
<b>Total Public Shareholding (B)</b>	<b>147</b>	<b>2825520</b>	<b>-</b>	<b>24.59</b>	<b>24.59</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>						<b>-</b>	<b>-</b>
<b>(C) Shares held by Custodians and against which Depository receipts have been issued</b>							
	-	-	-	-	-	-	-
<b>Total (A+B+C)</b>	<b>150</b>	<b>11492500</b>	<b>[●]</b>	<b>100</b>	<b>100</b>	<b>-</b>	<b>-</b>

\*The Company had entered into an agreement with CDSL and ISIN Number is INE830N01015. The Company has also made an application to NSDL.

## SECTION IV: PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Objects of the Issue are as follows:

- To meet the capital requirements for execution of our Ongoing and Forthcoming Projects and
- To Meet the Issue Expenses

In addition, our company expects to receive the benefits from listing of equity shares on the SME Platform of BSE Limited.

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum.

### Fund Requirements

The funds raised from this Issue shall be utilized for the following purposes:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	To meet expenses of construction and development of certain of our Ongoing and Forthcoming Projects	800.00
2.	To Meet the Issue Expenses	55.60
<b>Total</b>		<b>855.60</b>

### Means of Finance

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Public Issue Proceeds	855.60

The Entire fund requirements of the Objects of the Issue as detailed above are proposed to be funded from the proceeds of this Public Issue. 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 proposed to be raised from the issue.

The fund requirements and the intended use of the proceeds of this issue have been estimated internally by the company's management and have not been appraised by any bank or financial institution. We may have to revise our funding requirements and utilization schedules depending on variety of factors including but not limited to the overall economic environment, capital markets scenarios and stability, changes in strategy, financial condition and the overall management perception of risk in the market.

In case of any minor shortfall in raising the requisite amount of capital from this issue, the extent of shortfall will be met by internal accruals of the company. Likewise, in case of any excess of funds, we may use such surplus towards general corporate purposes which would be in accordance with the policies of the Board made from time to time.

In case of delay in raising the funds requirement from this issue, we may complete our expansion plans and funding requirements through unsecured loans and then, the proceeds of the issue shall be utilized to repay such unsecured loans taken.

No part of the issue proceeds will be paid as consideration to Promoter, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

## DETAILS OF THE UTILISATION OF ISSUE PROCEEDS

### 1. To Meet Expenses for Execution of Our Ongoing and Forthcoming Projects

We currently have a total of 3 Contracts, out of which, 1 Contract is at Completion stage and 2 Contracts are Ongoing. The Details of the Contracts are given below:

Sr. No	Name of the Contractor	Estimated Completion Date	Value of Projects (₹ in Lakhs)	Status of the contracts
1.	Jain Infraprojects Limited	September 2012	1,406	In Completion Stage
2.	Coastal projects Limited	March 2013	1,500	Ongoing
3.	Anil Contractors Private Limited	April 2013	1,000	Ongoing
<b>Total</b>			<b>3,906</b>	

We also expect to be awarded similar projects in the future. We intend to deploy ₹ 800 Lakhs out of the issue proceeds for our ongoing and forthcoming projects. These projects are undertaken either through our Company or through sub Contractors.

Further details on the above projects are provided in the “Section V About the Issuer Company” under “7” on page 70 of this Draft Prospectus.

### 2. To Meet the Issue Expenses

The expenses for this Issue include issue management fees, printing and distribution expenses, legal fees, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed ₹ 55.60 Lakhs.

A broad breakup of the same is as under:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Payment to Merchant Banker including fees and reimbursements of Market Making Fees, selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, Bankers etc and other out of pocket expenses.	42.00
2.	Printing & Stationery and Postage Expenses	5.60
3.	Marketing and Advertisement Expenses	5.00
4.	Regulatory fees and other expenses	3.00
<b>Total</b>		<b>55.60</b>

### Schedule of Implementation

The funds raised from this Issue shall be utilized for the specified Objects prior to 30<sup>th</sup> April, 2013.

### Year wise break up of proceeds to be used

All funds raised through this issue, are proposed to be utilized for the specified objectives prior to 30<sup>th</sup> April, 2013.

### DEPLOYMENT OF FUNDS

M/s. Surana Singh Rathi & Co., Chartered Accountants have vide certificate dated September 6,2012 confirmed that as on 31<sup>st</sup> August 2012, following funds were deployed for the proposed Objects of the Issue:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Issue Expenses	5.00
<b>Total</b>		<b>5.00</b>

## SOURCES OF FINANCING FOR THE FUNDS DEPLOYED

M/s. Surana Singh Rathi & Co, Chartered Accountants have vide certificate dated September 6,2012, further confirmed that the funds deployed for the proposed Objects of the Issue as on 31<sup>st</sup> August 2012, have been funded from the following sources:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Internal Accruals	5.00
<b>Total</b>		<b>5.00</b>

## INTERIM USE OF FUNDS

We, in accordance with the policies established by our Board, will have flexibility in deploying the Proceeds received by us from the Issue. The particular composition, timing and schedule of deployment of the proceeds will be determined by us based upon the development of the proposed objects of the issue. Pending utilization for the purposes described above, we may temporarily invest the funds from the Issue in interest bearing liquid instruments including Deposits with banks or repayment of bank liabilities/overdraft, if any and investments in mutual funds and other financial products, other fixed and variable return instruments, and listed debt instruments.

## APPRAISAL

The Fund requirements and Means of finance presented above are not appraised by Bank or Financial Institution and are based purely on Company management estimates.

## MONITORING OF UTILIZATION OF FUNDS

The management of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

## BASIC TERMS OF ISSUE

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

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

The present issue has been authorized pursuant to a resolution of our Board dated July 16<sup>th</sup>, 2012. and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at Extra Ordinary General Meeting of our shareholders held on July 31<sup>st</sup>, 2012.

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10/- each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of ₹ 15/- each.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 8000 (Eight Thousand) and the multiple of 8000; subject to a minimum allotment of 8000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of ₹ 15/- shall be payable on Application. For more details please refer to “ <i>Section VIII Issue Related Information</i> ” under “ <i>Issue Structure</i> ” page 137 of this Draft Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company.

## MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

## BASIS OF ISSUE PRICE

Investors should read the following basis with the “Risk Factors” beginning on page 10 and the details about the business of our Company and its financial statements included in this Draft Prospectus on page 70 and 98 respectively to get a more informed view before making any investment decisions.

### Qualitative Factors

For qualitative factors pertaining to the pricing of this issue, please refer to “Section V About the Issuer Company” under “Business Overview” on page 70 of this Draft Prospectus.

### Quantitative factors

#### 1. Earnings Per Share\*\*

Financial years	Basic EPS (₹)	Adjusted EPS** (₹)	Weights
2009/2010	1.43	0.11	1
2010/2011	0.04	0.01	2
2011/2012	1.37	0.11	3
<b>Weighted Average EPS</b>	<b>0.93</b>	<b>0.46</b>	

\*Source: Auditors Report

# The Adjusted EPS\*\* for the four months period ended 31st July 2012 is ₹0.29/-

\*\*The Adjusted EPS Calculations include the retrospective effect from bonus issue made by the company on 14-07-2012. For further details, please refer to “Annexure XIX – Statement of Accounting Ratios” of the “Auditors Report” on page 98 of this Draft Prospectus.

#### 2. Price/Earnings Ratio (P/E) in relation to Issue Price of ₹15 /- per share

Particulars	P/E ratios
P/E based on Basic EPS for the year ended March 31, 2012	10.94
P/E based on Adjusted EPS for the year ended March 31, 2012	136.36
P/E based on Weighted Average Basic EPS	16.13
P/E based on Weighted Average Adjusted EPS	32.61
<u>Industry P/E</u>	15.9

\*Source: Capital Market, August 6, 2012; Sector–Infrastructure Sector

#### 3. Return on Net Worth in the last three years

Particulars	RONW (%)	Weights
Year ended March 31, 2010	0.73	1
Year ended March 31, 2011	0.02	2
Year ended March 31, 2012	0.70	3
<b>Weighted Average RONW</b>	<b>0.48</b>	

The RONW for the four months period ended 31<sup>st</sup> July, 2012 is 0.56 %

**Minimum Return on Post-Issue Net Worth to maintain pre-issue Adjusted EPS at March 31, 2012 is 0.72 %.**

#### 4. Net asset value (₹)

Financial year	Net worth (₹In Lakhs)	No. of shares	NAV(₹)
2009/2010	498.85	256500	194.48
2010/2011	498.95	256500	194.52
2011/2012	502.47	256500	195.90
4 months ended 31 <sup>st</sup> July 2012	1735.88	11492500	15.10

\* Source Auditors Report

#### 5. Net Asset Value (NAV) per share and comparison thereof with after issue NAV along with Issue Price

Sr. No.	Particulars	Amount (In ₹)
1.	As on July 31, 2012	15.10
2.	After Issue	15.07
3.	Issue Price	15.00

\*Source: Auditors report

#### 6. Comparison of Accounting Ratios with Peer Group Companies

Particulars	Face Value (₹)	EPS* (₹)	P/E Ratio	RONW (%) ^	NAV (₹)^^
Welspun Projects Limited	10	0.54	35.65	0.44	119.75
Mahindra Lifespace Developers Limited	10	29.43	11.76	10.71	274.31
<b>Bronze Infra-Tech Limited</b>	<b>10</b>	<b>0.11</b>	<b>136.36</b>	<b>0.70</b>	<b>15.10</b>

Source: Capital Market, August 6, 2012; Sector-Infrastructure

\*Basic Standalone EPS for F.Y 2011-12

\* The Adjusted EPS for FY 2011-12 after giving effect of the bonus issue made by the company on 14-07-2012

^RONW = Profit after tax and prior period adjustments/Networth

^^NAV = Share Capital + Reserves – Revaluation Reserves – Misc. Expenditure/ No. of Shares at the end of the year

The Company in consultation with the Lead Manager believes that the issue price of ₹ 15/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the Risk Factors and Financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

The Face Value of the Equity Shares is ₹ 10/- per share and the Issue Price is 1.50 times of the face value i.e. ₹ 15/- per share.

## STATEMENT OF TAX BENEFITS

To

Board of Directors  
Bronze Infra-Tech Limited  
158 Lenin Sarani  
3rd Floor, Room No. 7B  
Kolkata – 700 013

### **Sub: Proposed Initial Public Issue (the “Issue”) of BRONZE INFRA-TECH LIMITED (the “Company”)**

Dear Sirs,

We hereby report that the enclosed statement states the possible tax benefits available to BRONZE INFRA-TECH LIMITED and to its shareholders under the Income Tax Act, 1961 and the Wealth Tax Act, 1957, presently in force in India. The benefits outlined in the statement will be dependent upon the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits will be 'dependent upon such conditions being fulfilled. Additionally, in respect of the Company benefits listed, the business imperatives faced by the Company in the future will also affect the benefits actually claimed.

The benefits discussed in the enclosed 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 and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

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

- i) the Company is currently availing any of these benefits or will avail these benefits in future; or
- ii) the Company's share holders will avail these benefits in future; or
- iii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of the understanding of the business activities and operations of the Company.

This report is intended solely for your information and for inclusion in the issue documents in connection with the Issue and is not to be used, referred to or distributed for any other purpose without our prior written consent.

### **For and on behalf of**

**Surana Singh Rathi And Co.,**  
Chartered Accountants  
Firm Registration No 317119E

**S K Surana**  
Partner  
Membership No 053271

Place: Kolkata  
Date: 6<sup>th</sup> September, 2012.



## ANNEXURE TO STATEMENT OF TAX BENEFITS

### **I. SPECIAL TAX BENEFITS**

#### **1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY**

There are no special benefits accruing to the company.

#### **2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY**

There are no special tax benefits available to the shareholders of the Company.

### **II. GENERAL TAX BENEFITS**

#### **1. KEY BENEFITS AVAILABLE TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (“THE I.T. ACT”)**

##### **A) BUSINESS INCOME:**

##### **a. Depreciation:**

The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business under Section 32 of the I.T. Act.

In case of any new plant and machinery (other than specified exclusions) that will be acquired by the Company and **is put to use for 180 days or more**, the Company is entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in Section 32 of the I.T. Act.

Unabsorbed depreciation, if any, for an Assessment Year (“AY”) can be carried forward and set off against any source of income in the subsequent AYs.

##### **b. Preliminary Expenses:**

As per Section 35D, the Company is eligible for deduction in respect of specified preliminary expenses incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit of an amount equal to 1/5th of such expenditure for each of the five successive previous years beginning with the previous year in which the business commences or, as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation subject to conditions and limits specified in that section.

##### **c. Expenditure incurred on voluntary retirement scheme:**

As per section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement of an amount equal to 1/5th of such expenses every year for a period of five years subject to conditions specified in that section.

##### **d. Expenditure on Scientific Research:**

- a) As per Section 35 (1) (iv), the Company is eligible for deduction in respect of any expenditure (not being expenditure on acquisition of land) on scientific research related to the business subject to conditions specified in that section.
- b) As per Section 35(2AB), weighted deduction @200% is available on Research & Development expenditure incurred by the Company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing not being an article or thing specified in the list of eleventh schedule of the I.T. Act, (except on land and building) on in house research and development facility as approved by the prescribed authority, up to March 31, 2012.

**e. Deductions under Chapter VI-A of the I.T. Act:**

- i) As per Section 80-IB, the Company may be eligible for deduction of an amount equal to specified per cent of the profits and gains derived by specified industrial undertakings for ten consecutive assessment years subject to the fulfillment of the conditions specified in that section.
- ii) As per Section 80G, the Company will be eligible for deduction of an amount as specified in the Section in respect of donations to certain funds, charitable institutions, etc.
- iii) As per Section 80GGB, the Company will be eligible for deduction of any sum contributed by it to any political party or an electoral trust.

**f. Carry forward of business loss:**

In case of loss under the head “Profit and Gains from Business or Profession”, it can be set-off against other income and the excess loss after set-off can be carried forward for set-off - against business income of the next eight Assessment Years.

**g. Set off of accumulated Loss on amalgamation / merger:**

As per the provisions of Section 72A, the Company is entitled to carry forward and set off of accumulated loss and unabsorbed depreciation allowance under amalgamation or demerger subject to fulfillment of certain conditions.

**h. Credit:**

MAT is payable by a company when the income-tax payable on the total income as computed under the I.T. Act is less than 18.5% (plus applicable Surcharge + Education and Secondary & Higher Education cess) of its book profit computed as per the specified method

As per Section 115JAA(1A), the Company is eligible to claim for Minimum Alternate Tax (“MAT”) paid for any AY commencing on or after April 1, 2006 against normal income-tax payable in subsequent AYs. MAT credit shall be allowed for any AY to the extent of difference of the tax paid for any AY under 115JB and the amount of tax payable as per the normal provisions of the I.T. Act for that AY. Such MAT credit will be available for set-off upto ten years succeeding the AY in which the MAT credit is allowed.

**B) CAPITAL GAINS:**

**a. (i) Long Term Capital Gain (LTCG)**

LTCG means capital gain arising from the transfer of a capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Clause (23D) of Section 10 or a Zero coupon bond, held by an assessee for more than 12 months. In respect of any other capital assets, LTCG means capital gain arising from the transfer of an asset, held by an assessee for more than 36 months.

**(ii) Short term Capital Gain (STCG)**

STCG means capital gain arising from the transfer of capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Clause (23D) of Section 10 or Zero coupon bonds, held by an assessee for 12 months or less.

- b. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined) which has been set up under a scheme of a mutual fund specified under Section 10 (23D), on a recognized stock exchange on or after October 1, 2004 are exempt from tax under Section 10 (38) of the I.T. Act provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.

With effect from AY 2007-2008, income by way of long term capital gain exempt under Section 10(38) of a company shall not be excluded for computing the Book profit and income-tax payable under section 115JB.

- c. As per second proviso to Section 48, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by Government), is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration
- i) As per Section 112, the LTCG that are not exempt under Section 10(38) of the I.T. Act, will be subject to tax at a rate of 20% with indexation benefit plus applicable surcharge thereon and 3% Education and Secondary &

Higher Education Cess on tax plus Surcharge (if any) (hereinafter referred to as applicable Surcharge + Education and Secondary & Higher Education Cess)

- ii) However, as per proviso to Section 112(1), if such tax payable on transfer of listed securities/units/Zero Coupon Bonds exceed 10% of the LTCG, without availing benefit of indexation, the excess tax will be ignored for computing the tax payable
  
- d. As per Section 111A of the I.T. Act, STCG arising on sale of equity shares or units of equity oriented mutual fund (as defined) under Section 10 (23D), on a recognized stock exchange are subject to tax at the rate of 15 per cent, provided the transaction is chargeable to STT. No deduction under chapter VIA shall be allowed from such income.
  
- e. In addition to the aforesaid tax rates discussed in c and d above, in the case of domestic companies where the income exceeds Rs. 10,000,000 a surcharge of 5% on such tax liability is also payable. Further, 2% education cess and 1% secondary and higher education cess on the total income tax is payable by all categories of taxpayers.
  
- f. As per section 71 read with section 74 of the I.T. Act, short term capital loss arising during a year is allowed to be set-off against short term as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent 8 assessment years.
  
- g. As per Section 71 read with Section 74, long term capital loss arising during a year is allowed to be setoff only against long term capital gains. Balance loss, if any, is allowed to be carried forward and set-off against subsequent year's long term capital gains for subsequent eight assessment years.
  
- h. Under Section 54EC of the I.T. Act, capital gains arising on the transfer of a long term capital asset will be exempt from capital gains tax if such capital gains are invested within a period of six months after the date of such transfer in specified bond issued by the following and subject to the conditions specified therein –
  - i) National Highway Authority of India constituted under Section 3 of National Highway Authority of India Act, 1988 (68 of 1988)
  - ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956. (1 of 1956)

If only part of the capital gains is so reinvested, the exemption shall be proportionately reduced.

However, if the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as Capital Gains in the year of transfer/conversion.

The investments in the Long Term Specified Asset made by the Company on or after April 1, 2007 during the financial year should not exceed Rs. 50 lacs.

## C) INCOME FROM OTHER SOURCES:

### a. Dividend Income:

Dividend (both interim and final) income, if any, received by the Company on its investments in shares of another Domestic Company shall be exempt from tax under Section 10(34) read with Section 115-O of the I.T. Act.

Income received in respect of units of a mutual fund specified under Section 10(23D) of the I.T. Act (other than income arising from transfer of units in such mutual fund) shall be exempt from tax under Section 10(35) of the I.T. Act.

## 2. KEY BENEFITS AVAILABLE TO THE MEMBERS/SHAREHOLDERS OF THE COMPANY

### A) KEY BENEFITS AVAILABLE TO THE RESIDENT MEMBERS/SHAREHOLDERS

#### a. Dividend Income:

Dividend (both interim and final) income, if any, received by the resident shareholders from a Domestic Company shall be exempt from tax Section 10(34) read with Section 115O of the I.T. Act.

#### b. Capital gains:

i) Benefits outlined in Paragraph 1(B) above to the extent also applicable to resident shareholders. In addition to the same, the following benefits are also available to resident shareholders being an individual/ HUF.

ii) As per Section 54F of the I.T. Act, LTCG arising from transfer of shares will be exempt from tax if net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

**c. Deduction of STT:**

With effect from Assessment Year 2009-2010, under section 36(1)(xv) of the I.T. Act, the STT paid in respect of taxable securities transactions entered into in the course of business is allowable as deduction if income is computed under the head “ Profits and Gains of Business or Profession”

**B) KEY BENEFITS AVAILABLE TO THE NON-RESIDENT MEMBERS/SHAREHOLDERS**

**a. Dividend Income:**

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a Domestic Company shall be exempt from tax under Section 10 (34) read with Section 115O of the I.T. Act.

**b. Capital gains:**

Benefits outlined in Paragraph 2(A)(b) above to the extent also available to a non-resident shareholder except that as per first proviso to Section 48 of the I.T. Act, the capital gains arising on transfer of capital assets being shares of an Indian Company need to be computed by converting the cost of acquisition, expenditure in connection with such transfer and full value of the consideration received or accruing as a result of the transfer into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates stipulated. Further, the benefit of indexation as provided in second proviso to section 48 is not available to non-resident shareholders.

**c. Deduction of STT:**

Benefits outlined in Paragraph 2(A)(c) above are also applicable to the non-resident shareholders.

**d. Tax Treaty Benefits:**

As per Section 90 of the I.T. Act, the shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

**e. Special provision in respect of income/LTCG from specified foreign exchange assets available to non-resident Indians under Chapter XII-A**

i) Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident. Person is deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, were born in undivided India.

ii) Specified foreign exchange assets include shares of an Indian company acquired/purchased/subscribed by NRI in convertible foreign exchange.

iii) As per Section 115E, income [other than dividend which is exempt under Section 10(34)] from investments and LTCG from assets (other than specified foreign exchange assets) shall be taxable @ 20% (plus applicable surcharge plus education and secondary and higher education cess). No deduction in respect of any expenditure allowance from such income will be allowed and no deductions under chapter VI-A will be allowed from such income.

iv) As per Section 115E, LTCG arising from transfer or specified foreign exchange assets shall be taxable @ 10% (plus applicable surcharge plus education and secondary and higher education cess).

v) As per Section 115F, LTCG on transfer of a foreign exchange asset shall be exempt under Section 115F, in the proportion of the net consideration from such transfer being invested in specified assets or savings certificates within six months from date of such transfer, subject to further conditions specified under Section 115F.

vi) As per Section 115G, if the income of an NRI taxable in India consists only of income/LTCG from such shares and tax has been properly deducted at source in respect of such income in accordance with the I.T. Act, it is not necessary for the NRI to file return of income under Section 139 (1).

- vii) As per Section 115H, where the NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income, for the assessment year, in which he is first assessable as a resident, under Section 139 of the I.T. Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent years until such assets are converted into money.
- viii) As per Section 115I, the NRI can opt not to be governed by the provisions of chapter XII-A for any AY by declaring the same in the return of income filed under Section 139 in which case the normal benefits as available to non-resident shareholders will be available

**C) KEY BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS (FIIS):**

**a. Dividend Income:**

Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt from tax under Section 10(34) read with Section 115O of the I.T. Act.

**b. Capital Gains:**

- i) Under Section 115AD, income (other than income by way of dividends referred in Section 115O) received in respect of securities (other than units referred to in Section 115AB) shall be taxable at the rate of 20%. No deduction in respect of any expenditure/allowance shall be allowed from such income.
- ii) Under Section 115AD, capital gains arising from transfer of securities (other than units referred to in Section 115AB), shall be taxable as follows:
  - As per Section 111A, STCG arising on transfer of securities where such transaction is chargeable to STT, shall be taxable at the rate of 15%. STCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 30%.
  - LTCG arising on transfer of securities where such transaction is not chargeable to STT, shall be taxable at the rate of 10%. The benefit of indexation of cost of acquisition and foreign currency fluctuation protection, as mentioned under 1st and 2nd proviso to Section 48 would not be allowed while computing the capital gains.
- iii) For corporate FIIs, the above tax rates will be increased by a surcharge of 2.5% on such tax liability in case income exceeds Rs 10,000,000.
- iv) A 2% education cess and 1% secondary and higher education cess on the total income tax (including surcharge wherever applicable) is payable by all categories of taxpayers.

**c. Exemption of capital gains from income-tax:**

- i) LTCG arising on transfer of a long term capital asset, being an equity share in a company or unit of an equity oriented fund, where such transaction is chargeable to STT is exempt from tax under Section 10(38) of the I.T. Act.
- ii) Benefit of exemption under Section 54EC shall be available as outlined in Paragraph 1(B) (h) above.

**d. Deduction of STT:**

Benefits as outlined in Paragraph 2(A)(c) above are also available to FIIs.

**e. Tax Treaty Benefits:**

As per Section 90 of the I.T. Act, a shareholder can claim relief in respect of double taxation, if any, as per the provision of the applicable double taxation avoidance agreements.

**D) KEY BENEFITS AVAILABLE TO MUTUAL FUNDS**

As per the provisions of Section 10 (23D) of the I.T. Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there-under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, would be exempt from income-tax, subject to the prescribed conditions.

**E) KEY BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS**

In terms of section 10(23FB) of the I.T. Act, income of:-

- i) Venture Capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and

- ii) Venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992, set up for raising funds for investment in a Venture Capital Undertaking, is exempt from income tax

Exemption available under the Act is subject to investment in domestic company whose shares are not listed and which is engaged in certain 'specified' business/ industry.

### **3. WEALTH TAX ACT, 1957**

Shares in an Indian company are excluded from the definition of 'asset' as defined in section 2(ea) of the Wealth Tax Act, 1957. Accordingly, shares of the Company are not liable to wealth tax in the hands of the shareholders.

### **4. GIFT TAX**

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, gift of shares will not attract gift tax in the hands of the shareholders. However, in the hands of the Donee the same will be treated as income unless the gift is from a relative as defined under Explanation to Section 56(vi) of Income-Tax Act, 1961.

#### **Notes:**

- a) All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by joint holders.
- b) In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.
- c) In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

## SECTION V: ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

*The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.*

#### Overview of Indian Economy

The Indian economy has been one of the fastest growing economies in the world, backed by strong economic fundamentals that have helped maintain a high growth trajectory with GDP growth averaging over 8% over the last five years i.e. FY07-FY11. In recent times however, the economy has been adversely affected by some spillover effects of global economic slowdown coupled with domestic pressures. During FY12, the Indian economy registered growth of 6.5% as against 8.5% during FY11.

YoY (%)	FY07	FY08	FY09	FY10	FY11	FY12
GDP	9.6	9.3	6.8	8.0	8.5	6.5
Agriculture	4.2	5.8	-0.1	0.4	6.6	6.8
Industry	12.2	9.7	4.4	8.0	7.9	8.8
Services	10.1	10.3	10.3	10.1	9.4	10.00

Source: MOSPI, EAC, RBI, BUSINESS STANDARD at GDP Factor Cost (2004-05 prices)

#### *Economic scenario in the first half of FY 12*

During the current fiscal, quarterly GDP for the Q2FY12 grew by 6.9% over the corresponding quarter of the previous year while the half yearly GDP growth stood at 7.3%. During the first half of the current fiscal, agriculture & allied activities grew by 3.6% compared to growth of 3.7% in the corresponding period last year. Sectors such as mining, manufacturing and construction have taken a beating in the first half this year, consequent on lower production and investments in the backdrop of rising interest rate regime. Mining & quarrying registered a negative growth of -0.5% during the first half of FY 12 while the construction registered the sluggish growth of mere 2.7% compared to 7.2% registered in the last year. Manufacturing sector registered a growth of 4.9% during the same period.

Source: MOSPI, EAC, RBI, BUSINESS STANDARD at GDP Factor Cost (2004-05 prices)

#### *Construction Industry Overview*

The Construction Industry in India is the second largest economic activity after agriculture and provides employment to large amount of people. Broadly, construction can be classified into two segments – infrastructure and real estate.

The infrastructure segment involves construction projects in different sectors like roads, rails, ports, irrigation, power, etc. Investment in the infrastructure sector plays a crucial role in the growth of the economy of the country.

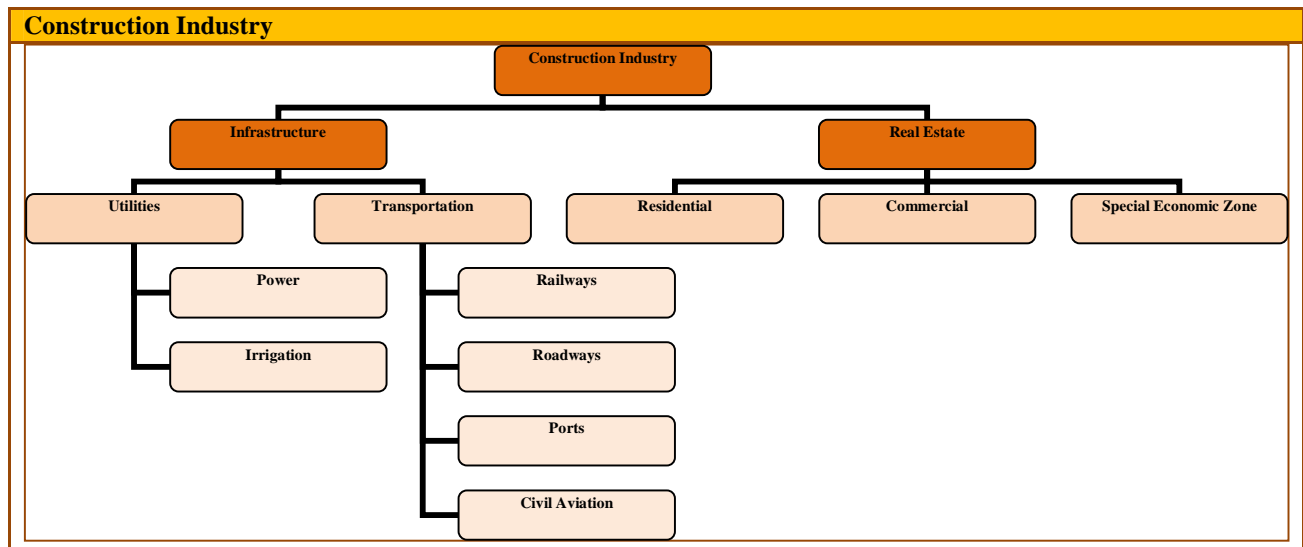
Development of infrastructure in the country mainly depends upon the spending by GoI in various sub-segments of infrastructure.

#### Characteristics of Construction Industry

- ✓ Highly fragmented
- ✓ Labour intensive
- ✓ Working capital intensive



- ✓ Close linkage with economic growth
- ✓ Rising trend of Joint ventures
- ✓ Low mechanisation levels compared to global standards
- ✓ Varied gestation period and profitability across different construction projects.



Source: NSDC

### Types of Contracts Used in the Construction Industry

The construction industry operates on the basis of contractual agreements. Over the years, different types of contracts have been developed. The type of contract mainly depends on the magnitude and nature of work, special design needs, annual requirements of funds and complexities of job. Some of the common types of contracts are discussed below.

#### Cash contract

In this type of contract, the owners (generally government bodies) award projects to qualified contractors through Bidding process. The contractor is required to quote a fixed sum and he is responsible right from design & engineering to the execution of the project. The provision of initial advance in an agreement helps the contractor to mobilise resources. This advance is then adjusted against payments made on monthly basis. After the project gets completed, it is handed over to the owner.

#### Item Rate contract

In such contracts, unit rates or prices for various kinds of work or materials are agreed upon without reference to the quantity of work to be done or to the material to be supplied. Payment to the contractor is done on the basis of quantity of work actually executed and measured, materials supplied and used by the contractor. In such type of contracts, the contractors are protected against variations in quantity of work as they get the payments for actual work at rates specified in the contract. Owners of projects of such contracts have to face uncertainty of total cost of the project till its completion.



### **BOT (Build Operate Transfer)**

Contractor (or consortium) builds a public infrastructure project (road or power) by sharing his finances with the government. Contractor operates, manages and maintains the facility for a period as mentioned in the concession agreement. Contractor raises the finance for the project and can retain the revenue generated by the facility but is not the owner of that facility. After concessionary period is over, contractor transfers the facility to the relevant authority.

Primarily, BOT projects are of two types: Annuity-based and Toll-based as discussed below:

#### Annuity-based

In this model, Bidding takes place on the basis of the annual payment which the Bidder seeks from the owner of the project. Contractor who quotes the lowest annuity wins the contract. In annuity type of project, contractor is not the owner of the project. The project is constructed and maintained by the contractor through his finances. The contractor receives the agreed upon charges from the owner (semi-annually or annually) throughout the concession period.

#### Toll-based

In toll-based project, the contractor constructs and maintains the project. He earns revenue by collecting charges from the user of the project throughout the concession period. After the concession period gets over, the project is transferred back to the owner. In such type of project the risk is completely borne by the contractor.

### **BOOT (Build Own Operate Transfer)**

This type of structure is different from BOT in a way that the contractor owns and operates the facility during the concession period.

### **BOO (Build Own Operate)**

In this approach, the contractor builds, owns and operates the infrastructure facility for the entire life of the facility.

### **Project management & consultancy**

Construction projects involve substantial capital and carry high level of risks. Each project involves its own specifications and circumstances to work on, which hinders development of a standardised working model. This makes the working of the construction industry more susceptible to human errors which can lead to huge cost overruns and schedule delays. Thus, it becomes critical that each stage of project is managed carefully. In order to tackle such issues, construction companies generally opt for the services of project management consultants. Project Management Consultants provide a complete range of project services needed to conceptualize, plan, design, engineer and construct projects to meet the specific requirements. Sometimes, they scrutinise the project activities even after the completion of the project till the project starts performing successfully.

On an average, project management and consultancy cost for the construction industry accounts for upto 2-3% of the total project cost depending on the criticality of the project. This cost generally varies for construction projects across different segments. The proportion of the project management and consultancy cost can be higher in case of critical projects like hydel power, nuclear power etc. while it can be low in case of low risk and low technology oriented projects like road stretches.

### **Construction Sector and GDP**

GDP and Construction at Factor Cost

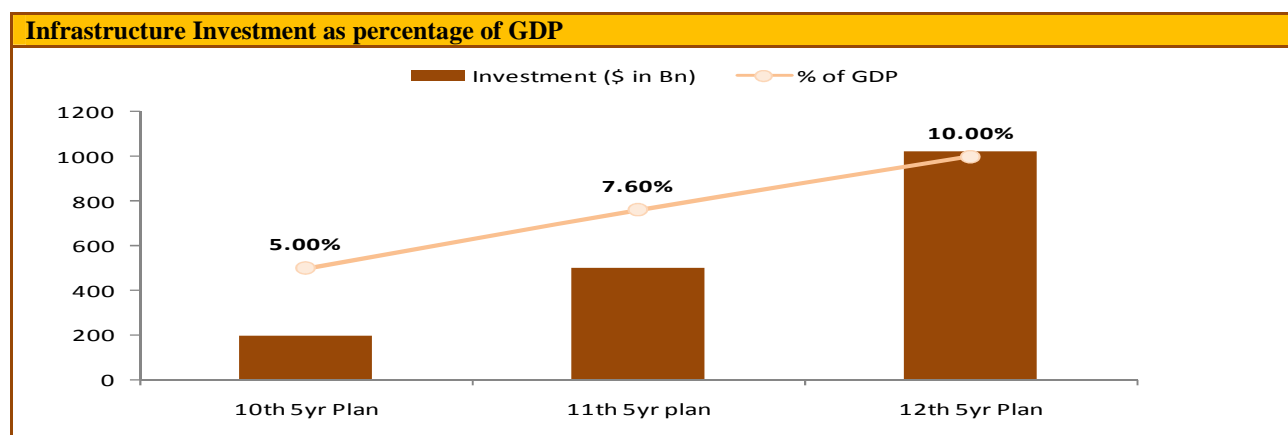
Year	GDP (Rs. In Cr.)	GDP Growth %	Construction (Rs. In Cr.)	Construction as % of GDP
FY07	35,66,011	9.6	2,84,798	8.0
FY08	38,98,958	9.3	3,15,389	8.1
FY09	41,62,509	6.8	3,32,557	8.0
FY10	44,93,743	8.0	3,55,918	7.9
FY11	48,77,842	8.5	3,84,629	7.9
FY12	52,02,515	6.5	2,49,720	4.8

Source: CSO, RBI, Business Standard

Construction Sector as a percentage of GDP has Shown an Constant growth up to FY11 around 7.9%-8.1%, but in FY12 the Sector decelerate sharply at 4.8% majorly due to slowdown in economy, shortage of skilled labour, high interest rates, slow environmental clearances, etc.

### Brief Outlook on Construction industry

The Government of India has given importance to infrastructure spending, which has widened the growth opportunity for players in EPC segment. The Planning Commission has envisaged an outlay of about \$500bn during the 11th five year plan for infrastructure development in the country. In the 12<sup>th</sup> five year plan the infrastructure spending is going to get doubled to touch at \$1025 bn, which is 10% of GDP compared to average yield of 7.55% of GDP in 11th plan and 5% of GDP 10th plan.



Source: Planning Commission

### Projected Investment in Infrastructure during 12<sup>th</sup> 5 Year plan

Year (@ Rs 50/\$)	Base Year (2011-2012)	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	Total 12th Plan
GDP at market price (Rs Cr)	7892831	8603187	9377472	10221446	11141376	12144100	<b>51487580</b>
Rate of growth of GDP (%)	9	9	9	9	9	9	<b>9</b>
Infrastructure investment as % of GDP	8.37	9	9.5	9.9	10.3	10.7	<b>9.95</b>
Infrastructure investment (Rs Cr)	660396	774287	890860	1011922	1147561	1299419	<b>5124049</b>
Infrastructure investment ( US billion)	132.08	154.86	178.17	202.38	229.51	259.88	<b>1025</b>

Source: Planning Commission

From a policy perspective, there has been a growing consensus that a private-public partnership is required to remove difficulties concerning the development of infrastructure in the country. During the first two years of the eleventh five-year plan (2007-2012), the share of private players in the total investment was 34%. This is higher than the target of 30% for the eleventh five-year plan. During the twelfth five-year plan, the contribution of private sector in total infrastructure investment is expected to increase to 50%. The balance will be borne by the public sector.

The real estate industry comprising of construction and development of properties has grown from family based entities with focus on single products and having one market presence into corporate entities with multi-city presence having differentiated products. The industry has witnessed considerable shift from traditional financing methods and limited debt support to an era of structured finance, private equity and public offering. The construction sector is a major employment driver, being the second largest employer in the country, next only to agriculture. This is because of the chain of backward and forward linkages that the sector has with other sectors of the economy. About 250 ancillary industries such as cement, steel, brick, and timber and building material are dependent on the construction industry. A unit increase in expenditure in this sector has a multiplier effect and the capacity to generate income as high as five times.

### Overview of Infrastructure Sector in India

India's Infrastructure build-out envisages investments of close to US\$500 billion, with US\$420 billion of this in the core transport and utility sectors. About one-fourth of this investment is expected to be met through Public-Private Partnerships (PPP). Successful implementation of this ambitious plan depends on four interdependent factors namely, the creation of adequate projects for tender by government agencies, the uptake of available projects by private sector developers and cash contractors, the financial closure and start of construction, and finally, the execution of projects on time- and within budget. India faces multiple challenges along all these dimensions in its quest to reach the targets set by the Eleventh Plan. To date, India's success across sectors has been mixed. Capacity under construction or fully constructed relative to the Eleventh Plan (an integrated measure of the first three dimensions mentioned above) reveals that only the power sector is on track, achieving 100 percent of planned capacity, while the ports sector is at 85 percent, the airports sector at 75 percent and the roads sector at 50 percent (including the National Highway Development Programme) that has achieved only 10 percent of planned capacity.

#### Expected construction investment for Infra sub-sectors:

##### Road Sector:

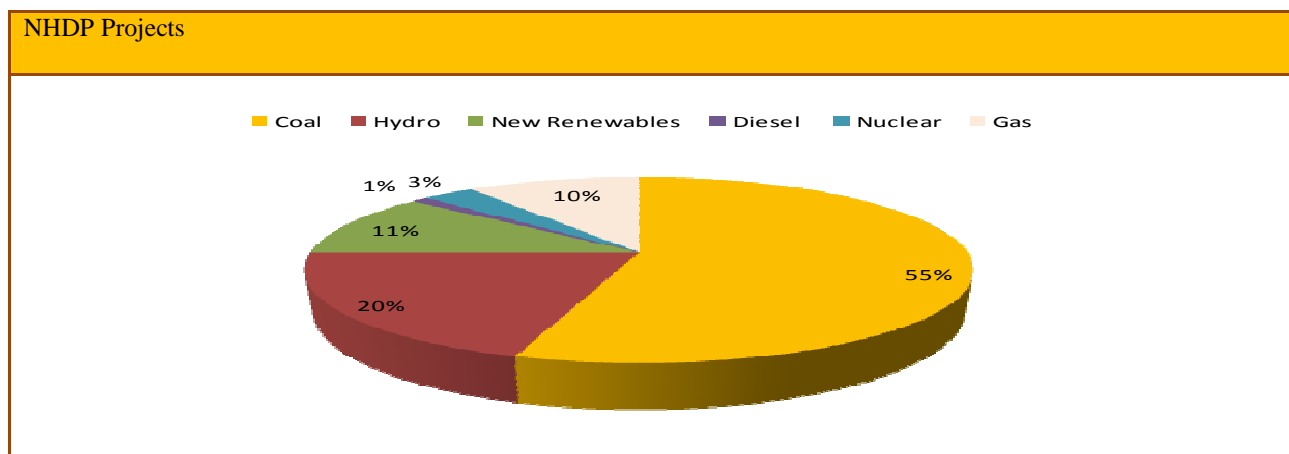
GoI has launched NHDP to develop and upgrade the national highways in the country. NHDP involves the construction & upgradation of more than 48,254 kms of the road length. Out of this, work on about 17,014kms has been completed. Across various phases of NHDP, more than 17,000 km of roadways are yet to be developed. The following table shows the phase-wise projects to be awarded and the corresponding investment:

NHDP Projects													
	NHDP								Port Connectivity	SARDP - NE	NH-34	Others	Total by NHAI
	GO	NS - EW Ph. I & II	NHDP Phase III	NHDP Phase IV	NHDP Phase V	NHDP Phase VI	NHDP Phase VII	NHDP Total					
Total Length (Km.)	5,846	7,300	12,109	14,799	6,500	1000	700	48,254	380	388		1390	50,412
Already 4/6Laned (Km.)	5,842 (99.93%)	6,031	4,071	2	1,052	-	16	17,014	359	40		963	18,376
Under Implementation (Km.)	4	691	6,198	3,316	3,028	-	25	13,262	21	72		408	13,763
Contracts Under Implementation (No.)	8	63	56	1	16	-	2	146	3	2		5	156
Balance length for award (Km.)	-	420	1,840	11,481	2,420	1000	659	17,820	0	276		20	18,116

Source: National Highway Development Projects

## Power Sector

The Installed Capacity of the country as on 31st December, 2011 was 1,86, 655 MW as depicted in the following Exhibit as follows:



Source: CEA

The country has significant potential of generation from renewable energy sources. All efforts are being taken by Government of India to harness this potential. The Installed capacity as on 31<sup>st</sup> December, 2011 from renewable energy sources is 20,162 MW which comprises of 3225.92 MW in the State sector and 16936.32 MW in the Private sector. Total Renewable Installed Capacity comprises of 14104.62 MW from Wind, 3120.83 MW from Small Hydro Plants, 2787.63 MW from Biomass Power & Biomass Gasifiers and 149.16 MW from Solar power & Urban & Industrial waste. India ranks fifth in the world in terms of installed capacity of wind turbine power plants. The growth of Installed Capacity and Generation in India from various sources is shown in Table 1.2 below:

**Growth Of Electricity Generation**

Growth of Electricity Generation			
Plan/Year	Generation	Growth rate in (%)	Compound Growth (%)
<b>8<sup>th</sup> Plan</b>			
1992-93	301.07	5.0	<b>6.61</b>
1993-94	323.53	7.5	
1994-95	351.03	8.5	
1995-96	380.08	8.3	
1996-97	394.80	3.9	
<b>9<sup>th</sup> Plan</b>			
1997-98	420.62	6.5	<b>5.47</b>
1998-99	448.37	6.6	
1999-2000	480.68	7.2	
2000-01	499.55	3.9	
2001-02	515.25	3.1	
<b>10<sup>th</sup> Plan</b>			
2002-03	531.61	3.2	<b>5.16</b>
2003-04	558.34	5.0	
2004-05	587.42	5.2	
2005-06	617.51	5.1	
2006-07	662.52	7.3	
<b>11<sup>th</sup> Plan</b>			
2007-08	704.47	6.3	
2008-09	723.79	2.7	
2009-10	771.60	6.6	
2010-11	811.10	5.6	

Source: CEA

India is facing huge power deficit. The peak power deficit has reached the level of almost 11% in FY11. GoI will have to focus on spending a major portion of the infrastructure expenditure towards the power sector in the coming years. The capacity addition target set for the 11th Plan was 78,700 MW, about quadruple of what could be actually achieved during the 10th Plan.

In addition, the overall availability of Installed Capacity is to be enhanced to 85% and a Spinning Reserve of at least 5% needs to be created. Also, the per capita availability of electricity is to be increased to over 1000 kWh by 2012. Towards

fulfilling these objectives and considering the feasibility of implementation of various projects to materialize during the 11th Plan, the capacity addition target for the 11th Plan was fixed at 78,700 MW as per details given in the Exhibits below:

<b>The capacity addition target for the 11th Plan ( Figures in MW)</b>				
<b>SOURCE</b>	<b>Central</b>	<b>State</b>	<b>Private</b>	<b>TOTAL</b>
<b>Hydro</b>	<b>8654</b>	<b>3482</b>	<b>3491</b>	<b>15627</b>
<b>Thermal</b>	<b>24840</b>	<b>23301</b>	<b>11552</b>	<b>59693</b>
<b>Nuclear</b>	<b>3380</b>	<b>-</b>	<b>-</b>	<b>3380</b>
<b>Total</b>	<b>36874</b>	<b>26783</b>	<b>15043</b>	<b>78700</b>

Source: CEA

### Ports Sector

The developments in International Port and Shipping Sector raise both threats and opportunities to the Indian Port and Shipping Sector. Indian Ports and Shipping are becoming increasingly competitive among themselves in India and abroad. On the other hand, it has opened up new opportunities to deliver quality service of international standards. As per the Ministry of Shipping, the total cargo traffic handled by the major ports is expected to reach a level of about 800 mn tonnes by the end of FY16 from current 570 mn tonnes. In order to meet the accelerating trade growth, ministry of shipping has embarked upon a massive investment programme to develop port infrastructure in the country. Under Maritime Agenda 2010-2020, the Ministry of Shipping has identified a number of port development projects like deepening of channels, construction and re-construction of berths, procurement /modernization of equipments, rail and road connectivity from ports to hinterland and other works etc. Under Maritime Agenda 2010-2020, the Ministry of Shipping has proposed an investment of approximately ₹185 billion on various projects identified for major ports, whereas the total break up of fund to commissioned through various sources of funding such as through IR, GBS, EBR and others, and Private Sector, Following table shows the details of these projects and the respective investments:

<b>Summary of Projects Being Undertaken for Major Ports under five projects heads and their funding pattern for ongoing projects:-</b>								
<b>S I. N o</b>	<b>Name of the Scheme</b>	<b>Total Number of Projects</b>	<b>Capacity Addition (In mmpta)</b>	<b>Estimated Cost (In Crores)</b>	<b>Source of Funding (In Crores)</b>			
					<b>IR</b>	<b>GBS</b>	<b>EBR &amp; Others</b>	<b>Private Sector</b>
A	Deepening of Channels/Berths etc.	6	7.50	1551.61	831.36	720.25	0.00	0.00
B	Construction/Reconstruction of Berths/Jetties, etc.	15	106.30	11146.20	783.05	0.00	0.00	10363.15
C	Procurement of Equipment etc.	8	28.90	1230.93	190.80	0.00	0.00	1040.13
D	Rail/Road Connectivity Works	20	1.00	2945.43	990.43	246.00	1709.00	0.00
E	Other Works	23	0.00	1618.77	858.77	10.00	0.00	750.00
	<b>Overall Total</b>	<b>72</b>	<b>143.70</b>	<b>18492.94</b>	<b>3654.41</b>	<b>976.25</b>	<b>1709.00</b>	<b>12153.28</b>

Source: Ministry of Shipping

## Civil Aviation Sector

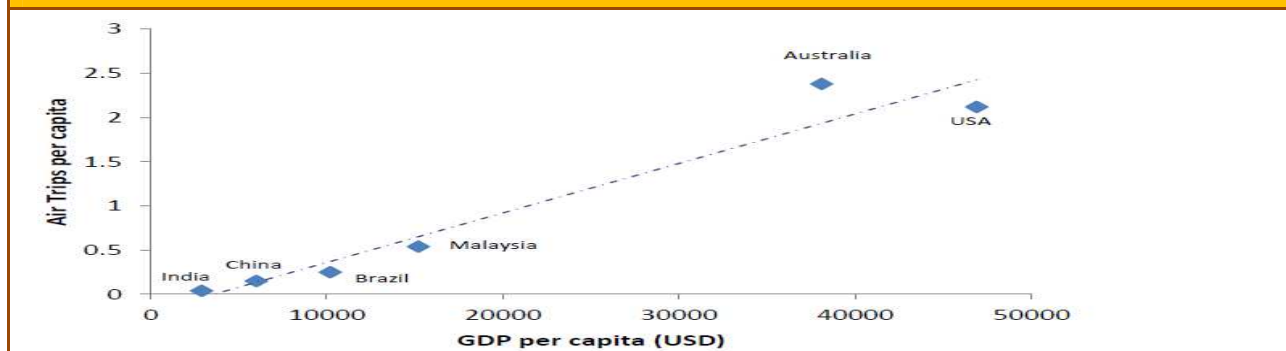
Civil Aviation is a key infrastructure sector that facilitates the growth of business, trade and tourism, with significant multiplier effects across the economy. Doubtlessly, air transport has contributed to the rapid growth in India's international trade in recent decades by offering a reliable and faster mode of transport services to move products and personnel across long distances. Therefore sustaining a viable aviation industry is vital if the economy is to reap the full benefits of the future growth in foreign trade and investment. Industries that rely most heavily on air transport for their international freight shipments include high growth sectors such as pharmaceuticals, office equipment and electronic equipment sectors besides those that have high value to weight products. Therefore high growth sectors in emerging markets are also among the most heavily dependent on the services of the aviation industry. Increased air connectivity enables manufacturing enterprises to exploit the speed and reliability of air transport to ship components across firms that are based in different and distant locations thereby minimizing the inventory cost. Countries with higher connectivity are stated to be in general more successful at attracting Foreign Direct Investment.

### Vision

The Indian economy is passing through a high growth phase. The real GDP per capita of India which grew at a CAGR of 3.9% during 1992-2001, grew at a much higher CAGR of 5.9% during 2001-2015. India was one of the few countries that led the recovery from the global financial crisis of 2008-09. It is expected to continue on the high growth path for 12th plan period (2012-17). The Indian civil aviation industry is proudly celebrating 100 years of its existence (1911-2011). These 100 years have seen wide ranging changes, as the country emerged from colonial subjugation and a long period of slow growth to become an economic powerhouse.

The 12th Five Year Plan period is crucial. The right vision, coupled with efficient execution may catapult India into the league of top aviation markets by the end of the Plan period. India has the potential to become a leading hub for passenger and cargo traffic. India can reap its demographic advantage as a wide section of the population nurtures an aspiration to fly. India also has the natural talent to drive innovation and technology development in the area of aircraft design and manufacturing. There are challenges. Air-travel is not prevalent among the masses. The following graph shows there is a direct correlation between development of an economy and air travel penetration.

#### Direct Correlation Between Development Of An Economy And Air Travel Penetration



Source: Ministry of civil aviation

Global comparison of air travel penetration<sup>6</sup> shows that India (at 0.04 air-trips per capita per annum) stands far behind the developed countries like US and Australia (2 air-trips per capita per annum). China's domestic traffic is five times the size of India's despite having a population just 10% larger. There is significant growth potential for the Indian civil aviation industry as economy grows, disposable incomes rise and the value of time becomes more precious. *The 11th Plan has propelled the Indian aviation sector on a high growth path. In FY 11, India has already made its place among the 10 largest aviation markets of the world. The vision for the Indian civil aviation industry for the 12th Plan period is:*

***“To propel India among the top five civil aviation markets in the world by providing access to safe, secure and affordable air services to everyone through an appropriate regulatory framework and by developing world class infrastructure facilities”***

***In order to facilitate this significant growth potential, India will need more airports, higher capacity, supporting infrastructure, finance and human resources. All this would require progressive and positive fiscal regime and policies and collaborative approach between the government and industry.***

The Civil Aviation consists of various segments such as Airports, Airlines, Air Freight, and Cargo Traffic, below find herewith the brief description:-

#### ***Airport sector***

The private sector played an unprecedented role during the 11th Five Year Plan by acting as a key contributor for the development of PPP airports. Total investment made by private airport operators in the last five years was to the tune of Rs 30,000 crores spread across Greenfield development of Hyderabad and Bengaluru international airports and modernization of Delhi and Mumbai international airports<sup>3</sup>. Airports Authority of India (AAI) continued its unparalleled role in creating air connectivity across the nation, incurring an expenditure<sup>4</sup> of around Rs 12,500 crores during the 11th Plan period. AAI is upgrading and modernizing 35 non-metro airports in the country, at an estimated cost of around Rs 4,500 crores. Of these 35 airports, 26 have already been developed, while the remaining is likely to be completed by end of FY-2012. AAI is also enhancing air connectivity in the Northeast by way of Greenfield airport at Pakyong (Sikkim). Until recently, AAI was the only major player involved in developing and upgrading airports in the country. The last five years have seen the arrival of several private players in this industry. Passengers handled at Indian airports during the 11th Plan period grew at an annual average growth rate of 11.5%.

#### ***Airlines***

The airline landscape in India has transformed radically in recent years. Indian carriers catered to 54 million domestic passengers during FY 2011. International traffic to and from India was 38 million passengers during the same period. The traffic growth has resulted in increased capacity of domestic carriers in the form of Available Seat Kilometers (ASKM) at around 8% along with capacity utilization with average passenger load factor having crossed the 75% mark by 2011. To cater to the growing demand during 11th Plan, the domestic carriers more than doubled their fleet size<sup>6</sup> from around 200 to 430. The 11th Plan period saw an increasing trend among domestic carriers to embrace the Low Cost Carrier (LCC) model. Total market share of LCCs including the low cost arm of Full Service Carriers has crossed 70% suggesting a significant shift in the business model of airline industry in India. Despite the phenomenal growth in traffic, most Indian carriers are reeling under losses. During the three year period between 1 Apr 2007 and 31 Mar 2010, Indian carriers incurred an accumulated operational loss in excess of Rs 26,000 crores, of which three large airlines accounted for nearly Rs 23,000 crores.

#### ***Air Freight***

India's impressive growth in international and domestic trade over past few years has augured well for the air-cargo industry in India. Total freight traffic handled by Indian airports increased at a CAGR<sup>8</sup> of over 11% in last five years to reach 2.33 MMTPA by 2011. International cargo, which accounts for two-thirds of the total cargo handled, is mainly concentrated at metro airports like Mumbai, Delhi, Chennai, Bangalore and Hyderabad. During the last few years, these international airports witnessed entry of several leading private domestic and global cargo operators such as Celebi, CSC, Menzies bringing in the latest technology and best practices.

#### ***Air Cargo***

Air Cargo Logistics play a vital role in the economic development of a nation. Airlines, Air Cargo terminal operators, Ground Handling service providers, Integrated Express Service Providers, Forwarders, Domestic Cargo Transport service providers and Custom House Agents are the key players in the entire Air Cargo supply chain. Thus the Air Cargo industry presents a wide variety of service providers coming together to move goods both domestically and internationally with a single minded purpose of faster and efficient delivery. These business entities in Air Cargo logistics industry in turn interact with a number of cross-border regulatory agencies the principal among them is the Customs establishment. Speedier services in the Air Cargo supply chain facilitate large number of business entities to become more competitive. Globally, more than one – third of the value of goods traded internationally is transported by air and therefore Air Cargo industry is considered as a barometer of Global Economic Health. From the point of view of Airline industry, Air Cargo Services contribute near about 20% of their revenue. India's international Air Trade to GDP



ratio has doubled from 4% to 8% in the last twenty years. Organisation wise 12<sup>th</sup> Plan projected outlays of the constituent units of Civil Aviation Sector are detailed below:-

**12<sup>th</sup> Plan projected outlays of the constituent units of Civil Aviation Sector**

S.No.	Organisation	Budgetary Support 2012-17	IEBR 2012-17	Total proposed outlay 2012-17
1.	Ministry of Civil Aviation (Sectt.)	300.00	0.00	300.00
2.	Air India Ltd.	19911.00	13052.67	32963.67
3.	Airports Authority of India	5073.00	12427.00	17500.00
4.	Pawan Hans Helicopters Ltd.	1010.00	725.00	1735.00
5.	Hotel Corporation of India Ltd.	75.00	0.00	75.00
6.	Air India Charters' Limited	0.00	25.00	25.00
7.	Indira Gandhi Rashtriya Uran Akademi	95.00	0.00	95.00
8.(a)	Directorate General of Civil Aviation	671.00	0.00	671.00
(b)	Aero Club of India	233.94	0.00	233.94
9.	Bureau of Civil Aviation Security	1145.00	0.00	1145.00
	<b>Total</b>	<b>28513.94</b>	<b>26229.67</b>	<b>54743.61</b>

Source: Ministry of civil aviation

The internal resources and extra-budgetary resources projected to be generated during 12th Plan period are 67.74% and 32.26% respectively of the total projected I&EBR for the five year plan period. The 12th Plan projected outlay of Air India Ltd. is Rs.32963.67 crores including budgetary support of Rs.19911.00 crores. Out of its 12<sup>th</sup> Plan projection of Rs.17500.00 crores (including budgetary support of Rs.5073.00 crores), Airports Authority of India will utilize I&EBR of Rs.12427.00 crores from its projected I&EBR generation of Rs.12469.93 crores. The 12th Plan projected outlay of Pawan Hans Helicopters Ltd. is Rs.1735.00 crores including budgetary support of Rs.1010.00 crores. Pawan Hans Helicopters Ltd. will utilize IEER of Rs.725.00 crores from its projected generation of Rs.764.99 crores.

**New initiatives in Civil Aviation Sector during 12th Plan period are:-**

- ✓ Non-lapsable Essential Air Services Fund;
- ✓ National Aviation University;
- ✓ Development of Aerospace Industry; and.
- ✓ Innovations in Governance.
- ✓ Establishment of Civil Aviation Museum.

***Non-lapsable Essential Air Services Fund***

Considering that the current arrangement for ensuring essential air services to the remote and inaccessible areas of the country through the mandate of Route Dispersal Guidelines is not satisfactory, it is felt that there is a need to revisit the Naresh Chandra Committee Report that recommended Essential Air Services Fund (EASF). World over, it is not uncommon to come across direct intervention mechanisms evolved by the Governments to provide essential Air Connectivity to underserved and unserved regions. It is, therefore, proposed to establish a Non-lapsable Essential Air Services Fund to provide explicit and direct subsidies to airlines (SOPs/RSOPs/Non-Scheduled operators) to make up for viability gaps on these routes for the airlines and for airports to be set up in the identified areas. Detailed policy guidelines would be evolved after due consultations with the stakeholders. This fund may either be termed as EASF as envisioned by Naresh Chandra Committee or Regional Air Connectivity Fund (RACF) to reflect its purpose and character.

***National Aviation University***

Given the exponential growth of air traffic services in the country and the likelihood of this trend continuing in the next two decades, the need to address issues relating to allied Services like Aviation Education and Training in India is significant. It has been estimated that the requirement of skilled personnel for various categories of skill sets required in the Civil Aviation Sector would be enormous and several times the current level of deployment of skilled personnel. That means the pressure on the education and training capacity is immense. The existing infrastructure is insufficient to



meet even today's requirements. It is, therefore, proposed to set up a National Aviation University. Besides producing Next Generation of Aviation Professionals, National Aviation University is aimed at creation of Aviation Training Hub in India to meet the requirements of other countries in the region.

### ***Development of Aerospace Industry***

Matters relating to aero space are within the scope of subjects allotted to Ministry of Civil Aviation as per Allocation of Business Rules. Considering the growth prospects of Air Traffic in the country, the potential for large scale acquisition of aircrafts by the carriers in India, and the competitive advantages arising out of growing pool of scientific and technical manpower in the country it is felt necessary to consider initiating activities towards development of aero space industry for Civil Aircraft. Although manufacture of aircraft and components in private sector is allowed, private industry has not taken up development programmes due to the long gestation period and perception of significant risk. The focus of the scheme would be on indigenization of aeronautical products. Indian Aeronautical Industry should be able to produce a small/mid-sized aircraft using indigenous resources, to provide connectivity to all parts of the country thereby generating employment, industry and prosperity to the people.

### ***Innovations in Governance***

Given the significance attached to the concept of Innovation in the "Decade of Innovation" to enhance growth and competitiveness in the economy in general it is highly relevant to promote and encourage innovation in all fields of Civil Aviation Sector. In the course of implementation of policies and programs in the civil aviation sector, a need is felt to involve non-governmental not for profit organizations to achieve better results. Such an approach is followed worldwide and has gained acceptance among stakeholders. In India too, in many sectors, involvement of voluntary organizations has resulted in commendable success. However, this has not happened in civil aviation sector. As a new initiative, Ministry of Civil Aviation proposes to involve the voluntary sector in certain crucial areas where wider participation by stakeholders can make a difference in terms of effectiveness.

### ***Establishment of Civil Aviation Museum***

- ✓ The Civil Aviation Museum shall enshrine the evolution and development of aviation and spaceflight in India, and so seek to educate and inspire the nation by
- ✓ Preserving and displaying aeronautical and spaceflight material and data of technical and historical interest and significance to national programmes.
- ✓ Developing educational material and conducting programmes to enhance public understanding of and involvement in, the development of aviation and spaceflight.
- ✓ Conducting and disseminating new knowledge on aviation and spaceflight and their related technologies.
- ✓ The aim is to archive the development of aviation in India, collect, preserve and display aeronautical equipment and provide educational material for the study of aviation and spaceflight sciences. A token provision of Rs.5.00 crores has been made for this scheme in the 12th Plan.

### **Conclusion- Infrastructure**

With the overall above information explained with regarding to Infrastructure Industry, we conclude that upcoming opportunities in the road, airports and ports sector which could drive order inflows for infrastructure companies. "We believe that return profiles are highest in ports, (free pricing in minor ports, high barriers to entry), followed by airports (regulated aero tariffs) and then by roads (high competition). Portraying dismal picture of capacity addition by the major ports in India, Given that the development of green field ports is more challenging (delays in awards, litigation etc), most companies would look at opportunities in existing major ports (privatization of individual terminals) as a route for expansion (at lower returns due to revenue share offered, while the private players operating as nor- major player have recorded an impressive growth of 17% in cargo movement during fiscal 2012, talking their share to 40% in the overall traffic, cargo at major ports, which account for majority of capacity, shrunk by 2%, it said. Analyzing, the revenue mechanism minor and major ports, "We believe that return profiles are highest in ports (free pricing in minor ports, high barriers to entry), followed by airports (regulated aero tariffs) and then by road (high competition)."

### **Overview of Real Estate**

Real estate are one of most of significant sectors of Construction Industry, The real estate sector in India has evolved over the years, accompanied by various regulatory reforms. In the past, factors such as the absence of a centralized title registry providing title guarantee, lack of uniformity in local laws affecting real estate and their application, the unavailability of bank financing, high interest rates and transfer taxes and the lack of transparency in transaction values

led to inefficiencies in the sector. However, in recent years, the real estate sector in India has exhibited a trend towards greater efficiency and transparency due to the various laws and regulations that have been implemented to govern the sector.

The real estate sector in India is highly fragmented with many regional players, who have a significant presence in their respective local markets. The sector is one of the largest employers providing employment across various skill sets thereby significantly contributing to the overall economic development. Highly correlated with the economy, the growth of the sector is supported by favorable demographics, increasing urbanization, availability of finance and rising income levels. This sector is directly affected by changes in government policies like Floor Space Index (FSI), related regulations and any changes in the approvals required for the projects from various government bodies, usually at the state level.

The key risks associated with the real estate sector are mainly the cyclical nature of the business, interest rate fluctuations and changes in government policies. Any reversal in the economic cycle, fall in demand as a result of excessive increase in prices and/or increased supply affects the cash flow of the developers. Besides, the adverse movement in interest rate affects the real estate players in both ways by hampering the demand as well as increasing the cost of construction.

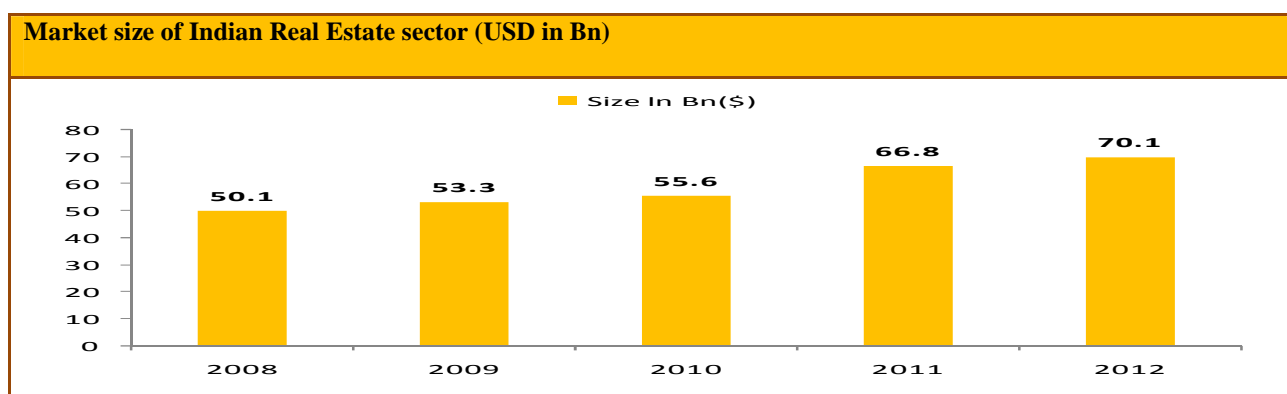
The demand for the real estate sector can be categorized mainly into three segments viz., residential, commercial and retail. While demand for residential space is determined by a combination of factors such as property price trend, individuals' income levels, interest rates and the employment market scenario, the demand for the retail and commercial segments is directly correlated to the state of the economy.

The price of residential, office and commercial properties had shot up considerably during the period FY06-FY08, led by increase in demand, overall economic development as well as substantial funds available from foreign investments. During this period, prices in the residential segment in prominent cities like Mumbai, Bangalore, Kolkata and NCR region grew (CAGR) in the range of about 25%-40% . In the same period, capital value of commercial properties in NCR registered the highest CAGR of 43% followed by Mumbai (26%) Bangalore (22%) and Kolkata (11%).

Thereafter, events like the global slowdown drop in demand- especially in the commercial and retail segments and tight liquidity conditions led to a severe downturn in the real estate industry in FY09. Consequently, the developers were holding large inventories and the overall liquidity crunch further led to the debt trap.

### Real Estate Market Size

Activities in the real estate may broadly be classified into residential, commercial and the retails segment and hotels. The size in terms of total economic value of real estate development activity of the Indian real estate market is currently US\$40-45BN (5-6% of GDP) of which residential forms the major chunk with 90-95% of the market, commercial segment is distant second with 4-5% of the market and organized retail with 1% of the market. Over next 5 Years, India real estate market is expected to grow at a grow at a CAGR of 20%, driven by 18-19% growth in residential real estate, 55-60% in retail real estate, and 20-22% in commercial real estate



Source: Indian Real estate sector, 2012, Ministry of Housing and Urban Development

### Characteristics of the Real Estate Industry

- ✓ Highly fragmented market by regional players

- ✓ Local Knowledge is critical to successful development.
- ✓ High Transaction Costs.
- ✓ Enhanced role of mortgage financing.
- ✓ Lack of Clarity in land title.
- ✓ Sector governance issues.

The Real estate industry historically has been among the most regulated sectors in India. Incomplete and inaccurate land records, high transaction taxes and extensive real estate regulations have kept a large portion of property transactions out of the formal market. The Urban Land ceiling Act and the Rent Control Act, limit the supply of land in India, which has resulted in Mumbai and New Delhi becoming among the most expensive real estate markets in the world. The Government has introduced progressive reform measures intended to unlock the potential of the sector and meet increasing levels of demand. In recent years, various reforms have been initiated by the central government as well as by individual state governments, which has led to improved organization and transparency in the sector.

### ***Growth Drivers in Real Estate***

#### Demand Pull Factor

- ✓ Robust and sustained macro-economic growth.
- ✓ Upsurge in industrial and business activities, especially new economy sectors.
- ✓ Favorable demographic parameters.
- ✓ Significant rise in consumerism.
- ✓ Rapid Urbanization.
- ✓ Availability of a range of financing options at affordable interest rates.

#### Impacts

- Increasing occupier base.
- Significant rise in demand for office/industrial space.
- Demand for newer avenues for entertainment, leisure and shopping.
- Creation of demand for new housing

#### Supply Pull Factor

- ✓ Policy and regulatory reforms (100 percent FDI relaxation)
- ✓ Positive outlook of global investors.
- ✓ Fiscal Incentives to developers.
- ✓ Simplification of urban development guidelines.
- ✓ Infrastructure support and development initiatives by the government.

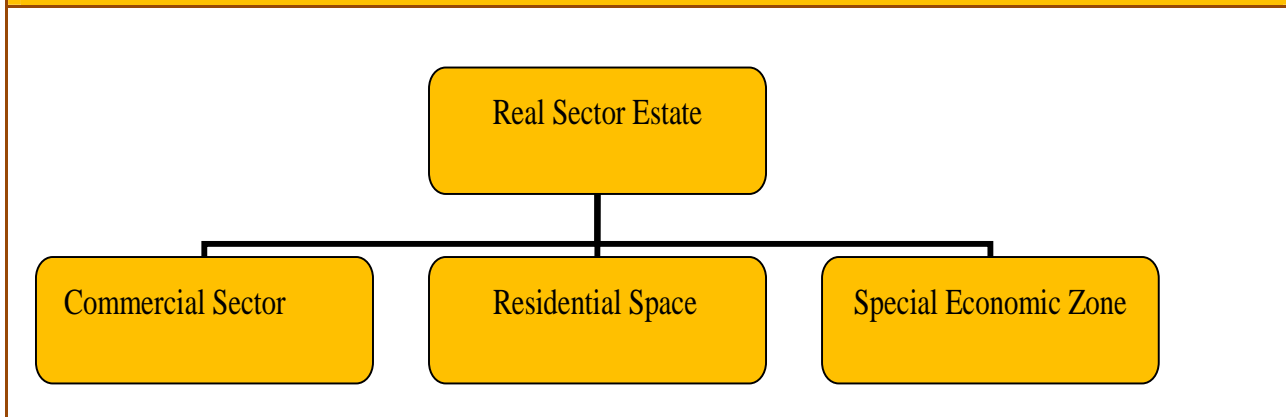
#### Impacts

- Entry of a number of domestic and foreign players; increasing competition and consumer affordability.
- Easy access to project financing options.
- Increases developers risk appetite and allows large scale development.
- Improved quality of real estate assets.
- Development of new urban areas and effective utilization of prime land parcels in large cities.

### **Market Segment**

In recent years, the Industry has evolved from a highly fragmented and unorganized Market into a Semi-organized Market.

**12<sup>th</sup> Plan projected outlays of the constituent units of Civil Aviation Sector**



The Sector can be divided into residential, commercial and special economic zone

***Commercial Sector***

The commercial office space in India has evolved significantly in the past 10 years due to change in business environment. The growth of commercial real estate has been driven largely by service sectors IT-ITeS. However, with the emergence of IT-ITeS, which had huge office space requirement, commercial development started moving towards city suburbs. It resulted in multifold development of city outskirts and suburbs like Gurgaon near New Delhi, Bandra and Malad in Mumbai, and the Electronic city in Bengaluru. In addition, over the last 10 years, locations such as Bengaluru, Gurgaon, Hyderabad, Chennai, Kolkata and Pune have established themselves as emerging destinations such as Mumbai and Delhi. Tax sops on the profits of IT-ITes companies also led to stupendous development of IT Parks and SEZs.

However, the demand for office space is directly linked to addition in number of employees, which in turn is dependent on economic growth. When economy slows down, companies hold their expansion plans leading to lower demand for office space. Downturn in the commercial real estate market in India, which had commenced during the second half of 2008, continued during the second half of 2009. The sustained decline was largely the result of postponement of expansion plans by corporate, which adversely impacted demand for office space. IT ITeS, which had been a major demand driver for the sector in the last 2 years, increased utilization rates of existing commercial space by increasing the number of shifts.

***Residential Sector***

Residential demand is the mainstay of the Indian real estate sector. The major demand drivers for the residential market include increasing disposable income levels, increase in the number of nuclear families/households, tax savings on home mortgage products as well as real estate being considered a “necessary” investment.

Demand for houses increased considerably whilst supply of houses could not keep pace with demand thereby leading to a steep rise in residential capital values especially in urban areas.

***Broadly, residential real estate industry can be divided into four growth phases:-***

***Phase I (2001-2005)*** was an initial growth phase with stabilizing residential real estate prices following the global recovery post the “dot com” bust and 9/11 terrorist attacks in New York. At the same time, there was steady growth in India economic activity, noteworthy recovery in IT/ITeS industry, growing urbanization and a rising trend towards nuclear families.

***Phase II (2006-2008)*** was a high growth phase where high demand for residential real estate led to doubling of housing prices. Demand rapidly increased due to India’s growing population, accentuated urbanization, rising disposable

incomes, rapidly growing middle class and youth population, low interest rates, fiscal incentives on interest and principal payments for housing loans and heightened customer expectations.

**Phase III (2009-2010)** witnessed substantial slowdown and part recovery in demand because of the global economic downturn, which led to a decline in affordability and tight liquidity. The retreat of various real estate investors, accompanied by slowdown in the capital markets, has resulted in oversupply and falling prices.

**Phase IV(2011-2014)** is expected to remain a consolidation phase after slowdown. Demand is expected to remain strong with capital values witnessing modest rise. This period is expected to witness substantial supply of housing especially in urban areas.

In spite of stupendous growth witnessed in the past 10 years, substantial housing shortage is still prevalent in India. The housing shortage in India is estimated at 78.7 million units at the end of Phase II. The overall housing shortage in India is likely to decline to 75.5 million units by the end of Phase IV.

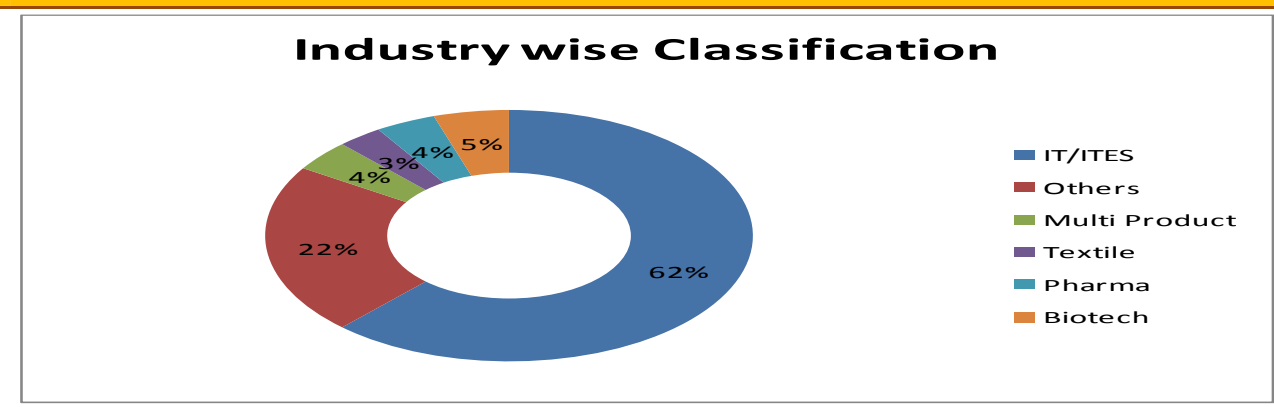
However, housing shortage in urban areas will continue to rise owing to migration towards urban areas and increasing trend of nuclear families. Housing shortage in urban areas is estimated at 19.3 million units at the end of 2008, up from 15.1 million units at the start of 2005. Housing shortage in urban areas is likely to touch a whopping 21.7 million units by the end of 2012

Source: India Real Estate Sector, 2012, (MHUD)

### Special Economic Zone (SEZ)

The Government of India introduced the SEZ Act, 2005, to generate additional economic activity, promote exports and create employment opportunities in the country. Developing an SEZ is approximately 15 to 20 percent cheaper than developing non-SEZ commercial space; given the various fiscal benefits available to SEZ developers several real estate developers have been attracted to these projects. Under the new SEZ Policy, formal approvals have been granted to 574 SEZ proposals as of March, 2012. As of March 2010, there were 350 notified SEZs and 146 have received in-principle approval. The SEZ Policy allows usage of as high as 50 percent of the SEZ area as non-processing zone, offering significant potential for residential and support infrastructure.

### 12<sup>th</sup> Plan projected outlays of the constituent units of Civil Aviation Sector



Source: Indian Real estate sector, 2012, ministry of Housing and Urban Development

### Conclusion- Real Estate

With the overall inferences drawn out of Real Estate sector We believe that the property prices for residential property are likely to remain stable at current levels as further increase in prices would lower demand by 15-20%. Also, RBI and government are likely to adopt more stringent measures to keep property prices under check in order to avoid real estate bubble. However with overhang of oversupply and marginal improvement in demand for commercial and retail properties, we believe prices for commercial and retail properties are likely to remain stable for the next six months and expect a marginal increase in property prices in few pockets. Going further, developers would raise funds from newer

channels (such as REIT, REMF, PE etc) and consolidation of land parcels is likely to gain traction with increase in cash flows for large developers. Also, with rise in economic growth, positive sentiment of job security, increase in disposable income due to lower income tax applicable with revision in income tax slab, and increasing aspirations are likely to drive the demand for properties.

## **BUSINESS OVERVIEW**

### **OVERVIEW**

Our Company was originally incorporated on 12th October, 2004 as Shivpujan Agencies Private Limited. The name of our Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2nd July 2012. Further, our Company became a public limited company with the name of Bronze Infra-Tech Limited with fresh certificate of incorporation dated 4th July 2012, issued by the Registrar of Companies West Bengal, Kolkata. The Corporate Identification Number of our company is U74990WB2004PLC100116

We are an infrastructure development company in India with interest in the business of Land Development, Construction and execution of infrastructure projects. We are currently executing five diversified projects, two of which are land development based projects, one is related to civil construction, one project for property development and another project related to supply of IT Equipments. Our company proposes to undertake multiple projects in the future, under the same segments.

Our Promoters are M/s Competent Textiles Private Limited, Mr. Manoj Kumar Bajaj and Mr. Punit Sureka.

### **Our Competitive Strengths**

#### **Strong and diverse order book.**

Our current order book in the construction and infrastructure segment is around Rs. 39 crores and we continue to add new orders to our Order Book at a steady pace. Furthermore, we have orders for supply of IT equipments worth Rs.10.07 Crore. We believe that an increasing order book will increase our operational efficiency by allowing us economies of scale.

#### **We maintain operations in diverse businesses and geographies, which reduces our dependence on any one area of the infrastructure business.**

We currently operate in the areas of land and property development, construction in the infrastructure sector and supply of IT equipments. In the construction sector, we provide construction services for various types of civil construction and infrastructure projects. This variety of project types enables us to keep our business diversified and reduces our dependence on any one segment, while providing us with an opportunity to participate in the overall growth in the India infrastructure sector.

#### **Strategically positioned to realize opportunities in the infrastructure sector**

Infrastructure growth in India has been propelled in the past decade with reforms and benefits extended by the government, which has been accompanied by a host of private investments. Increased allocation of resources to the infrastructure sector, facilitation of incremental lending to the infrastructure sector and increased social sector projects benefiting infrastructure development are contemplated as part of the eleventh five year plan. Our Company believes that the increasing level of investment in infrastructure by central and state governments and private industry will be a major growth driver for its business in the future and its demonstrated expertise and experience in the infrastructure segment will provide our Company with a significant advantage in pursuing such opportunities. We believe that our Company is in an advantageous position because of its operating history, industry knowledge, experience and familiarity with civil and infrastructure construction projects.

## **Business Strategy**

### **Capture the high growth opportunities in the India Infrastructure sector.**

We believe that the increasing levels of investment in infrastructure by Governments and private industries will be major driver for growth in our business in the foreseeable future. Additionally, the GoI has taken steps to encourage additional investments in infrastructure, such as formulating plans to create SEZs in various areas of India and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. We intend to take advantage of the growing opportunities in infrastructure development by strengthening our expertise in development of land and property, construction business and identifying new prospects for growth.

### **To focus on Quality Projects and on timely project schedule delivery.**

Our one of the significant business strategy is to undertake quality projects with regards to Construction, Infrastructure, Land and Property Development, and intend to acquire and undertake productive projects and timely project execution thereby maximizing customer satisfaction in all our business segments, and intend to focus on building our-in house design capabilities, including, building our on the job expertise through participation in design projects, recruiting qualified personnel, expanding our equipment base and selectively acquiring specialized businesses with design capabilities. We believe that this strategy can help strengthen our ability to engage in complex projects.

### **Forge Alliances with reputed and large players.**

We plan to establish, develop and maintain strategic alliance to increase our pre-qualification and bid capacity for large projects. We would also form project specific joint ventures with large domestic players whose resources, skills and strategies are complementary to our business and would help us to explore newer markets.

### **Bid for, win and operate BOT and Annuity projects.**

The government has planned for a number of projects on a BOT or annuity basis. We believe that such projects will become a trend for development of infrastructure based on the public-private partnership (PPP) model. BOT or annuity projects generally provide better operating margins because of the added overall control of project costs that can be exercised by the contractor.

Additionally BOT projects offer the possibility of higher revenues to the contractor by virtue of better than anticipated use of the asset. We intend to increase our focus on BOT and annuity projects by leveraging our technical and financial credentials, which we believe will be improved by the strengthened balance sheet. This will allow us to take larger and more projects, including BOT and annuity projects in alliance with Joint Venture partners. It will also increase our ability to form relationship with corporate developers and financial institutions.

### **Focus on High Value contracts.**

To focus on successfully bidding quality contracts with high value. We intend to achieve this objective by bidding for mega – projects together with joint venture partners with proven track record and who share our work ethos and corporate vision. High entry barriers for bidding for large order size projects and the resulting decreased competition to bid for and undertake such projects makes this an attractive sector to participate. While working on higher value projects may have associated risks, such projects also enable us to reduce operating costs and expenses and benefit from potentially higher margins.

### **Develop & Maintain strong relationships with our clients and strategic partners.**

Our services are significantly dependent on winning construction projects undertaken by Government Authorities & other large public & private sector agencies & companies. Our business is also dependent on developing & maintaining strategic alliances with other contractors with whom we want to enter in to project – specific joint venture or sub-contracting relationships for specific purposes. We will continue to develop and maintain these relationships and alliances. We intend to establish strategic alliances and share risks with companies whose resources, skills and strategies are complementary to our business and are likely to enhance our opportunities.



### **To consolidate our position in undertake Development and Construction Sector related projects.**

We believe that above mentioned business strategy can improve our efficiency to get well established, as per current industry scenario, the increasing levels of investment in infrastructure by Governments and private industries will be major driver for growth in our business in the foreseeable future. Additionally, the GoI has taken steps to encourage additional investments in infrastructure, such as formulating plans to create SEZs in various areas of India and providing economic benefits to private sector participants for projects executed on a BOT or annuity basis. We intend to take advantage of the growing opportunities in development and construction sector.

### **Business Projects in progress**

We are currently executing five diversified projects, two of which are land development based projects, one is related to civil construction, one project for property development and another project related to supply of IT Equipments. The brief description of the projects is given herein below:-

#### **Infrastructure Projects**

1. Our Company has received a workorder from M/s Jain Infraprojects Limited dated January 16<sup>th</sup>, 2012 in relation to civil work for Moserbaer Thermal Power plant at Annuppur District in Madhya Pradesh. The size of the work order is Rs. 14.06 crore.
2. Our Company has entered into a work order cum agreement with Anil Contractors Private Limited dated July 9<sup>th</sup>, 2012 for the purpose of filling of agricultural land in Badmer and Jodhpur District of Rajasthan with earth excavated at earmarked sites and spreading, leveling, ramming, watering etc, in layers the earth used for agricultural land filling. The size of the work order is Rs 10 Crore.
3. Our Company has received a work order from Coastal Projects Limited dated May 08, 2012 for the object of making earthwork in excavation/ cutting for terracing and embankment for the area of soft soil, rock, requiring blasting / chiselling and other mechanical and backfilling including loading, transporting the excavated material and stacking in the stock yard. Disposal of excavated material and using it for filling for embankment available from within the project site area duly approved by the client, in the layers of 200mm including watering and rolling with 8-10 Ton vibratory roller to complete to ensure 95% MPD in accordance with MORTH standard specifications for embankment. Filling in embankment with murrum and crushing of excavated rock in two stage crushes. The location of the work order is Arshiya International Ltd- FTWZ- SEZ, Village Ibrahimpur, Junaidpur URF, Bulandsahar, Post- Khurja, Dist- Bulandsahar, UP. The value of the work order is Rs. 15 Crore.

#### **Property Development**

1. Our Company has undertaken a property development project in Kolkata, in which our company has entered into an agreement with Manot Properties Private Limited and Navdurga Niwas Private Limited on July 25<sup>th</sup>, 2012 in relation to a property being developed by Navdurga Niwas Private Limited on a piece of land owned by Manot Properties Private Limited. Our Company has agreed to purchase the 3<sup>rd</sup> and 4<sup>th</sup> floor of the building with full furniture and fixtures and the right to use the roof of the building with the objective of reselling small commercial establishments to various parties. The cost of the said property being purchased by us is Rs. 5.10 Crore.

#### **IT Vendoring services**

1. Our Company has entered into an agreement dated July 18<sup>th</sup>, 2012 with Infinity, a proprietorship concern, for supply of IT Equipments, viz., Desktop computers, Scanners, Printers and other allied IT products to various zonal offices of Bank of India. The size of the order is around Rs. 10.07 crores.

## COMPETITION

We operate in a competitive environment. The nature of the project is also a determining factor for the level, degree and impact of competition that we face. Other contributory factors to the competitive environment are contract value and potential margins, the size, complexity and location of the project and the risks relating to revenue generation.

While key factors for deciding on an executing agency are generally service quality, technical ability, performance record, experience, and the availability of skilled personnel, more often than not, price is the deciding factor in most tender awards. We mainly compete with domestic Indian entities in the different segments in which we operate.

## OUR MAJOR CLIENTS ARE:

- ✓ Jain infraprojects Limited
- ✓ Coastal Projects Limited
- ✓ Anil Contractors Private Limited.

## INDEBTEDNESS

Our Company has not availed of any borrowings from banks or any Financial institution.

## INSURANCE

The Company has not taken any insurance cover at present. The Company will work towards taking insurance coverage to such amounts that will be sufficient to cover all normal risks associated with its operations and is in accordance with the industry standard.


## TECHNOLOGY

We have not entered into any technical collaboration agreements with any party.

## COLLABRATION / JOINT VENTURES

We have not entered into any Collabrations / Joint Ventures agreements with any party

## INTELLECTUAL PROPERTY RIGHTS

The Company has not taken any intellectual property rights at present. Our Logo  is not registered nor applied.

## LAND AND PROPERTY

Our Company does not have any property which is owned. The details are as under

Sr. No.	Location Of Property	Property kind	Document and Date	Licensor	Key Terms of the agreement	Consideration
1	158, Lenin Sarani, 3rd Floor, Room NO. 7B, Kolkata 700 013, West Bengal, India	Registered Office	Leave and License Agreement Dated 10 <sup>th</sup> June, 2012	Heritage Barter Private Limited	<ul style="list-style-type: none"> <li>• The tenure of the agreement is for 10 years starting from 10<sup>th</sup> June, 2012.</li> <li>• The electricity charges shall be payable by Licensor</li> <li>• Licensor shall not transfer or sublet the said premises to anyone without the permission of landlord</li> </ul>	Rs.12000 Per month for first three years and will increase the same by 10% after every three years

## **EXISTING CAPACITY & CAPACITY UTILIZATION**

Capacity and Capacity Utilization is not applicable to our Company.

## **HUMAN RESOURCES**

As on date of this Draft Prospectus, the Company has 7 employees.

The Company expects that human resources and employee recruitment activities will increase as the Company's business grows.

## **LEGAL PROCEEDINGS**

Other than as described in the section titled "*Outstanding Litigation and Material Developments*" on page 122 of this Draft Prospectus, the Company is not currently a party to any proceedings and no proceedings are known by it to be contemplated by government authorities or third parties, which, it believes, if adversely determined, would have a material adverse effect on its business, prospects, financial condition or results of operations.

## KEY INDUSTRY REGULATIONS AND POLICIES

The information detailed in this chapter has been obtained from the various legislations and the bye laws of the respective local authorities that are available in the public domain. The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice.

Depending upon the nature of the projects undertaken by our Company, the applicable environmental and labour laws and regulations include the following:

### Labour Laws

#### **Payment of Bonus Act, 1965**

Pursuant to the Payment of Bonus Act, 1965, as amended, 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. Contravention of the provisions of the Payment of Bonus Act, 1965 by a Company is punishable with imprisonment or a fine, against persons in charge of, and responsible to the Company for the conduct of the business of the Company at the time of contravention.

#### **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970, as amended (the “CLRA”), requires establishments that employ or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour.

To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor including the establishment of canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

#### **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.

#### **Workmen’s Compensation Act, 1923**

The Workmen’s Compensation Act, 1952 (the “WC Act”) provides for compensation of workers by their respective employers in case of injury by accident arising out of and during the course of employment.

#### **Equal Remuneration Act, 1979**

The Act 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.

#### **Child Labour (Prohibition and Regulation) Act, 1986**

The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

### **Inter-State Migrant Workmen's (Regulation of Employment and Conditions of Service) Act, 1979**

The Act is applicable to an establishment, which employs five or more inter-state migrant workmen through an intermediary (who has recruited workmen from one State for employment in an establishment situated in another State). The inter State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travel expenses etc.

### **The Environment (Protection) Act, 1986**

The Act provides for the protection and improvement of environment and for matters connected therewith, and the prevention of hazards to human beings, other living creatures, plants and property. 'Environment' includes water, air and land and the inter-relationship which exists among and between water, air and land, and human beings, other living creatures, plants, micro-organisms and property.

### **The Water (Prevention and Control of Pollution) Act, 1974**

The Act provides for the prevention and control of water pollution and the maintaining and restoring of wholesomeness of water. 'Pollution' means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms.

### **The Air (Prevention and Control of Pollution) Act, 1981**

The Act provides for prevention, control and abatement of air pollution. 'Air Pollution' means the presence in the atmosphere of any 'air pollutant', which means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment.

### **Intellectual Property Laws**

#### **Shops and Establishments legislations in various states**

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of *inter alia* registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

### **Tax Related Laws**

#### **Value Added Tax**

VAT is charged by laws enacted by each state on a sale of goods effected in the relevant states. In the case of construction contracts, VAT is charged on the value of property in goods transferred contracts. VAT is payable on road construction contracts. VAT is not chargeable on the value of services which do not involve a transfer of goods.

#### **Income-tax Act, 1961**

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

## **Service Tax**

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the government. Several taxable services are enumerated under these service tax provisions which include construction services, including construction of residential and commercial complexes. However, road construction services provided by the company are specifically exempted from service tax.

### **General Laws**

#### **Competition Act, 2002**

The Competition Act 2002 (the “Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Act, although enacted in 2002, is being brought into force in a phased manner. Provisions relating to anti-competitive agreements and abuse of dominant position were brought into force with effect from May 20, 2009 and thereafter the Competition Commission of India (the “Competition Commission”) became operational from May 20, 2009. Sections 5 and 6 (dealing with combinations, mergers and acquisitions) are already notified by the GoI on June 01, 2011. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India. Recently, the Lok Sabha has passed a bill to transfer the pending monopolies and restrictive trade practices cases under the Consumer Protection Act, 1986 to the Competition Appellate Tribunal. Once this bill is notified the Competition Appellate Tribunal will take up the pending cases of unfair trade practices under the Consumer Protection Act, 1986. This bill will replace the ordinance which was introduced on October 14, 2009 to make the Monopolies and Restrictive Trade Practice Commission non functional.

#### **Indian Stamp Act, 1899**

The Indian Stamp Act, 1899 (“Stamp Act”) and the relevant State Stamp Acts provide for the imposition of stamp duty at specified rates on instruments listed in Schedule I of the Act. The applicable rates for stamp duty on these instruments, including those relating to conveyance, are prescribed by state legislation. Instruments chargeable to duty under the Stamp Act which are not duly stamped are inadmissible in a court of law and have no evidentiary value. Public officials have the power to impound such documents and if the executor wants to rectify them, he may have to pay a penalty of up to 10 times the original stamp value.

#### **The Indian Contract Act, 1872**

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

#### **The Companies Act, 1956**

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

### **Transfer of Property Act, 1882**

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

### **Registration Act, 1908**

The Registration Act, 1908 ("Registration Act") has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

### **Foreign Investment Regime in Infrastructure Sector:**

Foreign investment in India is governed primarily by the provisions of the Foreign Exchange Management Act ("FEMA"), and the rules, regulations and notifications thereunder, as issued by the RBI from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the Foreign Investment Promotion Board ("FIPB") is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for FDI under the "automatic route" within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. At present, FDI in the infrastructure sector is permitted up to 100% through the "automatic route", which does not require prior approval of the GoI or the RBI.

## HISTORY AND OTHER CORPORATE MATTERS

### Brief history of the Company

The Company was originally incorporated with the Registrar of Companies on 12<sup>th</sup> October, 2004 as Shivpujan Agencies Private Limited. The name of Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2<sup>nd</sup> July 2012. Further, our Company became a public limited company with the name of Bronze Infra-Tech Limited with fresh certificate of incorporation dated 4th July 2012, issued by the Registrar of Companies West Bengal, Kolkata.

The Company was originally incorporated by Amit Baidya and Mr. Mukesh Bhuwarka. In May 2010 the management of the Company was taken over by our Promoters

We are an Infrastructure Development Company with interests in the Business of Land Development, Construction and into Supplying of IT equipments, having necessary infrastructure, research and development facilities and adequate experienced staff.

### Changes in the Registered Office of the Company

Previous Address	New Address	Reason of Change	Date of Change
10/11 Kailash Bose Lane, Howrah, West Bengal 711 101	50B Gariahat Road, Ground Floor, Kolkata, West Bengal 700 019	Administrative Convenience	April 03, 2007
50B Gariahat Road, Ground Floor, Kolkata, West Bengal 700 019	9/12, Lalbazar Street, Mercantile Building, 'B' Block, 3 <sup>rd</sup> Floor, Kolkata, West Bengal 700 001	Administrative Convenience	May 30, 2008
9/12, Lalbazar Street, Mercantile Building, 'B' Block, 3 <sup>rd</sup> Floor, Kolkata, West Bengal 700 001	3, Raja Devendra Narayan Deb Lane, 1 <sup>st</sup> Floor, Kolkata, West Bengal 700 005	Administrative Convenience	April 24, 2009
3, Raja Devendra Narayan Deb Lane, 1 <sup>st</sup> Floor, Kolkata, West Bengal 700 005	158, Lenin Sarani, 3 <sup>rd</sup> Floor, Room No.7B, Kolkata, West Bengal 700 013	Administrative Convenience	June 12, 2012

Except as mentioned above, there have not been any changes in our Registered Office since inception till date of this Draft Prospectus.

### Capital raising (Debt / Equity)

For details of the equity capital raising of our Company, please refer to the section titled "*Capital Structure*" on page 31 of this Draft Prospectus.

We have not done any debt issuances or raised any long term debt since incorporation till date.

As of the date of this Draft Prospectus, the Company has 150 holders of Equity Shares.

### Main objects of the Company

The main objects of our company as set out in its Memorandum of Association are:

1. *To carry on the business of manufactures, traders, developers, assemblers, repairs, importers, exporters, or software packages, computer peripherals, computer accessories and parts, computer consumables and*



electronic communication systems, data publishing and processing systems and other industrial automation systems and gadgets and to act as consultants, advisors, developers and traders in computer programming, system design, system architecture, software designing, computer aided designs data compilation and statistical analysis.

2. To carry on business of builders, contractors, fitters, engineers, consulting engineers, supervisors, mine owners, ship builders, and owners, carrier, body builders, founders, designers, architect, and to lay out, develop, construct, built, erect, demolish, reconstruct, alter, repair or remodel or do any other work in connection with any building whether own or taken on lease or for erection and construction of roads, docks, ships, bridges, airport, canals, ports, water reservoirs, embankments, tramways, railways, workshops, irrigation works factories or any other structural or architectural work of any kind or any other improvements.
3. To engage in construction such as civil, mechanical, electrical, and all other types of erection commissioning projects, project trading as well act as consultant for execution of projects on turnkey basis for equipments of industrial, industrial set up domestic and other purposes and marketing of allied materials and to carry. On the business as developers, promoters, builders, consultants, civil engineers, architects, surveyors, designers, town planners, colonizers of estates, farm land and residential building, estimators, interior and exterior decorators, general and government civil contractors of immovable properties all types of structural and piling engineering work.
4. To carry on the business of electrical, mechanical, civil engineers, consulting engineers, designers and manufacturers, dealers, importers, exporters, repairers, purchasers and sellers of all kinds of electrical and mechanical appliance, machinery, apparatus, tools and fixtures of all kinds and to undertake and execute all types of construction and structural contracts, engineering contracts (civil, mechanical and electrical) and other tenders and contract of supply.

#### Changes in the Memorandum of Association of the Company

The following changes have been made to the Memorandum of Association of the Company since its incorporation:

Date of Shareholders Approval	Nature of Change
March 28, 2005	Increase in Authorised Capital From Rs. 2,00,000 divided into 20,000 shares of Rs 10/- each to Rs 15,00,000 divided into 1,50,000 shares of Rs. 10/-
March 30, 2006	Increase in Authorised Capital from Rs. 17,00,000 divided into 1,70,000 shares of Rs. 10/- each to Rs. 24,50,000 divided into 2,45,000 shares of Rs.10/-
March 30, 2007	Increase in Authorised Capital from Rs. 24,50,000 divided into 2,45,000 shares of Rs. 10/- each to Rs.25,00,000 divided into 2,50,000 shares of Rs.10/-
March 28,2008	Increase in Authorised Capital from Rs. 25,00,000 divided into 2,50,000 shares of Rs.10/- each to Rs. 26,00,000 divided into 2,60,000 shares of Rs.10/-
July 2,2012	Change of name from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited. The main objects of the Company were altered to include our current business activities of infrastructure development, construction and supply of IT hardware and equipments.
July 4, 2012	Company converted from Private Limited Company to Public Limited Company
July 12, 2012	Increase in Authorised Capital from Rs.26,00,000 divided into 2,60,000 shares of Rs.10/- each to Rs. 17,50,00,000 divided into 1,75,00,000 shares of Rs 10/-

#### Key events and milestones of Our Company

Year	Milestone
12 <sup>th</sup> October 2004	Incorporation Of Company in the name of Shivpujan Agencies Private Limited
21 <sup>st</sup> May 2010	The Management of the Company was taken over by Competent Textiles Private Limited
2 <sup>nd</sup> July 2012	Change of name from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited. The main objects of the Company were altered to include our current business activities of infrastructure development, construction and supply of IT hardware and equipments.

4 <sup>th</sup> July 2012	Change of name from Bronze Infra-Tech Private Limited to Bronze Infra-Tech Limited
14 <sup>th</sup> July 2012	Bonus Issue in the ratio of 12:1

### **Shareholders Agreement**

Our company has not entered into Shareholders agreements.

### **Other Agreements**

Our company has not entered into specific agreements except that have been entered into ordinary course of business as on the date of filing of draft prospectus

### **Technology arrangements**

For details of our technology arrangements, please refer to the section titled "*Business Overview*" on page 70 of this Draft Prospectus.

### **Acquisition of business/undertakings**

We have not acquired any business/undertakings till date.

### **Managerial competence**

For details on managerial competence, please refer to the section titled "*Our Management*" on page 82 of this Draft Prospectus.

### **Defaults or rescheduling of borrowing**

The Company has not defaulted or rescheduled its borrowing. Furthermore, none of the Company's loans have been converted into equity in the past.

### **Injunctions or restraining orders**

There are no injunctions / restraining orders that have been passed against the Company.

### **Strategic and financial partners**

We have no strategic or financial partners.

### **Standing of the Company vis-a-vis its prominent competitors**

For details of the standing of the Company with reference to its prominent competitors, please refer to the section titled "*Business Overview*" on page 70 of this Draft Prospectus.

### **Company's subsidiaries**

Our company does not have any subsidiary.

## OUR MANAGEMENT

### Board of Directors:

The company has Five (4) Directors out of which three (3) are Non Executive Directors & one (1) is Executive Directors.

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

Sr. No.	Name, Father's Name & Address,	Age	Designation & Term	Occupation, Qualification , & DIN	Other Directorships
1.	<b>Mr. Manoj Kumar Bajaj</b> S/o Mr. Ramchandra Bajaj  604/D, Dakshindari Road, Ward No. 33, South DumDum, North 24 Parganas, Lake Town, Sreebhumi, Kolkata 700 048, West Bengal, India	34	Chairman & Managing Director  Term: Three years w.e.f 1/07/2012	Business DIN: 03371881	<ul style="list-style-type: none"> <li>Competent Textiles Private Limited</li> </ul>
2.	<b>Mr. Punit Sureka</b> S/o Mr. Sitaram Sureka  7 Seth Hardayal Sureka Lane, 2 <sup>nd</sup> Floor, Howrah, Kolkata 711 106, West Bengal, India	33	Designation: Non –Executive Director  Term: Liable to retire by rotation	Business Commerce Graduate DIN: 00535780	<ul style="list-style-type: none"> <li>Competent Textiles Private Limited</li> </ul>
3.	<b>Mr. Sumit Sharma</b> S/o. Mr. Satya Narayan Sharma  Bhanubhakta Saraniward 3, Pradhan Nagar, Darjeeling 734 003, West Bengal, India	34	Independent Director  Term: Liable to retire by rotation	Business Commerce Graduate DIN: 05155563	<ul style="list-style-type: none"> <li>Dynamic Share Broking Private Limited</li> </ul>
4.	<b>Mr. Niraj Jewrajka</b> S/o. Mr. Sunil Jewrajka  Ganapati Vihar, Purbali , Aswini Nagar, Baguiati, Kolkata 700 159, West Bengal, India	24	Designation: Independent Director  Term: Liable to retire by rotation	Service DIN: 05318153	

### Note

As on the date of the Draft Prospectus:

- None of the above mentioned Directors are on the RBI List of willful defaulters as on date.
- Further, none of our Directors are or were directors of any company whose shares were (a) suspended from trading by stock exchange(s) for more than 3 months during the five years prior to the date of filing the Draft Prospectus or (b) delisted from the stock exchanges.
- None of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

### Brief Profile of Our Directors

**Manoj Kumar Bajaj**, aged 34 years is our Promoter, Chairman and Managing Director. He started his career in Indiabulls Securities Limited as a relationship manager. Over the years, he has gained hands on experience in various

businesses including information technology and infrastructure. He has been a member of our Board of Directors since December 06, 2011.

**Punit Sureka**, aged 33 years is our Promoter and a Non-Executive Director. He holds a bachelor's degree in Commerce from Calcutta University. He started his career with Green Ply Industries Limited and has more than ten years of experience in the field of accounts and finance. Having worked in various industries, he has now joined hands with our chairman to take forward the business of our Company. He has been a member of our Board of Directors since December 06, 2011

**Sumit Sharma**, aged 34 years is our Independent Director. He holds a bachelor's degree in commerce from Calcutta University. He has more than ten years of experience in the field of transportation and logistics and he is currently working with GPT Healthcare Private Limited. He has been a member of our Board of Directors since December 06, 2011

**Niraj Jewrajka**, aged 24 years is our Independent Director. He has more than seven years of experience in marketing of IT solutions and services. He has been a member of our Board of Directors since July 06, 2012

### Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in any such company.

None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company.

### Relationship between Directors

None of the Directors are related to each other.

### Borrowing Powers of the Board of Directors

Our Company at its Extra Ordinary General Meeting held on July 31, 2012, passed a resolution authorizing Board of Directors pursuant to the provisions of section 293(1) (d) for borrowing from time to time, at its discretion either from the Company's Bank or any other Bank, Financial Institution or any Other Lending Institution or Persons on such terms and condition as may be considered suitable by the Board of Directors up to a limit or not exceeding in the aggregate Rs. 25,00,00,000 ( Rupees Twenty Five Crores only) notwithstanding that the money be borrowed together with the money already borrowed by the Company, apart from temporary loans obtained from the Companies bankers in the ordinary course of business will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

### Compensation of Managing Directors and Whole-Time Directors

<b>Name</b>	Mr. Manoj Kumar Bajaj
<b>Designation</b>	Chairman and Managing Director
<b>Period</b>	Three Years from 1 <sup>st</sup> July, 2012
<b>Remuneration</b>	Rs. 65,000 Per Month
<b>Perquisite</b>	<ol style="list-style-type: none"> <li>1) Reimbursement of medical expenses in India or outside for self or family, subject to a ceiling of Rs. 50,000 ( Rupees Fifty thousand Only)</li> <li>2) Fees of club, subject to maximum of one club, excluding admission fee and life membership fee, shall be borne by the Company.</li> <li>3) Annual leave of 30 days with the pay for every completed service of eleven months.</li> <li>4) Leave travel expenses incurred by self or by family will be reimbursed by Company, once a year, in accordance of rules of the Company.</li> <li>5) Annual Bonus, Provident fund, Gratuity, Leave encashment of unavailed leave and superannuation, subject to the rules of the company.</li> </ol>

	<p>6) Reimbursement of telephone expenses will be borne by the Company excluding the charges for personal long distance calls.</p> <p>7) Reimbursement of actual entertainment expenses incurred in connection with the Company's business.</p> <p>8) The company shall reimburse entrance fees and submission fees of Indian and Foreign Credit cards facilities.</p> <p>9) Reimbursement of travelling expenses incurred in connection with the Company's business.</p> <p>10) The company shall reimburse all reasonable expenses incurred during performance of the duties with the Company's business.</p> <p>Perquisites (evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases)</p>
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There is no definitive and /or service agreement that has been entered into between our Company and the director in relation to their appointment.

### Compensation of Non-Executive Directors

Pursuant to a resolution passed at the meeting of the Board of the Company on 07/07/2012 a sitting fees of ₹ 5,000/- is payable to Non-Executive Directors for attending each meeting of the Board and a sitting fees of ₹ 5,000/- is payable to Non-Executive Directors for attending each meeting of a Committee. Save as provided in this section, except for the sitting fees and any remuneration payable for advising the Company as an expert or for performing certain services, our non-executive directors are not entitled to any other remuneration from the Company.

### Interest of the Directors

Our Directors will be interested to the extent of remuneration paid to them for services rendered by them as officers or employees of the Company and reimbursement of expenses payable to them under our Articles of Association. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them as disclosed above or that may be subscribed by and allotted to them and to companies and firms in which they are interested as directors/members/partners.

All our Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by us with any company in which they hold directorships or any partnership firm in which they are partners.

### Interest as to Property

Except as stated/referred to in the paragraph titled “*Land and Property*” on page 73 of chapter titled “*Business Overview*” beginning on page 70 of the Draft Prospectus, our Directors do not have any interest:

1. in the promotion of our Company; or
2. in any property acquired by our Company within two years from the date of the Draft Prospectus, or proposed to be acquired by our Company.

### Shareholding of the Directors

The following table details the shareholding of the Directors in their personal capacity and either as sole or first holder, as on the date of this Draft Prospectus:

Name of Director	No. of Shares held	Holding in Percentage
Mr. Manoj Kumar Bajaj	167150	1.45
Mr. Punit Sureka	167150	1.45
<b>TOTAL</b>	<b>334300</b>	<b>2.90</b>

### Changes in the Board of Directors in the last 3 years

Following are the changes in our Board of directors in the last three years:

Sr. No.	Name of Director	Date of Appointment	Date of Cessation	Change in Designation	Reason for change
1	Shyam Sunder Sharma	November 22, 2008	July 30, 2010	-	Resignation
2	Harbinder singh Dingra	February 4, 2010	July 30, 2010	-	Resignation
3	George Bakhtan	February 4, 2010	July 30, 2010	-	Resignation
4	Sunil Kumar	July 22, 2010	June 25, 2012	-	Resignation
5	Yashbir singh Solanki	July 22, 2010	June 25, 2012	-	Resignation
6	Ashok Derasari	June 26, 2006	June 25, 2012	-	Resignation
7	Punit Sureka	December 06, 2011	-	-	Appointment
8	Manoj Kumar Bajaj	December 06, 2011	-	July 01, 2012	Appointment
10	Sumit Sharma	December 06, 2011	-	July 06, 2012	Appointment
11	Niraj Jewrajka	July 6, 2012	-	-	Appointment

### Corporate Governance

The provisions of the SME Equity Listing Agreement to be entered into with the Stock Exchange with respect to corporate governance and SEBI ICDR Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of its Equity Shares on the Stock Exchange. Our Company has complied with the corporate governance code in accordance with Clause 52 of the SME Equity Listing Agreement to be entered into with the Stock Exchange, particularly, in relation to appointment of independent directors to our Board and constitution of an audit committee, a remuneration committee and a shareholders' grievance committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

#### ***Board Composition***

The Board of Directors provides strategic direction and thrust to the operations of the Company. As on date the Board is comprised of total 4 directors, which includes 1 Chairman and Managing Director, 1 Non Executive Directors and 2 Independent Directors. The Company complies with the revised norms for Independent Directors.

Sr. No	Name of Director	Nature of Directorship
1	Mr. Manoj Kumat Bajaj	Chairman and Managing Director
2	Mr. Punit Sureka	Non Executive Director
3	Mr. Sumit Sharma	Independent Director
4	Mr. Niraj Jewrajka	Independent Director

### *Various Committees of Directors*

#### **1. Audit Committee**

The Audit Committee of our Board was constituted by our Directors by a board resolution dated 7 July, 2012 pursuant to section 292A of the Companies Act and clause 52 of the Listing Agreement to be entered in the stock exchanges. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in committee
Mr. Sumit Sharma	Independent Director	Chairman
Mr. Niraj Jewrajka	Independent Director	Member
Mr. Punit Sureka	Non Executive Director	Member

*The scope of Audit Committee shall include but shall not be restricted to the following:*

1. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Qualifications in draft audit report
  - d. Major accounting entries involving estimates based on the exercise of judgment by management
  - e. Significant adjustments made in the financial statements arising out of audit findings
  - f. Compliance with listing and other legal requirements relating to financial statements
  - g. Disclosure of any related party transactions
2. Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, the fixation of audit fees and approval of payment of any other services rendered by them.
4. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
5. 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.
6. Discussion with internal auditors any significant findings and follow up there on.
7. 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.
8. 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.
9. Reviewing, with the management, quarterly, half yearly and annually financial statements before submission to the board for approval
10. Reviewing, with the management, the statement of uses / application of funds raised through an issue, 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 and making appropriate recommendations to the Board to take up steps in this matter.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. The Audit Committee shall mandatorily review the following information:
  - a. Management discussion and analysis of financial condition and results of operations;
  - b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - d. Internal audit reports relating to internal control weaknesses; and
  - e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

13. It shall have authority to investigate into any matter specified under Section 292A of the Companies Act, 1956 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and external professional advice, if necessary.
14. It shall have authority to invite such of the executives, as it considers appropriate to be present at the meetings of the Committee. The CFO, the Chief Internal Auditor and Statutory Auditor shall be the permanent invitees for the meetings of the audit committee.
15. Reviewing the Company's financial and risk management policies.
16. It shall ensure Compliance of internal control systems.
17. The recommendation of the audit committee shall be placed before the Board. However, where such recommendation are not accepted by the Board, the reason for the same shall be recorded in the minutes of the Board meeting or communicated to the shareholders.
18. It shall have power to seek information from any employee, obtain outside legal or other professional advice. It can also secure attendance of outsiders with relevant expertise if it considers necessary.
19. Approval of appointment of CFO or any other person heading the finance function after assessing the qualifications, experience & background, etc. of the candidate.
20. To review the functioning of the Whistle Blower mechanism, in case the same is existing

#### **Meeting of Audit Committee**

The committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum for the meeting shall be either two members or one third of the members of the audit committee, whichever is greater, but there shall be presence of a minimum of two members in each meetings.

#### **Tenure**

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

#### **2. Shareholder and Investor Grievance's Committee**

The Shareholder and Investor Grievance Committee of our Board was constituted by our Directors by a board resolution dated 7 July, 2012. The Shareholder and Investor Grievance Committee comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in committee</b>
Mr. Manoj Kumar Bajaj	Executive Director	Chairman
Mr. Punit Sureka	Non Executive Director	Member
Mr. Niraj Jewrajka	Independent Director	Member

**This committee will address all grievances of Shareholders/Investors and its terms of reference include the following:**

1. Review and approve transfer of shares including, transmissions, splitting of shares, changing Joint Holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where cages in the reverse for recording transfer have been fully utilised.
2. Review the process mechanism of redressal of investor grievance and suggest measures of improving the system of redressal of investor grievances ;



3. Review and resolve the investors complaints about transfer of shares, non receipt of share certificates, non receipt of interest dividend warrants, non receipt of annual reports and any other grievance/ complaints with Company or any officer of the Company arising out in discharge of his duties
4. Oversee the performance of the Registrar and share transfer agents and also review and take note of complaints directly received and resolved them
5. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Probation of Insider Trading) Regulations, 1992 as amended from time to time.

**Meetings:**

The committee shall meet as and when the need arise for review of Investors Grievances. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher.

**Tenure:**

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

**3. Remuneration Committee**

The Remuneration Committee of our Board was first constituted by our Directors by a board resolution dated 7 July, 2012. The Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in committee
Mr. Sumit Sharma	Independent Director	Chairman
Mr. Niraj Jewrajka	Independent Director	Member
Mr. Punit Sureka	Non Executive Director	Member

The remuneration committee has been constituted to recommend/review remuneration of Directors and key managerial personnel based on their performance and defined assessment criteria. The remuneration policy of our Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

The board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. To avoid conflicts of interest, the remuneration committee, this would determine the remuneration packages of the executive directors. It comprises of at least three directors, all of whom are non-executive directors the chairman of committee being an independent Director.

The scope of Remuneration/Compensation Committee shall include but shall not be restricted to the following:

1. Determine the Company's Policy on specific remuneration packages for Managing Director/ Whole time Director, including pension rights
2. Decide the salary allowances, perquisite, Bonuses, notice period, severances fees and increment of Whole Time Directors
3. Decide the amount of commission payable to the Whole Time Directors
4. Review and suggest revision of the total remuneration package of the Whole Time Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines, etc

5. To review the overall compensation policy, service agreements and other employment condition to Executive Directors and Senior Executives just below the Board Of Directors and make appropriate recommendation to the Board of Directors
6. To review the overall compensation policy, service agreements and other employment condition to Non Executive Directors and Independent Directors and make appropriate recommendation to the Board of Directors
7. To make recommendation to the Board of Directors on the increments in the Remuneration of the Directors
8. To assist the Board in developing and evaluating the potential candidates for senior executive positions and to oversee the development of executive succession plan
9. To review and approve on annual basis corporate goals and objectives with respect to compensation for the senior executives and make appropriate recommendations to the Board of Directors
10. To review and make appropriate recommendation to the Board of Directors on an annual basis the evaluation process and compensation structure for the companies officers just below the level of the Board of Directors.
11. To provide oversight of the management decision concerning the performance and compensation of other officers of the Company

### **Meetings**

The Remuneration Committee shall meet as and when the need arises for review of managerial remuneration. The quorum for the meeting shall be one third of the total strength of the Remuneration Committee or two members, whichever is higher.

### **Tenure**

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

### **4. IPO Committee**

The Remuneration Committee of our Board was first constituted by our Directors by a board resolution dated 16 July, 2012. The Remuneration Committee currently comprises of:

<b>Name of the Member</b>	<b>Nature of Directorship</b>	<b>Designation in committee</b>
Mr. Manoj Kumar Bajaj	Executive Director	Chairman
Mr. Punit Sureka	Non Executive Director	Member
Mr. Niraj Jewrajka	Independent Director	Member

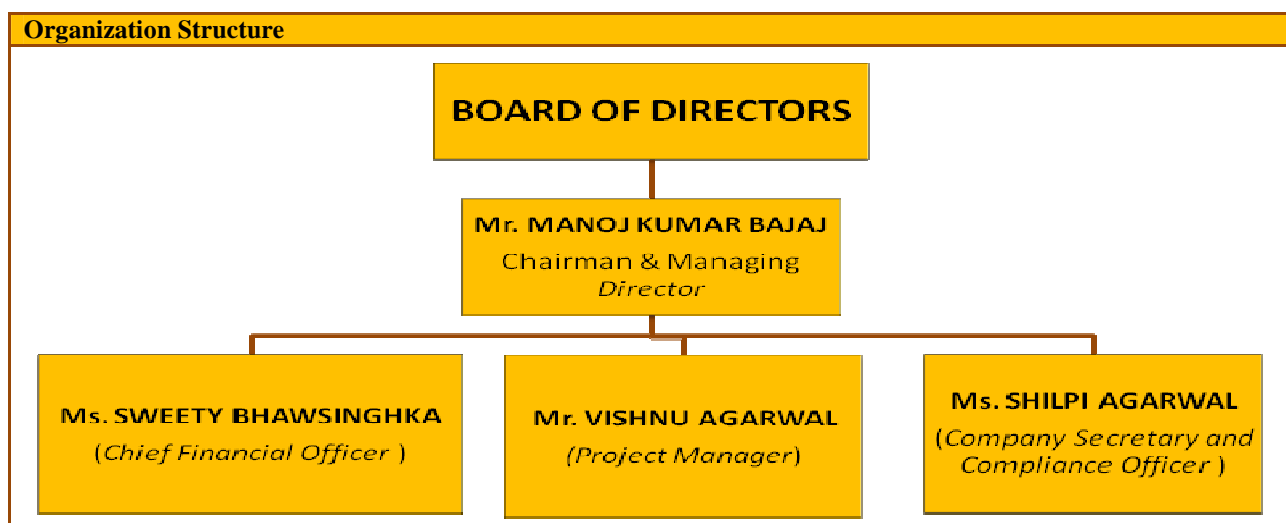
### **The terms of reference of the IPO Committee are**

1. To decide on the actual size of the IPO, timing, pricing and all the terms and conditions of the IPO, including the price band, and to accept any amendments, modifications, variations or alterations thereto;
2. To appoint, instruct and enter into arrangements with the book running lead manager, co-managers, if any, underwriters, syndicate members, brokers, escrow collection bankers, registrars, legal advisors, printers, advertising agencies and any other agencies or persons whose appointment is required in relation to the IPO;
3. To finalize and arrange for submission of the Draft Prospectus, the Prospectus and any amendments, supplements, notices or corrigenda thereto;

4. To issue advertisements in such newspapers as it may deem fit and proper about the future prospects of the Company and the proposed issue, conforming to the regulations and guidelines issued by SEBI;
5. To open separate current accounts in the name and style, as may be necessary, with scheduled banks to receive applications along with application monies in relation to the IPO;
6. To finalize, sign and execute the offer agreement, market making agreement, escrow agreement and the underwriting agreement and any other agreements/documents required in relation to the IPO;
7. The opening of a bank account of the Company for the handling of refunds for the Issue;
8. To make any applications to the FIPB, RBI and such other authorities, as may be required, for the purpose of issue of shares to non-resident investors (including NRIs and FIIs), pursuant the Issue;
9. To make applications for listing of the equity shares of the Company on one or more stock exchange(s), in India and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s);
10. To finalize the basis of allocation and to allot/transfer the equity shares to the successful applicants and issue of share certificates in accordance with the relevant rules;
11. To settle all questions, difficulties or doubts that may arise in relation to the IPO, as it may in its absolute discretion deem fit;
12. To do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the IPO;
13. To authorize and approve the incurring of expenditure and payment of fees in connection with the IPO; and
14. To submit undertaking/certificates or provide clarifications to the SEBI and the relevant stock exchanges where the equity shares of the Company are to be listed;

#### **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 Exchange. Our Company Secretary and Compliance Officer, Ms. Shilpi Agarwal is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.



### **Key Management Personnel**

**Shilpi Agarwal**, aged 28 years, is the Company Secretary and compliance officer of our Company. She holds a Bachelor's Degree in Commerce from the Calcutta University and is a qualified Company Secretary from The Institute of Company Secretaries of India. She has joined our Company in June 2012. She is responsible for the secretarial and compliance functions of our Company.

**Sweety Bhawsinghka**, aged 26 years, is the Chief Financial Officer of our Company. She holds a Bachelor's Degree in Commerce from the Calcutta University and is a qualified Chartered Accountant from The Institute of Chartered Accountants of India (ICAI). She has joined our Company in June 2012 and is currently responsible for supervision of financial decisions and control over fund management of the Company

**Vishnu Agarwal**, aged 25 years, is the Project Manager of our Company. He is a commerce graduate from Calcutta University. He has joined our Company in June, 2012 and is responsible for procurement and execution of new projects

### **Family Relationship between Key Managerial Personnel**

As on date, none of Key Managerial Persons is having family relation with each other.

### **All of Key Management Personnel are Permanent Employee of our Company**

### **Shareholding of the Key Management Personnel**

As on date, none of Key Managerial Persons are holding any Equity Shares of our Company.

### **Bonus or Profit Sharing Plan of the Key Management Personnel**

Our Company does not have any bonus/profit sharing plan for any of the employees, directors, key managerial personnel.

### **Interest of Key Management Personnel**

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

None of our KMP have been paid any consideration of any nature from our Company, other than their remuneration.

**Changes in the Key Management Personnel during the last three years:**

There were no changes in KMP's as the KMP's are appointed in this Financial Year.

**Employee Stock Option Scheme**

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

**Payment or Benefit to Officers of the Company**

Except for the statutory benefits upon termination of their employment, payment of salaries and yearly bonus, we do not provide any other benefits to our employees.

## OUR PROMOTERS AND PROMOTERS GROUP

### OUR PROMOTERS

#### M/s. Competent Textiles Private Limited, Mr. Manoj Kumar Bajaj and Mr. Punit Sureka

Following are the certain key details regarding our promoters:

#### M/S Competent Textiles Limited:

M/s. Competent Textiles Private Limited holds 83,32,680 Equity Shares of our Company, which constitutes 72.50% of Pre Issue paid up Capital. The Post issue shareholding of the promoter will be 48.46%

M/s Competent Textiles private limited was incorporated on 7<sup>th</sup> April, 2010 as a private limited Company under the Companies Act, 1956 and registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of our Company is U17291MH2010PTC201835. The registered office of Competent Textiles private limited is situated at 602, B wing, Krishna Palaki Apartment, Indralok face-3, Bhayander East, Thane 400 105, Maharashtra.

#### The main Objects of Competent Textiles Private Limited are as follows:

To carry on the business of manufacturing, importing, exporting, distributing, trading, buying, selling, spinning, doubling, twisting, texuring, crimping, converting, calendaring, testing, sizing, weaving, knitting, bleaching, processing, dyeing, ginning, cutting, sourcing, winding, mercerizing, combing, printing, finishing, or otherwise dealing in all types of fashion apparels, fabrics, yarn, textile, products or substances, whether natural or synthetics or manmade and combination of any one or more of them.

To deal in all kinds of non- woven's as synthetic fabrics cotton fabrics, natural and modified cellulose, laminated products, printed or woven fabrics, papers, pulps and products thereof and the presentation, dyeing, or coloring, of any of the said substances and artificial silk rayon, nylon or any other similar substances, and sale of yarn or other manufactured products from the said substances or other similar materials.

#### Board Of Directors of Competent Textiles Private Limited as on the date of this Draft Prospectus is as follows:

Sr. No	Name of Director	Designation
1	Mr. Punit Sureka	Director
2	Mr. Manoj Kumar Bajaj	Director

#### Shareholding Pattern:

As on date of filing, the shareholding pattern of Competent Textiles Private Limited as follows :

Sr. No	Name of Shareholders	No. Of Shares	% of Share Holding
1	Mr. Punit Sureka	25000	45.45
2	Mr. Manoj Kumar Bajaj	30000	54.54

For profile of the above shareholders please refer to the chapter titled 'Our Management' beginning on page 82 of the Draft Prospectus.

#### Audit Financial Information of Competent Textiles Private Limited

*(Amount in ₹ in, except share data)*

Particulars	FY2012	FY2011
Equity Share Capital (Issued, Subscribed and Paid-up Capital)	5,50,000	5,50,000
Reserves & Surplus	3,438	751
Misc. Expenditure not written off	-	22,640
<b>Networth</b>	<b>5,53,438</b>	<b>5,28,111</b>
Revenue	29,000	10,500
Profit/(Loss) after Tax	2,686	751

Earnings Per Share	0.05	0.013
Net Asset Value Per Shares	10.06	9.60

### Brief history and Background of Competent Textiles Private Limited:

#### Change in control of Competent Textiles Private Limited since incorporation:

The Company was originally promoted by Mr. Rajib Sohan Nandi and Mr. Bivash Ashoke Nandi holding 5,000 Equity shares each. In October 2010 the company had increase the paid up capital from Rs 100000 divided into 10000 shares to Rs 550000 divided into 55000 shares each.

In June 2012, Mr. Manoj Kumar Bajaj and Mr. Punit Sureka took over the Company with both holding 30,000 Equity shares and 25,000 Equity shares respectively.

#### Change in Directorship of Competent Textiles private limited in preceding two years:

The changes in the Board of Competent Textiles Private Limited in preceding two years of the date of Draft Prospectus are as follows:

Name of Director	Date of Appointment	Date of Resignation	Reason of Change
Bivash Nandi	Upon Incorporation	10/06/2012	Resignation due to change in management
Rajib Nandi	Upon Incorporation	10/06/2012	Resignation due to change in management
Punit Sureka	10/06/2012	-	Appointment
Manoj Kumar Bajaj	10/06/2012	-	Appointment


The Equity Shares of Competent Textiles private limited are not listed on any stock exchanges. No action has been taken against the company by any Stock Exchange or SEBI. Competent Textiles private limited is not sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and is not under the Board for Industrial and Financial Reconstruction. Further PIPL is not under winding up, neither does it have a negative Net Worth. There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against Competent Textiles private limited.

#### Mr. Manoj Kumar Bajaj



Identification	Details
Age	34 years
Residential Address	604/D, Dakshindari Road, Ward No. 33, South DumDum, North 24 Parganas, Lake Town, Sreebhumi, Kolkata 700 048, West Bengal, India
PAN	AEIPB8373H
Passport No.	J2649485
Driving License Number	NA
Voter's ID	NA
Bank Account Number	00081000340374
Name of Bank & Branch	HDFC Bank Ltd. , Stephen House
% of pre-issue share holding in the Issuer Company	1.45%
DIN	03371881

### Mr. Punit Sureka

	Identification	Details
	Age	33 years
	Residential Address	7 Seth Hardayal Sureka Lane, 2 <sup>nd</sup> Floor, Howrah, Kolkata 711 106, West Bengal, India
	PAN	ATDPS0408G
	Passport No.	NA
	Driving License Number	NA
	Voter's ID	CHX2754687
	Bank Account Number	401410110002816
	Name of Bank & Branch	Bank of India, Mission Row Branch
	% of pre-issue share holding in the Issuer Company	1.45%
	DIN	00535780

For a detailed profile and information regarding the other directorships held, special achievements and work experience in our line of business of our promoters please refer to “*Our Management*” beginning on page 82 of this Draft Prospectus.

#### Declaration

We confirm that the personal details of our Promoter viz., Permanent Account Number, Bank Account Details and Passport Number have been submitted to the Stock Exchange, at the time of filing of this Draft Prospectus.

Our Promoters, have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority. Neither (i) the Promoters, nor (ii) the companies with which the Promoters are or were associated as a Promoter, Director or person in control, are debarred or prohibited from accessing the capital market for any reason by the SEBI or any other authority. There are no violations of securities laws committed by our Promoters and the Group Companies in the past or currently pending against them.

Our promoters are not the original promoter of the Company. For details on change in control of the issuer, date of acquisition & consideration paid for acquisition by our current promoter please refer table titled “Capital Built up of the Promoters” on page 34 and 35 of chapter titled “Capital Structure” beginning on page 31.

#### Interest of Promoters in our Company

Our Company is promoted by M/s. Competent Textiles Private Limited, Mr. Manoj Kumar Bajaj and Mr. Punit Sureka (together referred to as “*Core Promoters*”). At present our Core Promoters hold **75.42%** Equity shares of our Company. Our promoters may be deemed to be interested in the promotion of our Company to the extent of shares held by them. Our Promoters may also benefit from holding directorship in our Company.

Further, save and except as stated otherwise in the chapters titled ‘*Business Overview*’, ‘*Our Management*’ and the section titled ‘*Auditor Report*’ beginning on page 70, 82 and 98 respectively, of this Draft Prospectus, and to the extent of Equity Shares held by them, our Promoters does not have any other interests in our Company as on the date of filing of this Draft Prospectus.

#### Payment or benefits to our Promoter during the last two years

Except as stated in the “Annexure XVI” of the “*Auditors Report*” on page 98 of this Draft Prospectus, there has been no payment or benefits to our Promoter during the last two years from the date of this Draft Prospectus.



### Interest in the property of Company

Except as stated in the “Annexure XVI” of the “Auditors Report” and “Business Overview –land and Property” on page 98 and 73 of this Draft Prospectus respectively, the promoters do not have any interest in any property acquired by our Company within two years preceding the date of this Draft Prospectus or proposed to be acquired by our Company.

### Pre-Issue and Post Issue Shareholding Pattern of our company

Sr. No.	Name of Shareholder	Pre-Issue		Post-Issue	
		No. of Equity Shares	as a % of Issued Equity	No. of Equity Shares	as a % of Issued Equity
A	<b>Promoters</b>				
	Total (A)	86,66,980	75.41	86,66,980	50.40
B	<b>Others ( other than Promoter and Promoter Group)</b>				
	Total (B)	28,25,520	24.59	8529520	49.60
<b>Total (A+B)</b>		<b>1,14,92,500</b>	<b>100.00</b>	<b>17196500</b>	<b>100.00</b>

### GROUP COMPANIES

Apart from our Promoter, the following companies constitute our Promoter Group

**Relatives of Promoter:** Nil

**Entities forming part of Promoter Group:** Nil

**Details of Promoter Group whose names have been struck off from Registrar of Companies**

Nil

### Undertaking / confirmations

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

### Common Pursuits / Conflict of Interest

Nil

### Related Party Transactions

Save and except as disclosed in “Annexure XVI” of the “Auditors Report” on the beginning of page 98 of this Draft Prospectus, there has been no payment or benefits to our Promoters during the last five years preceding the date of this Draft Prospectus.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our Company, at their discretion, and will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial condition. The Board may also from time to time pay interim dividend.

Our Company has not declared any dividend since inception.

## AUDITOR'S REPORT

To,  
The Board of Directors,  
Bronze Infra-Tech Limited  
158 Lenin Sarani  
3rd Floor, Room No. 7B  
Kolkata – 700 013

Dear Sirs,

We have examined the Restated Summary Financial Statements and Other Financial Information of BRONZE INFRA-TECH LIMITED (the 'Company') for each of the five financial years ended March 31, 2008, 2009, 2010, 2011 & 2012 and for the four months period ended 31<sup>st</sup> July 2012 annexed to this report and initialled by us for identification. The said Restated Summary Financial Statements and Other Financial Information have been prepared for the purposes of inclusion in the Draft Prospectus / Prospectus (collectively hereinafter referred to as "Offer Document") in connection with the proposed Initial Public Offer ("IPO") of the Company in accordance with the requirements of:

- (i) Paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations') issued by the Securities and Exchange Board of India ('SEBI'); and the related clarifications issued by the Securities and Exchange Board of India as amended to date;
- (iii) The terms of our letter of engagement dated 9<sup>th</sup> August, 2012 with the Company requesting us to carry out assignment in connection with the Offer Document being issued by the Company for its proposed IPO.

The Restated Summary financial Statements and Other Financial Information have been prepared by the Company and approved by the Board of Directors of the Company.

### A. Restated Summary Financial Statements:

1. We have examined the attached 'Summary financial Statement of Assets and Liabilities, As Restated' (Annexure I) as at March 31, 2008, 2009, 2010, 2011 & 2012 and for the four months period ended 31<sup>st</sup> July 2012 and the attached 'Summary Statement of Profits and Losses, As Restated' (Annexure II) and the attached 'Summary Statement of Cash Flows, As Restated' (Annexure III) for the years ended March 31, 2008, 2009, 2010, 2011 & 2012 and for the four months period ended 31<sup>st</sup> July 2012 which have been extracted by the management and approved by the board of directors.. Representations have been taken from the management for the additional information for all the financial years including and for the four months period ended 31<sup>st</sup> July 2012. (Annexure I, II and III are collectively referred to in this report as the "Restated Summary Financial Statements").
2. The audit for the financial years ended March 31, 2008 and 2009 was conducted by M/s A. Goel & Co., Chartered Accountants, and for the financial year ended 2010 and 2011 was conducted by B. P Singhania & Co., Chartered Accountants. The financial statements for the year ended 31<sup>st</sup>, March, 2012 and for the 4 months period ended July 31, 2012 have been audited by us. This report, in so far as it relates to the amounts included for the financial years ended March 31, 2008, 2009, 2010 and 2011 is based on the audited financial statements of the Company which were audited by M/s A. Goel & Co, Chartered Accountants and B. P Singhania & Co., Chartered Accountants and their audit reports have been relied upon by us for the said years.
3. The Restated Summary Financial Statements are after making adjustments and regroupings as in our opinion were appropriate and more fully described in the 'Statement of Significant Accounting Policies' and 'Notes to the Restated Financial Statements' (Annexure IV) and (Annexure V) respectively.

4. In accordance with the requirements of paragraph B (1) of Part II of Schedule II of the Companies Act, 1956, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and terms of our engagement agreed with the company, and based on our examination of the Restated Summary Statements, we confirm that:
- a. The Restated summary Financial Statement - the restated summary statement of assets and liabilities, the restated summary statement of profit and loss, and the restated summary statement of cash flow (“summary statements”) of the company, for the year ended March 31, 2008, 2009, 2010, 2011 & 2012 and for the four months period ended 31<sup>st</sup> July 2012 examined by us, as set out in annexure-I, II and III to this report read with and subject to the non adjustment in respect of certain previous year audit qualifications as referred to at point no. 2, Annexure V - Notes to the restated Financial statements and other observations as given herein after, are after making material adjustments and regrouping as in our opinion were appropriate and more fully described in Significant Accounting Policies, Notes to the financial statements (refer annexure- IV & V).
  - b. Based on and subject to our comments as above, we are of the opinion that restated financial information have been made after incorporating:
    - i. Adjustments if any, made for the changes in Accounting Policies and Estimates adopted by the Company with retrospective effect to reflect the significant accounting policies being adopted by company as on 31<sup>st</sup> July 2012 are explained in annexure V to this report.
    - ii. The “Restated Summary Financial Statements” have to be read in conjunction with the Significant Accounting Policies and Notes given in Annexure IV of this report.
    - iii. Amounts if any, relating to adjustments for previous years have been identified and adjusted in the statements in the year to which they relate;
    - iv. There are no extra-ordinary items that need to be disclosed separately in the Restated Summary financial Statements;
    - v. There are no qualifications in auditor’s reports for incorrect accounting policies that require Adjustment in the Restated Summary Statements.

Summary of significant accounting policies adopted by the Company and material adjustments carried out in the preparation of the Restated Summary Statements & the significant notes to thereto be enclosed as Annexure IV and Annexure V to this report.

#### **B. Other Financial Information:**

5. At the request of the company, we have also examined the following financial information (“Other Financial Information”) proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:

Annexure VI	: Statement of Share Capital and Reserves and Surplus, as restated
Annexure VII	: Statement of Secured Loans, as restated
Annexure VIII	: Statement of Unsecured Loans, as restated
Annexure IX	: Statement of Fixed Assets, as restated
Annexure X	: Statement of Investments, as restated
Annexure XI	: Statement of Loans and Advances, as restated
Annexure XII	: Statement of Current Liabilities, as restated
Annexure XIII	: Statement of Provisions, as restated
Annexure XIV	: Statement of Capitalization, as restated
Annexure XV	: Statement of Contingent Liabilities
Annexure XVI	: Statement of Related Parties and Transactions
Annexure XVII	: Statement of Tax Shelter
Annexure XVIII	: Statement of Accounting Ratios

6. In our opinion, the Restated Summary Financial Statements and the other Financial Information set forth in Annexure I to XVIII read with the significant accounting policies and notes to the restated financial statements have been prepared in accordance with Part II of Schedule II of the Act and the SEBI Regulations.
7. This report should not in any way construed as a reissuance or redrafting of any of the previous audit report issued by us nor should this report be construed as new opinion on any of the financial statement referred to therein.
8. This report is intended solely for your information and for inclusion in the Offer document in connection with the Company's proposed IPO of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**As per our report attached**

**For and on behalf of**  
**Surana Singh Rathi and Co.**  
Chartered Accountants  
**Firm Regn. No. 317119E**

**S.K Surana**  
**(M. No. 053271)**  
**Partner**

**Place: Kolkata**  
**Date: 6<sup>th</sup> September, 2012.**

**ANNEXURE I: STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	As on 31st July	As on March 31				
	2012	2012	2011	2010	2009	2008
<b>A. Non-Current Assets</b>						
1. Fixed assets						
(i) Tangible assets	0.29	0.31	0.40	0.51	0.66	0.88
(ii) Intangible assets	-	-	-	-	-	-
(iii) Capital work-in-progress	-	-	-	-	-	-
(iv) Intangible assets under development	-	-	-	-	-	-
3. Deferred tax assets	0.07	0.07	0.06	0.05	0.03	-
4. Long term loans and advances	-	-	-	-	-	-
5. Other non-current assets	-	-	-	-	-	-
<b>Total A</b>	<b>0.36</b>	<b>0.38</b>	<b>0.46</b>	<b>0.56</b>	<b>0.69</b>	<b>0.88</b>
<b>B. Current Assets</b>						
1. Current investments	2.98	470.70	428.45	288.41	571.18	397.78
2. Inventories	-	-	-	-	-	-
3. Trade receivables	15.42	53.81	35.33	86.67	103.26	41.67
4. Cash and cash equivalents	425.73	2.85	0.47	185.78	0.89	1.04
5. Short-term loans and advances	1,528.32	8.01	86.18	87.23	19.59	115.26
6. Other current assets	-	-	-	-	-	-
<b>Total B</b>	<b>1,972.46</b>	<b>535.37</b>	<b>550.43</b>	<b>648.09</b>	<b>694.92</b>	<b>555.74</b>
<b>Total Assets C ( A + B )</b>	<b>1,972.81</b>	<b>535.75</b>	<b>550.88</b>	<b>648.64</b>	<b>695.61</b>	<b>556.62</b>
<b>D. Non-Current Liabilities</b>						
1. Long-term borrowings	-	-	-	-	-	-
2. Deferred tax liabilities (Net)	-	-	-	-	-	0.01
3. Other Long term liabilities	-	-	-	-	-	-
4. Long term provisions	-	-	-	-	-	-
<b>Total D</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.01</b>
<b>E. Current Liabilities</b>						
1. Short-term borrowings						
2. Trade payables	29.94	29.94	50.43	147.86	183.46	52.73
3. Other current liabilities	199.61	0.28	0.08	0.08	16.47	8.67
4. Short-term provisions	7.39	3.06	1.43	1.86	0.55	0.47
<b>Total E</b>	<b>236.94</b>	<b>33.27</b>	<b>51.93</b>	<b>149.79</b>	<b>200.48</b>	<b>61.88</b>
<b>F. Total Liabilities &amp; Provisions (D+E)</b>	<b>236.94</b>	<b>33.27</b>	<b>51.93</b>	<b>149.79</b>	<b>200.48</b>	<b>61.88</b>
<b>G. Net Worth [ C - F ]</b>	<b>1,735.88</b>	<b>502.47</b>	<b>498.95</b>	<b>498.85</b>	<b>495.13</b>	<b>494.74</b>
<b>Represented by Shareholders' Fund:</b>						
Share Capital	1,149.25	25.65	25.65	25.65	25.65	25.65
Reserves & surplus	586.63	476.82	473.30	473.20	469.55	469.29
Miscellaneous Expenditure (to the extent not written off)	-	-	-	-	(0.07)	(0.20)
<b>Net Worth</b>	<b>1,735.88</b>	<b>502.47</b>	<b>498.95</b>	<b>498.85</b>	<b>495.13</b>	<b>494.74</b>

**Note:** The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

**ANNEXURE II: STATEMENT OF PROFITS AND LOSSES, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	For the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>REVENUE</b>						
Revenue from operations	1,265.69	346.82	27.09	2,187.96	521.17	1,563.25
Other Income	0.20	34.76	0.20	0.07	4.64	6.38
<b>Total Income</b>	<b>1,265.89</b>	<b>381.58</b>	<b>27.28</b>	<b>2,188.03</b>	<b>525.82</b>	<b>1,569.63</b>
<b>EXPENSES</b>						
Cost of Services	1,238.95	328.98	23.27	2,163.76	509.81	1,549.35
Employee benefit expense	1.30	6.20	1.68	10.30	7.20	8.60
Financial costs	0.00	-	0.01	0.15	0.17	0.18
Depreciation and amortization expense	0.02	0.08	0.11	0.15	0.22	0.31
Other expenses	10.73	40.21	1.59	7.82	7.37	9.91
Directors Remuneration	0.85	0.96	0.48	0.48	0.48	0.48
Preliminary Expenses written off				0.07	0.13	0.13
<b>Total Expenditure</b>	<b>1,251.85</b>	<b>376.43</b>	<b>27.14</b>	<b>2,182.73</b>	<b>525.38</b>	<b>1,568.96</b>
<b>Net Profit/(Loss) before tax</b>	<b>14.04</b>	<b>5.15</b>	<b>0.14</b>	<b>5.30</b>	<b>0.44</b>	<b>0.67</b>
<b>Less : Provision for Taxation</b>						
Current Years Income Tax	4.34	1.63	0.06	1.66	0.16	0.24
Deferred Tax	-	(0.01)	(0.01)	(0.02)	(0.03)	(0.04)
Fringe Benefit Tax	-	-	-	-	0.05	0.05
<b>Net Profit after tax but before extraordinary Items</b>	<b>9.70</b>	<b>3.52</b>	<b>0.10</b>	<b>3.66</b>	<b>0.26</b>	<b>0.41</b>
Extra-ordinary items	-	-	-	-	-	-
<b>Net Profit after extraordinary Items available for appropriation</b>	<b>9.70</b>	<b>3.52</b>	<b>0.10</b>	<b>3.66</b>	<b>0.26</b>	<b>0.41</b>
Proposed Dividend	-	-	-	-	-	-
Dividend distribution Tax	-	-	-	-	-	-
<b>Net Profit carried to Balance sheet</b>	<b>9.70</b>	<b>3.52</b>	<b>0.10</b>	<b>3.66</b>	<b>0.26</b>	<b>0.41</b>

**Note:** The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.

**ANNEXURE III: STATEMENT OF CASH FLOWS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	For the year ended on March 31				
		2012	2011	2010	2009	2008
<b>A. Cash Flows from operating activities</b>						
Net Profit before tax	14.04	5.15	0.14	5.30	0.44	0.67
Adjustments for:						
Depreciation	0.02	0.08	0.11	0.15	0.22	0.31
Preliminary Expenses W/off		-	-	0.07	0.13	0.13
Share Issue Expenses	9.23	-	-	-	-	-
Interest Received	(0.20)	(0.60)	(0.20)	-	(0.54)	(6.38)
Provision on Standard Assets						
<b>Operating cash generated before working capital changes and taxes</b>	<b>23.09</b>	<b>4.63</b>	<b>0.06</b>	<b>5.52</b>	<b>0.24</b>	<b>(5.27)</b>
(Increase) / Decrease in Receivables	38.39	(18.48)	51.34	16.60	(61.60)	(41.67)
(Increase) / Decrease in Inventory	-	-	-	-	-	-
(Increase) / Decrease in short term Current Assets	(1,520.32)	78.17	1.05	(67.64)	95.67	(5.20)
Increase / (Decrease) in short Term Current Liabilities	199.33	(20.29)	(97.42)	(52.00)	138.53	(112.21)
<b>Operating cash generated before taxes</b>	<b>(1,259.51)</b>	<b>44.03</b>	<b>(44.97)</b>	<b>(97.53)</b>	<b>172.84</b>	<b>(164.34)</b>
Less: Direct Tax paid	-	-	(0.49)	(0.35)	(0.13)	(0.02)
<b>Net cash generated from operating activities (A)</b>	<b>(1,259.51)</b>	<b>44.03</b>	<b>(45.46)</b>	<b>(97.88)</b>	<b>172.71</b>	<b>(164.36)</b>
<b>B. Cash Flows from investing activities</b>						
Sale / (Purchase) of Fixed Assets (Net)						
Sale / (Purchase) of Investments (Net)	467.72	(42.25)	(140.05)	282.78	(173.40)	143.15
Interest Received	0.20	0.60	0.20	-	0.54	6.38
Dividend Received	-	-	-	-	-	-
<b>Net Cash generated from investing activities (B)</b>	<b>467.92</b>	<b>(41.65)</b>	<b>(139.85)</b>	<b>282.78</b>	<b>(172.86)</b>	<b>149.53</b>
<b>C. Cash flow from financing activities</b>						
Proceeds from issue of share capital (including Share Premium)	1,223.70	-	-	-	-	15.00
Increase / (Decrease) in Secured Loans	-	-	-	-	-	-
Increase / (Decrease) in Unsecured Loans	-	-	-	-	-	-
Share Issue Expenses	(9.23)	-	-	-	-	-
Dividend Paid (including Div Tax)	-	-	-	-	-	-
<b>Net cash from financing activities [C]</b>	<b>1,214.47</b>					<b>15.00</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>422.88</b>	<b>2.38</b>	<b>(185.31)</b>	<b>184.89</b>	<b>(0.15)</b>	<b>0.17</b>
Opening balance of cash and cash equivalents	2.85	0.47	185.78	0.89	1.04	0.86
<b>Closing balance of cash and cash equivalents</b>	<b>425.73</b>	<b>2.85</b>	<b>0.47</b>	<b>185.78</b>	<b>0.89</b>	<b>1.04</b>

**Note:** The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV & V respectively.



## **ANNEXURE IV: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES, AS RESTATED**

### **1. Basis of Preparation of Financial Statements:**

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles („GAAP“) applicable in India Companies (Accounting Standard) Rules 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act 1956 as adopted consistently by the Company.

### **2. Use of Estimates:**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/materialize.

### **3. Fixed Assets:**

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon. Fixed Assets are accounted at cost of acquisition inclusive of inward freight duties taxes and other incidental expenses related to acquisition and installation of Fixed Assets incurred to bring the assets to their working condition for their intended use.

### **4. Depreciation:**

Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule XIV of the Companies Act 1956.

### **5. Investments:**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of the cost and fair value determined on an individual item basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in nature.

### **6. Revenue Recognition:**

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Dividend income is recognized when right to receipts is established. Profit or loss on sale of securities is accounted on trade date basis. Other Income has been recognized on the basis of Accounting Standard – 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules 2006.

### **7. Foreign currency transaction:**

Foreign currency transactions are recorded in the books at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized as income or expense in the profit and loss account of the same period. Foreign currency assets and liabilities are translated at the yearend rates and the resultant exchange differences are recognized in the profit and loss account.

The Company uses foreign exchange forward and options contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and options contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes. Forward and options contracts are fair valued at each reporting date. The resultant gain or losses from these transactions are recognized in the statement of profit and loss. The Company records the gain or loss on effective hedges if any in the foreign currency fluctuation reserve until the transactions are complete. On completion the gain or loss is transferred to the statement of profit and loss of that period.

## **8. Borrowing Cost:**

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to revenue.

## **9. Retirement Benefits:**

Contributions to the provident fund and employees state insurance (if any) is made monthly at a pre-determined rate to the Provident Fund Commissioner and Employee State Insurance Fund respectively and debited to the profit & loss account on an accrual basis.

Provisions for outstanding Leave Encashment benefit and Gratuity (if any) for employees, if any, is accounted for on an accrual basis.

## **10. Accounting of taxes on Income:**

Tax expenses for the year comprise of current tax and deferred tax.

Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets to the extent they become reasonably certain or virtually certain of realization as the case may be.

## **11. Leased Assets:**

The Company's significant Leasing arrangements are in respect of Operating leases for premises which are cancellable in nature. The Lease rentals paid under such Agreements are charged to Profit and Loss Account.

## **12. Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote no provision or disclosure is made.

## **13. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

## **ANNEXURE V: NOTES TO THE RESTATED FINANCIAL STATEMENTS**

### **1. Changes in Accounting Policies in the years/periods covered in the Restated Financials**

There is no change in significant accounting policies during the reporting period except as and when Accounting Standards issued by the Institute of Chartered Accountants of India / companies (Accounting Standard) Rules 2006 were made applicable on the relevant dates.

**2. Non-adjustment Items:**

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the last five years.

**3. Material Regroupings:**

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities Profits and Losses and Cash flows wherever required by reclassification of the corresponding items of income expenses assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

**4. Related Party Disclosures as required in terms of „Accounting Standard -18 are given in Annexure XIV.**

**5. Earnings Per Share (EPS) as required in terms of „Accounting Standard -20 are given in Annexure XVI.**

**6. In the opinion of the management current assets loans and advances have realizable value of at least the amounts at which they are stated in the accounts.**

**7. Provision for tax has been made on the book profits as per provision under the Income Tax Act 1961.**

**8. As per Accounting Standard (AS) 17 on “Segment Reporting” Segment information has not been provided as the Company has only one reportable segment.**

**9. The management has asked for confirmation from its suppliers regarding their registration with competent authorities under Micro Small and Medium Enterprises Development Act 2006 (MSMED). However none has confirmed their registration under the act. Accordingly no further information is submitted in this regards.**

**ANNEXURE VI: STATEMENT OF SHARE CAPITAL RESERVES AND SURPLUS, AS RESTATED**

**STATEMENT OF SHARE CAPITAL AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
		2012	2011	2010	2009	2008
<b>Equity Shares (Fully Paid)</b>						
<b>Authorised</b>	1,750.00	26.00	26.00	26.00	26.00	26.00
<b>Issued, Subscribed and Paid-Up</b>	1,149.25	25.65	25.65	25.65	25.65	25.65
<b>Reconciliation of number of shares :</b>						
Number of Shares at the beginning of the year	256,500	256,500	256,500	256,500	256,500	249,000
Add: Shares issued during the year-						
In Cash	8,158,000					7,500.
Other than Cash (Bonus)	3,078,000					
Number of Shares at the closing of the year	11,492,500	256,500	256,500	256,500	256,500	256,500

**STATEMENT OF RESERVES AND SURPLUS AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
		2012	2011	2010	2009	2008
<b>Capital Reserve: Share Premium Account (A)</b>						
Opening Balance	468.35	468.35	468.35	468.35	468.35	454.10
Add: Recd during the year	407.90					14.25
Less: Utilized for issue of Bonus shares	307.80					
<b>Total (A)</b>	<b>568.45</b>	<b>468.35</b>	<b>468.35</b>	<b>468.35</b>	<b>468.35</b>	<b>468.35</b>
<b>SURPLUS : Profit and Loss Account (B)</b>						
Opening Balance	8.47	4.95	4.85	1.20	0.94	0.52
Add : Net Profit after Tax Transferred from Statement of						
Profit and Loss	9.70	3.52	0.10	3.66	0.26	0.41
Amount available for Appropriation	<b>18.18</b>	<b>8.47</b>	<b>4.95</b>	<b>4.85</b>	<b>1.20</b>	<b>0.94</b>
Less: Utilized for issue of Bonus shares						
Less : Interim Dividend						
Less : Final Dividend						
Less: Dividend Distribution Tax						
<b>Total (B)</b>	<b>18.18</b>	<b>8.47</b>	<b>4.95</b>	<b>4.85</b>	<b>1.20</b>	<b>0.94</b>
<b>Total (A+B)</b>	<b>586.63</b>	<b>476.82</b>	<b>473.30</b>	<b>473.20</b>	<b>469.55</b>	<b>469.29</b>

**ANNEXURE VII: STATEMENT OF SECURED LOANS, AS RESTATED**

NIL

**ANNEXURE VIII: STATEMENT OF UNSECURED LOANS, AS RESTATED**

NIL

**ANNEXURE IX: STATEMENT OF FIXED ASSETS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>Tangible Assets</b>						
Gross Block	2.21	2.21	2.21	2.21	2.21	2.21
Less: Accumulate Depreciation	1.92	1.90	1.82	1.70	1.55	1.33
Net Block	0.29	0.31	0.40	0.51	0.66	0.88
<b>Intangible Assets</b>	-	-	-	-	-	-

**ANNEXURE X: STATEMENT OF INVESTMENTS, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>NON CURRENT INVESTMENTS</b>						
<b>A) Short Term Investments</b>						
Debt Instruments						
- Quoted						
- Unquoted						
Fully paid Equity Shares						
-Quoted	0.01	0.01	0.01	0.01	0.01	0.01
- Unquoted	2.98	470.70	428.45	288.40	571.18	397.78
<b>Total (A)</b>	<b>2.98</b>	<b>470.70</b>	<b>428.45</b>	<b>288.41</b>	<b>571.18</b>	<b>397.78</b>
<b>B) Long Term Investments</b>						
<b>C) Provision for diminution in value of Investments</b>						
<b>Total (A+B+C)</b>	<b>2.98</b>	<b>470.70</b>	<b>428.45</b>	<b>288.41</b>	<b>571.18</b>	<b>397.78</b>
<b>Quoted Investments</b>						
- Book Value						
- Market Value						
<b>Unquoted Investments</b>						
- Book Value						

**ANNEXURE XI: STATEMENT OF LOANS AND ADVANCES, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>Long Term Loans And Advances</b>						
Refundable Deposit for Offices						

<b>TOTAL</b>						
<b>Short Term Loans And Advances</b>						
Advances Taxes	2.33	2.33	1.55	1.53	1.55	7.69
Other Loans & Advances	1,525.99	5.67	84.63	85.70	18.04	107.57
<b>Total</b>	<b>1,528.32</b>	<b>8.01</b>	<b>86.18</b>	<b>87.23</b>	<b>19.59</b>	<b>115.26</b>

**ANNEXURE XII: STATEMENT OF CURRENT LIABILITIES, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>Current Liabilities</b>						
Short Term Borrowings						
Trade Payables	29.94	29.94	50.43	147.86	183.46	52.73
Other Liabilities	199.61	0.28	0.08	0.08	16.47	8.67
<b>Total (A)</b>	<b>229.54</b>	<b>30.22</b>	<b>50.51</b>	<b>147.93</b>	<b>199.93</b>	<b>61.40</b>

**ANNEXURE XIII: STATEMENT OF PROVISION, AS RESTATED**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>Short Term Provisions</b>						
For Income Tax	7.39	3.06	1.43	1.86	0.51	0.42
For Fringe Benefit Tax					0.04	0.05
For Proposed Dividend						
For Tax on Dividend						
<b>Total (B)</b>	<b>7.39</b>	<b>3.06</b>	<b>1.43</b>	<b>1.86</b>	<b>0.55</b>	<b>0.47</b>

**ANNEXURE XIV: STATEMENT OF CAPITALIZATION**

Particulars	Pre Issue as on 31-7-2012	Post Issue
<b>Debt</b>		
Long Term Debt		
Short Term Debt		
<b>Total Debts (A)</b>		
<b>Equity (shareholders' funds)</b>		
Equity share capital	1,149.25	
Share Premium Account	568.45	
Profit & Loss Accounts	18.18	
<b>Total Equity (B)</b>	<b>1,735.88</b>	
<b>Long Term Debt / Equity Shareholders' funds</b>		
<b>Total Debt / Equity Shareholders' funds</b>		

Note: The post issue capitalisation will be determined only after the completion of allotment of Equity Shares pursuant to Issue.

**ANNEXURE XV: STATEMENT OF CONTINGENT LIABILITIES**

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
Contingent Liabilities at the end of the year	-	-	-	-	-	-

**ANNEXURE XVI: STATEMENT OF RELATED PARTIES AND TRANSACTIONS**

(₹ in Lakhs)

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
<b>Holding Company</b>						
<b>Competent Textiles Pvt. Ltd.</b>						
Share Application Money Received	750.00	-	-	-	-	-
<b>Key Managerial Personnel</b>						
<b>Directors Remuneration</b>						
Ashok Kumar Derasari	-	0.48	0.48	0.24	0.24	0.24
Mukesh Bhuwalka	-	-	-	-	-	0.24
Shyam sunder Sharma	-	-	-	0.24	0.24	-
Manoj Kumar Bajaj	0.85	0.24	-	-	-	-
Punit Sureka	-	0.24	-	-	-	-
<b>Share Application Money Received</b>						
Manoj Kumar Bajaj	25.00	-	-	-	-	-
Punit Sureka	25.00	-	-	-	-	-
<b>Total</b>	<b>800.85</b>	<b>0.96</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>	<b>0.48</b>

**ANNEXURE XVII: STATEMENT OF TAX SHELTER**

(₹ in Lakhs)

Particulars	for the year ended on March 31				
	2012	2011	2010	2009	2008
Normal Corporate tax rates	30.90%	30.90%	30.90%	30.90%	30.90%
Special Tax Rates					
Minimum alternative tax rates	20.01%	19.93%	17.00%	11.33%	11.33%
Profit before tax as per Restated P/L	<b>5.15</b>	<b>0.14</b>	<b>5.30</b>	<b>0.44</b>	<b>0.67</b>
Applicable Corporate Tax Rate	30.90%	30.90%	30.90%	30.90%	30.90%
Tax at Notional Rate	1.59	0.04	1.64	0.14	0.21
<b>Adjustments</b>					
Difference between Tax Depreciation and Book Depreciation	(0.02)	(0.04)	(0.07)	(0.09)	(0.12)
Exempt Income	-	-	-	-	-
Items Chargeable at special rates	-	-	-	-	-
Other Items Long Term Loss	-	-	-	-	-
Set off of Business Losses / Unabsorbed Depreciation	-	-	-	-	-
<b>Net Adjustments</b>	<b>(0.02)</b>	<b>(0.04)</b>	<b>(0.07)</b>	<b>(0.09)</b>	<b>(0.12)</b>
Tax Saving thereon	(0.01)	(0.01)	(0.02)	(0.03)	(0.04)
Tax Saving to the extent of Tax at Notional Rate	(0.01)	(0.01)	(0.02)	(0.03)	(0.04)

Tax Payable [A]	1.60	0.06	1.66	0.16	0.24
Tax Payable on items chargeable at special rates [B]					
Total Tax Payable [C=A+B]	1.60	0.06	1.66	0.16	0.24
Tax Rebates [D]					
Net Tax Payable [E=C-D]	1.60	0.06	1.66	0.16	0.24
Tax as per Minimum alternate tax (MAT)	1.03	0.03	0.90	0.05	0.08
Total tax payable or MAT whichever is higher	1.60	0.06	1.66	0.16	0.24

#### **ANNEXURE XVIII: STATEMENT OF ACCOUNTING RATIOS**

Particulars	For the period ended 31st July	for the year ended on March 31				
	2012	2012	2011	2010	2009	2008
Net Worth as per Balance Sheet	<b>1,735.88</b>	<b>502.47</b>	<b>498.95</b>	<b>498.85</b>	<b>495.13</b>	<b>494.74</b>
Profit/(Loss) after Tax	9.70	3.52	0.10	3.66	0.26	0.41
Basic/Diluted Earnings Per Share (°)	0.2910	1.3735	0.0388	1.4274	0.1007	0.1665
Basic/Diluted Earnings Per Share after considering the effect of Bonus Shares in Previous years	0.2910	0.1057	0.0030	0.1098	0.0077	0.0128
Weighted Average Number of Equity Shares	33,34,500	2,56,500	2,56,500	2,56,500	2,56,500	2,49,000
Weighted Average Number of Equity Shares after considering the effect of Bonus (Number)	33,34,500	33,34,500	33,34,500	33,34,500	33,34,500	32,37,000
No. of Shares at the end of the year	1,14,92,500	2,56,500	2,56,500	2,56,500	2,56,500	2,56,500
Net Asset Value Per share (°)	15.10	195.90	194.52	194.48	193.03	192.88
Return on Net Worth (%)	0.56%	0.70%	0.02%	0.73%	0.05%	0.08%

Notes:

a) Note: The above statement should be read with the Significant accounting policies and notes to accounts appearing in Annexure IV.

b) Formulas used for calculating above ratios are as under:

i) Basic EPS is being calculated by using the formula: Net Profit after excluding Extra-ordinary items/Weighted Average No. of outstanding shares.

ii) Net Asset Value is being calculated by using the formula: (Equity Share Capital + Reserves and Surplus + Preference Share Capital)/Number of Equity Shares at year end.

iii) Return on Net worth is being calculated by using the formula: Profit After Tax/(Equity Share Capital + Reserves and Surplus + Preference Share Capital).

iv) Net Tangible Assets comprises Net Fixed Assets and Net Working Capital.

c) There is no revaluation reserve in last five years of the Company.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE COMPANY**

*You should read the following discussion and analysis of our Company's financial condition and results of operations together with our Company's financial statements included in this Draft Prospectus. You should also read the Chapter titled "Risk Factors" beginning on page 10 of this Draft Prospectus, which enumerates number of factors and contingencies that could impact our Company's financial condition and results of operations.*

*These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our Statutory Auditor dated September 6<sup>th</sup> 2012 in the "Section VI Financial Information" beginning on page 98 of this Draft Prospectus.*

*Our financial year ends on March 31 of each year, so all references to a particular fiscal year to 12-month period ended March 31 of that year. Our Company's historical financial performance may not be considered as indicative of future financial performance.*

### **BUSINESS OVERVIEW**

Our Company was originally incorporated with the Registrar of Companies on 12th October, 2004 as Shivpujan Agencies Private Limited. The name of our Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2nd July 2012. Further, our Company became a public limited company with the name of Bronze Infra-Tech Limited with fresh certificate of incorporation dated 4th July 2012, issued by the Registrar of Companies West Bengal, Kolkata. The Corporate Identification Number of our company is U74990WB2004PLC100116.

We are an infrastructure development company in India with interest in the business of Land Development, Construction, having necessary infrastructure, Research and Development facilities and adequate experienced staff, We currently owning four diversified projects, all of this project are under the process of development, whereas we have two land development based projects, and other two projects are into property development and Sale of IT Equipments as an vendor servicing.

### **Significant developments after year ended March 31, 2012 that affect our future results of operations**

In the opinion of the Board of Directors, no events or circumstances save and except as disclosed in this Draft Prospectus have arisen since the date of the last Audited Financial Statements contained in the Draft Prospectus which materially or adversely affect or is likely to affect the trading and profitability of the Company, or the value of its assets, or its ability to pay liabilities within next twelve months.

### **Key factors affecting the results of operation**

Our financial condition and results of operations are affected by numerous factors and the following are of particular importance:

#### **Changes in interest rates**

The interest rates on all of our borrowings may fluctuate. The interest rates on all of our borrowings are subject to adjustment based on the prime lending rate, the base rate or benchmark rate of the respective lenders. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase.

#### **Raw Material Costs**

Our results of operations may be adversely affected in the event of increases in the price of materials, fuel costs, labour or other project-related inputs. Timely and cost effective execution of our projects is dependant on the adequate and timely supply of key materials such as steel, cement and aggregate (sand, bricks and sized metals). If we, or our sub-

contractors, are unable to procure the requisite quantities of materials, our results of operations may be adversely affected.

#### **Labour Costs and Availability of Skilled Labour and Engineers**

The cost and timely availability of skilled labour and engineers can have a significant effect on our results of operations. In addition, our results of operations could be adversely affected by disputes with our employees.

#### **Changes in laws and regulations relating to the sectors/areas in which we operate**

The growth of the infrastructure industry in India and our business is dependent on the establishment of stable Government policies and a prudent regulatory environment. Infrastructure development in India has historically been the preserve of the central and state Governments. Changes in Government policies, which began in the 1990s, facilitated the entry of private capital into infrastructure and have led to rapid growth in certain sectors. Recently policy changes in energy, urban infrastructure, and industrial and commercial infrastructure sectors have begun to attract significant private sector interest. We believe that with the policy and regulatory reforms continuing to move in a positive direction, our growth in financial and operational conditions will be impacted favourably.

#### **Availability of Funds**

We have high working capital requirements and require debt to partly finance our construction projects and developer projects. If we experience insufficient cash flows or are unable to obtain the necessary funds to allow us to make required payments on our debt or fund working capital requirements, there may be an adverse effect on our results of operations. In addition, fluctuations in market interest rates may affect the cost of our borrowings, as some of our loans are at variable interest rates.

#### **Changes in Our Order Book**

Any delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to Order Book projects or any other uncompleted projects, or disputes with clients in respect of any of the foregoing, could have a material adverse effect on our results of operations. If we are unable to execute larger projects and effectively manage our growth it could disrupt our business and reduce our profitability.

#### **Increased competition in the sectors/areas in which we operate**

We face significant competition. The competition for construction contracts and developer projects varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. Furthermore, an increase in competition arising from the entry of new competitors into any sector in which we compete may force us to reduce our bid prices, which in turn could affect our profitability.

#### **Weather Conditions**

We have business activities that could be materially and adversely affected by severe weather. Our operations are also adversely affected by difficult working conditions and extremely high temperatures during summer months and during monsoon, which restrict our ability to carry on construction activities and fully utilize our resources. We record contract revenues for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenues are not recognized until we make progress on a contract and receive such certification from our clients, revenues recorded in the first half of our financial year between April and September are traditionally substantially lower compared with revenues recorded during the second half of our financial year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses, but our revenues from operations may be delayed or reduced.

#### **General Economic Conditions in India**

Our performance is highly correlated to general economic conditions in India, which are in turn influenced by global economic factors. Any event or trend resulting in a deterioration in whole or in part of the Indian or global economy may

directly or indirectly affect our performance, including the quality and growth of our assets. Any volatility in global commodity prices could adversely affect our results of operations.

## **Key Accounting Policies**

Our critical accounting policies are those that are both (1) relevant to the presentation of our financial condition and results of operations; and (2) require our management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. While we believe that all aspects of our financial statements should be reviewed when assessing our current and expected financial condition and results of operations, we believe that the following critical accounting warrant particular attention.

### ***1. Basis of Preparation of Financial Statements:***

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles („GAAP") applicable in India Companies (Accounting Standard) Rules 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act 1956 as adopted consistently by the Company.

### **2. Use of Estimates:**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reported period. Differences between the actual result and estimates are recognized in the period in which the results are known/materialize.

### **3. Fixed Assets:**

Fixed Assets are stated at cost of acquisition less accumulated depreciation thereon. Fixed Assets are accounted at cost of acquisition inclusive of inward freight duties taxes and other incidental expenses related to acquisition and installation of Fixed Assets incurred to bring the assets to their working condition for their intended use.

### **4. Depreciation:**

Depreciation is provided for in the books on written down value method as per the rates prescribed under Schedule XIV of the Companies Act 1956.

### **5. Investments:**

Investments made by the Company with a long term prospective in Quoted and Unquoted securities are held as investments and are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

### **6. Revenue Recognition:**

Revenues are recognized and expenses are accounted on accrual basis with necessary provisions for all known liabilities and losses. Dividend income is recognized when right to receipts is established. Profit or loss on sale of securities is accounted on trade date basis. Other Income has been recognized on the basis of Accounting Standard – 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules 2006.

### **7. Foreign currency transaction:**

Foreign currency transactions are recorded in the books at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized as income or

expense in the profit and loss account of the same period. Foreign currency assets and liabilities are translated at the yearend rates and the resultant exchange differences are recognized in the profit and loss account.

The Company uses foreign exchange forward and options contracts to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward and options contracts reduce the risk or cost to the Company and the Company does not use those for trading or speculation purposes. Forward and options contracts are fair valued at each reporting date. The resultant gain or losses from these transactions are recognized in the statement of profit and loss. The Company records the gain or loss on effective hedges if any in the foreign currency fluctuation reserve until the transactions are complete. On completion the gain or loss is transferred to the statement of profit and loss of that period.

#### **8. Borrowing Cost:**

Borrowing Costs that are directly attributable to the acquisition or production of qualifying assets are capitalized as the cost of the respective assets. Other Borrowing Costs are charged to revenue.

#### **9. Employee Benefits:**

Employee benefit plans comprise both defined benefit and defined contribution plans.

Provident fund is a defined contribution plan. Each eligible employee and the Company make equal contributions at a percentage of the basic salary specified under the Employees' Provident Funds and Miscellaneous Provisions Act 1952.

The Company has no further obligations under the plan beyond its periodic contributions.

#### **10. Accounting of taxes on Income:**

Tax expenses for the year comprise of current tax and deferred tax.

Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income" issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets to the extent they become reasonably certain or virtually certain of realization as the case may be.

#### **11. Leased Assets:**

The Company's significant Leasing arrangements are in respect of Operating leases for premises which are cancellable in nature. The Lease rentals paid under such Agreements are charged to Profit and Loss Account.

#### **12. Provisions and Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may but probably will not require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote no provision or disclosure is made.

#### **13. Impairment of Assets:**

The Company assesses at each balance sheet date whether there is any indication that an assets may be impaired. If any such indication exists the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the assets belongs is less than the carrying amount the

carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists the recoverable amount is reassessed and the assets is reflected at the recoverable amount.

#### 14. Miscellaneous Expenditure:

Cost incurred on legal & other fees paid towards proposed IPO are amortized to be written off over a period of 5 Years.

#### Results of Operations

The following table sets forth selected financial data from our consolidated restated profit and loss accounts for fiscal 2012, 2011, 2010, and 2009, the components of which are also expressed as a percentage of total income for such periods:

(₹ in Lakhs)

Particulars	Year Ended							
	March 31,	% of	March 31,	% of	March 31,	% of	March 31,	% of
	2012	Total Income	2011	Total Income	2010	Total Income	2009	Total Income
<b>Revenue</b>								
Revenue from operations	346.82	90.89	27.09	99.28	2,187.96	100.00	521.17	99.12
Other Income	34.76	9.11	0.20	0.72	0.07	0.00	4.64	0.88
<b>Total (A)</b>	<b>381.58</b>	<b>100.00</b>	<b>27.28</b>	<b>100.00</b>	<b>2,188.03</b>	<b>100.00</b>	<b>525.82</b>	<b>100.00</b>
<b>Operating Expenditure</b>								
Cost of Services	328.98	86.21	23.27	85.28	2,163.76	98.89	509.81	96.96
Employee Benefit Expense	6.20	1.62	1.68	6.16	10.30	0.47	7.20	1.37
Other Expenses	41.17	10.79	2.07	7.59	8.37	0.38	7.97	1.52
<b>Total Operating Expenditure (B)</b>	<b>376.35</b>	<b>98.63</b>	<b>27.02</b>	<b>99.03</b>	<b>2,182.43</b>	<b>99.74</b>	<b>524.99</b>	<b>99.84</b>
<b>Profit/(Loss) before Interest, Depreciation, Taxation and Extra Ordinary Expenses (A-B)</b>	<b>5.23</b>	<b>1.37</b>	<b>0.27</b>	<b>0.97</b>	<b>5.60</b>	<b>0.26</b>	<b>0.83</b>	<b>0.16</b>
Depreciation and amortization expense	0.08	0.02	0.11	0.41	0.15	0.01	0.22	0.04
Financial costs			0.01	0.03	0.15	0.01	0.17	0.03
<b>Total (C)</b>	<b>0.08</b>	<b>0.02</b>	<b>0.12</b>	<b>0.44</b>	<b>0.30</b>	<b>0.01</b>	<b>0.39</b>	<b>0.07</b>
<b>Profit/(Loss) Before Taxation and Extra-Ordinary Items (A-B-C)</b>	<b>5.15</b>	<b>1.35</b>	<b>0.14</b>	<b>0.53</b>	<b>5.30</b>	<b>0.24</b>	<b>0.44</b>	<b>0.08</b>
<b>Provision For Taxation</b>								
Current Tax (including wealth tax)	1.63	0.43	0.06	0.21	1.66	0.08	0.16	0.03
Deferred Tax Expense/ (Credit)	(0.01)	(0.00)	(0.01)	(0.05)	(0.02)	(0.00)	(0.03)	(0.01)
Fringe Benefit Tax					0.00	0.00	0.05	0.01
<b>Total (D)</b>	<b>1.62</b>	<b>0.43</b>	<b>0.04</b>	<b>0.16</b>	<b>1.64</b>	<b>0.07</b>	<b>0.18</b>	<b>0.03</b>
<b>Net Profit/ (Loss) after taxation before extra-ordinary Items and adjustments (A-B-C-D)</b>	<b>3.52</b>	<b>0.92</b>	<b>0.10</b>	<b>0.37</b>	<b>3.66</b>	<b>0.17</b>	<b>0.26</b>	<b>0.05</b>
<b>Extraordinary Items</b>								
<b>Net Profit / (Loss) as Restated</b>	<b>3.52</b>	<b>0.92</b>	<b>0.10</b>	<b>0.37</b>	<b>3.66</b>	<b>0.17</b>	<b>0.26</b>	<b>0.05</b>

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2012 WITH FINANCIAL YEAR ENDED MARCH 31, 2011**

### **Revenue from Operation**

Revenue from operation for the financial year ended March 31, 2012 was at ₹ 346.82 Lakhs as against the total of ₹ 27.09 Lakhs for the fiscal 2011 with an increase of 1180.34%. Such increase was mainly on account of trading in Textile.

### **Other Income**

Other income from Rs. 0.20 Lakhs in financial year ended March 31, 2011 to ₹ 34.76 Lakhs in financial year ended March 31, 2012. The increase was primarily on account of receipt from job contract executed during the fiscal year 2011-2012.

### **Total Operating Expenditure**

Our total operating expenditure increased to ₹ 376.35 Lakhs for the financial year ended March 31, 2012 from ₹ 27.02 Lakhs for the financial year ended March 31, 2011. However, as a percentage of our total income, our total operating expenditure decreased to 98.63% for the Fiscal Year 2012 from 99.03% for the Fiscal Year 2011.

### **Cost of Services**

Cost of services increased by 1313.91% from ₹23.27 Lakhs in Fiscal Year 2011 to ₹ 328.98 Lakhs in Fiscal Year 2012. The cost of services as a percentage of total income increased from 85.28% to 86.21% for Fiscal Year 2012.

### **Employee Benefit Expenses**

Employee benefit expenses include the salaries and other payment to our employees excluding managerial remuneration. It increased by 269.05% from ₹1.68 Lakhs in fiscal year 2011 to ₹ 6.20 Lakhs in the fiscal year 2012. The increase was primarily due to increase in our personnel recruitment during the year due to increase in the business activity of the company and future contracts in hand to be executed in the next financial year.

### **Other Expenses**

Other expenses increased from ₹ 2.07 Lakhs in the fiscal year 2011 to ₹ 41.17 Lakhs during the fiscal year 2012 showing increase of 1887.44% mainly on account of increase of cost of operation by ₹32.15 Lakhs incurred for executing the contract during the fiscal year 2012. Further, other expenses increase from 7.59% to 10.79% as a percentage of total income from fiscal year 2011 to fiscal year 2012.

### **Depreciation & Amortization Expenses**

Our depreciation expenses decrease by 25.44% to Rs. 0.08 Lakhs for fiscal year 2012 from Rs.0.11 Lakhs for fiscal year 2011. This was mainly due to depreciation being charged on the written down value of the assets of the company and there was no addition of fixed assets during the year.

### **Finance Expenses**

Our Company has not incurred finance expenses in the fiscal year 2012 against ₹0.01 Lakhs in fiscal year 2011. This was due to bank charges levied by the bankers in the fiscal year 2011 which is NIL in the fiscal year 2011

### **Restated profit**

Our restated profit increased by 3437.05% to ₹ 3.52 Lakhs for fiscal year 2012 from ₹ 0.10 Lakhs for fiscal year 2011. The main reason for the increase in restated profit was an increase in our operational profit due to increase in turnover of

the company compared to fiscal year 2011. Although the margin of profit is low but due to increase in turnover the restated profit increased for fiscal year 2012.

## **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2011 WITH FINANCIAL YEAR ENDED MARCH 31, 2010**

### **Revenue from Operation**

Revenue from operation for the financial year ended March 31, 2011 was at ₹ 27.09 Lakhs as against the total of ₹ 2187.96 Lakhs for the fiscal 2010 decrease of 98.76% on account of change of management leading to reduction in business activity. As a result the company also limit the area of operation of the company.

### **Other Income**

Other income increase from ₹ 0.07 Lakhs in financial year ended March 31, 2010 to ₹ 0.20 Lakhs in financial year ended March 31, 2011. The increase was primarily on account of interest received on temporary loan given by the company.

### **Total Operating Expenditure**

Our total operating expenditure decreased to ₹ 27.02 Lakhs for the financial year ended March 31, 2011 from ₹ 2182.43 Lakhs for the financial year ended March 31, 2010. However, as a percentage of our total income, our total operating expenditure decreased marginally to 99.03% for the Fiscal Year 2011 from 99.74% for the Fiscal Year 2010.

### **Cost of Services**

Cost of services decrease by 98.92% from ₹ 2163.76 Lakhs in Fiscal Year 2010 to ₹ 23.27 Lakhs in Fiscal Year 2011. The cost of services as a percentage of total income decreased from 98.89% to 85.28% for Fiscal Year 2011.

### **Employee Benefit Expenses**

Employee benefit decreased by 83.69% from ₹ 10.30 Lakhs in fiscal year 2010 to ₹ 1.68 Lakhs in the fiscal year 2011. The decrease was due to cut down of the personnel on contract basis besides permanent employees which were hired as per the requirement.

### **Other Expenses**

Other expenses decreased from ₹ 8.37 Lakhs in the fiscal year 2010 to ₹ 2.07 Lakhs during the fiscal year 2011 decrease of 75.25% on account of decrease in revenues for the fiscal year compared to fiscal year 2010 as the variable expenses like carriage inward, carriage outward, packaging expenses, etc vary directly with the turnover besides the fixed expenses which remains almost same. Further, other expenses increase from 0.38% to 7.59% as a percentage of total income from fiscal year 2010 to fiscal year 2011.

### **Depreciation & Amortization Expenses**

Our depreciation expenses decrease by 27.04% to ₹ 0.11 Lakhs for fiscal year 2011 from ₹ 0.15 Lakhs for fiscal year 2010. This was mainly due to depreciation being charged on the written down value of the assets of the company and there was no addition of fixed assets during the year.

### **Finance Expenses**

Our Company finance expenses decreased from ₹ 0.15 Lakhs in the fiscal year 2010 to ₹ 0.01 Lakhs in fiscal year 2011. This was due to decrease in bank charges levied during the fiscal year 2011 due to decrease in turnover and banking transactions during the year.

### **Restated profit**

Our restated profit decreased by 97.28% to ₹ 0.10 Lakhs for fiscal year 2011 from ₹ 3.66 Lakhs for fiscal year 2010. The main reason for the decrease in restated profit was due to decrease in our operational profit due to decline in revenues of the company during the fiscal year 2011 compared to fiscal year 2010.

### **COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2010 WITH FINANCIAL YEAR ENDED MARCH 31, 2009**

#### **Revenue from Operation**

Revenue from operation for the financial year ended March 31, 2010 was at ₹ 2187.96 Lakhs as against the total of ₹521.17 Lakhs for the fiscal 2009 increase of 319.81%. Such increase was mainly on account of the textile bulk orders received during the fiscal year 2010 and the company also widens its area of operations.

#### **Other Income**

Other income decreased from ₹ 4.64 Lakhs in financial year ended March 31, 2009 to ₹ 0.07 Lakhs in financial year ended March 31, 2010. The decrease was primarily on account of decrease in interest on loan and TDS refund received the fiscal year 2010. In the fiscal year 2009 there was purchase and sale of land where there was an earning of Rs.3.57 Lakhs not there in the fiscal year 2010.

#### **Total Operating Expenditure**

Our total operating expenditure increased to ₹ 2182.43 Lakhs for the financial year ended March 31, 2010 from ₹ 524.99 Lakhs for the financial year ended March 31, 2009. However, as a percentage of our total income, our total operating expenditure decreased marginally to 99.74% for the Fiscal Year 2011 from 99.84% for the Fiscal Year 2010.

#### **Cost of Services**

Cost of services increase 324.42% from ₹ 509.81 Lakhs in Fiscal Year 2009 to ₹2182.42 Lakhs in Fiscal Year 2010. The cost of services as a percentage of total income increased from 96.96% to 98.89% for Fiscal Year 2010.

#### **Employee Benefit Expenses**

Employee benefit increased by 43.06% from ₹7.20 Lakhs in fiscal year 2009 to ₹ 10.30 Lakhs in the fiscal year 2010. The increase was due to employment of temporary staff in the fiscal year 2010.

#### **Other Expenses**

Other expenses increased from ₹7.97 Lakhs in the fiscal year 2009 to ₹ 8.37 Lakhs during the fiscal year 2010 increase of 4.99% mainly on account of increase in turnover for the fiscal year 2010 compared to fiscal year 2009 as the variable expenses like carriage inward, carriage outward, packaging expenses, etc vary directly with the turnover besides the fixed expenses which remains almost same. Further, other expenses decreased from 1.52% to 0.38% as a percentage of total income from fiscal year 2009 to fiscal year 2010.

#### **Depreciation & Amortization Expenses**

Our depreciation expenses decrease by 28.72% to ₹ 0.15 Lakhs for fiscal year 2010 from ₹ 0.22 Lakhs for fiscal year 2009. This was mainly due to depreciation being charged on the written down value of the assets of the company and there was no addition of fixed assets during the year.

#### **Finance Expenses**



Our Company finance expenses decreased from ₹ 0.17 Lakhs in the fiscal year 2009 to ₹ 0.15 Lakhs in fiscal year 2010. This was due to nominal decrease in bank charges levied during the fiscal year 2010.

### Restated profit

Our restated profit increased by 1315.18% to ₹ 3.66 Lakhs for fiscal year 2010 from ₹ 0.26 Lakhs for fiscal year 2009. The reason for the increase in restated profit was an increase in our operational profit due to increase in turnover of the company compared to fiscal year 2009. Although the margin of profit is low but due to increase in turnover the restated profit increased for fiscal year 2010.

### Liquidity, Capital Resources and Cash Flows

We broadly define liquidity as our ability to generate sufficient funds from both internal and external sources to meet our obligations and commitments. Our primary liquidity requirements have been to finance our working capital requirements to finance the purchase of materials and the performance of engineering, construction and other work on projects before payment is received from clients. The Company funds these costs and equipment purchases primarily from its equity, funds generated from its operations, equity issuances, advances from clients, and external borrowings.

Set forth below is a table of selected cash flow statement data for the periods stated in the table, on standalone basis, as restated:

(₹ in Lakhs)				
Particulars	FY 2012	FY 2011	FY 2010	FY 2009
Net Profit Before Tax, as restated	5.15	0.14	5.30	0.44
Net cash from Operating Activities (A)	44.03	(45.46)	(97.88)	172.71
Net cash used in Investing Activities (B)	(41.65)	(139.85)	282.78	(172.86)
Net cash used in Financing Activities (C)	-	-	-	-
<b>Net Increase / (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>2.38</b>	<b>(185.31)</b>	<b>184.89</b>	<b>(0.15)</b>
Cash and Cash equivalents at beginning of the year	0.47	185.78	0.89	1.04
<b>Cash and Cash equivalents at end of the year</b>	<b>2.85</b>	<b>0.47</b>	<b>185.78</b>	<b>0.89</b>

### Off- Balance Sheet arrangements and Financial Instruments

The Company does not have any off balance sheet arrangements or obligations.

### MATERIAL DEVELOPMENTS SUBSEQUENT TO THE LAST BALANCE SHEET DATE

Except as disclosed in this Draft Prospectus, to the knowledge of our Company no circumstances have arisen since July 31, 2012, which is the date of the most recent financial statements included in this Draft Prospectus, which materially and adversely affect or are likely to affect the profitability, the financial condition or the ability to pay the material liabilities within the next 12 months by our Company.

### INFORMATION REQUIRED AS PER ITEM (2) (IX)(E)(5) OF PART A OF SCHEDULE VIII OF THE ICDR REGULATIONS:

An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:

#### 1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, there have been no events or transactions over the course of the preceding years which may be described as “unusual” or “infrequent”.

#### 2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as described in this Draft Prospectus, there are no such economic changes over the course of the preceding years which are likely to affect income from continuing operations.

### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Draft Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

### **4. Future changes in relationship between costs and income**

Other than as described in the Draft Prospectus, particularly in the “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Risk Factors” and “Our Business”, to our knowledge there are no known factors which will have a material adverse impact on the operation and finances of our Company, taken as a whole.

### **5. Business Segment**

Presently, our Company operates in one segments i.e., Construction.

### **6. Total turnover of each major industry segment in which the Company operates**

Our Company operates in single segment i.e. Retail Business.

### **7. Status of any publicly announced new products or business segment**

Other than as described in this Draft Prospectus, the Company does not have any new products or business segments.

### **8. Seasonality of Business**

Our operations may be adversely affected by difficult working conditions during the summer months and during monsoon season that restrict our ability to carry on construction activities and fully utilise our resources. During periods of curtailed activity due to adverse weather conditions our revenues from construction and projected related activities may be delayed or reduced.

### **9. Any significant dependence on a single or few suppliers or customers**

Our business is dependent on developing and maintaining alliances with our partners. Our business and results of operations will be materially and adversely affected if we are unable to maintain a continuing relationship or prequalified status with our clients and partners. For more details, please refer to the sections “*Risk Factors*” and “*Business Overview*” beginning on pages 10 and 70 respectively, of this Draft Prospectus.

### **10. Competitive Conditions**

We expect competition in the construction and infrastructure development industry from existing and potential competitors to intensify. For further details regarding our competitive conditions and our competitors, please refer to sections titled “*Risk Factors*” and “*Business Overview*” beginning on pages 10 and 70 respectively, of this Draft Prospectus.

## SECTION VII: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against the Company, Directors, Promoters and Group Companies 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 the Company, defaults in creation of full security as per terms of issue/ other liabilities, proceedings initiated for economic/ civil/ any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of the Company and no disciplinary action has been taken by SEBI or any stock exchanges against the Company, the Promoters or the Directors. Further, as stated below, there are no show-cause notices / claims served on the Company, its Promoters, Directors and Group Companies from any statutory authority / revenue authority that would have a material adverse effect on the business of the Company.*

#### I. LITIGATIONS OR LEGAL PROCEEDINGS INVOLVING ISSUER COMPANY

NIL

#### II. LITIGATIONS OR LEGAL PROCEEDINGS INVOLVING OUR PROMOTERS / GROUP COMPANIES / DIRECTORS

M/s. Competent Textiles Private Limited	: Except as mentioned below* - NIL
Mr. Manoj Kumar Bajaj	: Except as mentioned below* - NIL
Mr. Punit Sureka	: Except as mentioned below* - NIL
Mr. Sumit Sharma	: Except as mentioned below* - NIL
Mr. Niraj Jewrajka	: Except as mentioned below* - NIL

**\*Case filed against our Promoter Directors M/s. Competent Textiles Private Limited, Mr. Manoj Kumar Bajaj and Mr. Punit Sureka:**

#### III. LITIGATIONS OR LEGAL PROCEEDINGS INVOLVING OUR GROUP COMPANY : NIL

#### IV. AMOUNT OWED TO SMALL SCALE UNDERTAKINGS

NIL

#### V. DEFAULTS

There are no defaults outstanding in meeting statutory dues, institutional dues and towards instrument holders like debentures, fixed deposits etc.

#### VI. MATERIAL DEVELOPMENTS

In the opinion of the Board, there has not arisen, since the date of the last audited financial statements disclosed in this Draft Prospectus (save except as disclosed in the section titled “Risk Factors” beginning on page 10 of this Draft Prospectus), any circumstances that materially or adversely affect or are likely to affect the profitability of the Company on a or the value of our assets or our ability to pay our material liabilities within the next twelve months.

## GOVERNMENT AND OTHER KEY APPROVALS

In view of the approvals listed below, we can undertake our current business activities and that no further major approvals from any governmental or regulatory authority or any other entities are required to undertake or continue our business activities. These approvals are all valid as of the date of this Draft Prospectus.

### I. APPROVALS PERTAINING TO THIS ISSUE

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on July 16, 2012, authorised the Issue subject to the approval of the shareholders of the Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to a resolution dated July 31, 2012 under Section 81(1A) of the Companies Act, authorised the Issue.
3. The Company has obtained in-principle listing approvals from the SME Platform of BSE dated [●].

### II. INCORPORATION

1. The Company was originally incorporated with the Registrar of Companies on 12<sup>th</sup> October, 2004 as Shivpujan Agencies Private Limited. The name of Company was changed from Shivpujan Agencies Private Limited to Bronze Infra-Tech Private Limited on 2<sup>nd</sup> July 2012. Further, the name of Company was changed from Bronze Infra-Tech Private Limited to Bronze Infra-Tech Limited with fresh certificate of incorporation dated 4<sup>th</sup> July 2012, issued by the Registrar of Companies West Bengal, Kolkata. The Corporate Identification Number of company is U74990WB2004PLC100116.
2. Company Identification Number (CIN) U74990WB2004PLC100116

### III. APPROVALS FOR BUSINESS / GENERAL APPROVALS:

Sr. No	Nature of license/ Approvals	Authority	Particulars of License/ Approvals	Validity Period
1	Permanent Account Number under Income Tax Act, 1961	Income Tax Department Government Of India	AAICS5015J	Perpetual
2	Tax Deduction Account Number (TAN) under the Income Tax Act, 1961	Income Tax Department Government Of India	CALS29140G	Perpetual
3	Professional Tax Registration Number under state tax on Profession, Trades, callings and employments, Act 1979	Profession Tax Officer, profession Tax Division , Kolkata	ECC. 0453722	Perpetual
4	Service tax Registration Number	The Superintendent, Central Registration Unit, Service Tax, Kolkata	AAICS5015JSD001	Perpetual
5	Registration Certificate of Establishment under West Bengal Shops and Establishment Act,1964	Inspector, Shops & Establishments Act, West Bengal	KOL/BOW/P-II/50191	12/07/2015
6	Trade License from Kolkata Municipal Corporation	Municipal Commissioner, Kolkata Municipal Corporation	L/305424	Renewal At every year 31/03/2013

#### IV Pending Approvals

Sr. No	Nature of license/ Approvals	Application Number	Application Date	Status
1	Central Sales Tax Registration under CST Act, 1956	2012107717	07/08/2012	Pending

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

Our Board of Directors have vide resolution dated July 16, 2012, authorized the Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act.

Our shareholders have, pursuant to a resolution dated July 31, 2012 under Section 81(1A) of the Companies Act, authorised the Issue.

We have received in-principle approvals from the SME Platform of BSE for the listing of our Equity Shares pursuant to letter dated [●]. BSE is the Designated Stock Exchange.

### Prohibition by SEBI, the RBI or Governmental Authorities

We confirm that there is no prohibition on our Company, its Directors, Promoters, Promoter Group and Group Companies, from accessing the capital market or operating in the capital markets under any order or direction passed by SEBI.

We further confirm that none of our company, its Promoters, its group companies or the relatives of our promoters and group companies was ever identified as wilful defaulters by RBI or other authorities.

### Association with Securities Market

We confirm that none of our Executive Directors are associated with the securities market in any manner.

Further, we confirm that, except Mr. Sumit Sharma, who is the director of M/s. Dynamic Share Broking Private Limited, none of our Independent Directors are not associated with the securities market in any manner. No action has been initiated against these entities by SEBI at any time.

### Eligibility for the Issue

Our company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our company is eligible for the Issue in accordance with Regulation 106(M)(2) and other provisions of Chapter X-B of the SEBI (ICDR) Regulations, as we are an issuer whose post issue paid up capital is greater than 10 Crores but less than 25 crores and we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ( in this case being the “SME Platform of BSE”).

We confirm that:

- a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. *For further details pertaining to said underwriting please refer to “General Information” beginning on page 27 of this Draft Prospectus.*
- b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 73 of the Companies Act.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that

our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this issue. *For further details of the arrangement of market making please refer to “General Information – Details of the Market Making Arrangements for this Issue” on page 27 of this Draft Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, STELLANT CAPITAL SERVICES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, STELLANT CAPITAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 6<sup>th</sup>, 2012 WHICH READS AS FOLLOWS:**

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - (A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL**

**GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- (C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
  - 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
  - 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
  - 6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
  - 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.**
  - 8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
  - 9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**



- 10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
- 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 PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY US.

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MERCHANT BANKER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

#### **Disclaimer Clause of BSE**

BSE Limited ("BSE") has given vide its letter dated [●], permission to this Company to use its name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed on SME platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;



And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **Disclaimer from our Company and the Lead Manager**

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

**This being the first public issue managed by Lead Manager hence the disclosure with regard to details regarding the track record of the Lead Manager to the Issue is not applicable.**

#### **Caution**

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated September 6, 2012, the Underwriting Agreement dated September 6, 2012 entered into among the Underwriters and our Company and the Market Making Agreement dated September 6, 2012 entered into among the Market Maker, Lead Manager and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres or elsewhere.

#### **Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters 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 of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

#### **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), Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Prospectus comes is required to inform him 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 Kolkata 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. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create

any implication that there has been any 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.

#### **Disclaimer Clause under Rule 144A of the U.S. Securities Act**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

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

#### **Disclaimer Clause of the SME Platform of BSE**

As required, a copy of this Draft Prospectus will be submitted to the SME Platform of BSE. The Disclaimer Clause as intimated by SME Platform of BSE to us, post scrutiny of this Draft Prospectus, shall be included in the Prospectus prior to filing with the RoC.

#### **Filing**

A copy of this Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department, Plot No. C-4A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.

A copy of the Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered to the RoC situated at Nizam Palace, 2<sup>nd</sup> MSO Building, 2<sup>nd</sup> Floor, 234/4 A.J.C.B. Road, Kolkata-700 020, West Bengal, India.

#### **Listing**

Application shall be made to SME Platform of BSE for obtaining permission for listing of the Equity Shares being offered and sold in the Issue on its SME Platform. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The SME Platform of BSE has given its in-principal approval for listing our shares vide its letter dated [●].

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% *per annum* on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

## Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to the Company; and (b) the Lead Manager, Escrow Collection Bankers, Registrar to the Issue, the Legal Advisors to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Surana Singh Rathi and Co, Chartered Accountants, the Auditors of the Company have agreed to provide their written consent to the inclusion of their report dated September 6, 2012 on restated financial statements, Statement of Funds Deployed dated September 6, 2012 and Statement dated September 6, 2012 relating to the possible tax benefits, as applicable, which may be available to the Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Prospectus.

## Expert Opinion

The Company has not obtained any opinions from an expert as per the Companies Act.

## Issue related expenses

The expenses of this Issue include, among others, underwriting and management fees, Market Making Fees, selling commissions, SCSBs' commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees is given below:

Sr. No.	Particulars	Amount (₹ in Lakhs)	As a % of Total Issue Expenses	As a % of Total Issue Size
1	Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses.	42.00	75.54%	4.91%
2	Printing & Stationery and Postage Expenses	5.60	10.07%	0.65%
3	Marketing and Advertisement Expenses	5.00	8.99%	0.58%
4	Regulatory fees and Other expenses	3.00	5.40%	0.35%
<b>Total</b>		<b>55.60</b>	<b>100 %</b>	<b>6.50%</b>

All expenses with respect to the Issue will be borne by the Company.

## Fees, brokerage and selling commission payable to the Lead Manager

The total fees payable to the Lead Manager (including underwriting commission and selling commission) is as stated in the MOU dated September 6, 2012, the Underwriting Agreement dated September 6, 2012 and the Market Making Agreement dated September 6, 2012 among the Company and the Lead Manager and other parties, a copy of which will be made available for inspection at our Registered Office.

## Fees payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MOU between the Company and the Registrar to the Issue dated August 23, 2012.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, and stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post.

### **Previous rights and public issues**

We have not made any previous rights and public issues, and we are an “Unlisted Company” 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 Equity Shares otherwise than for cash**

Except as stated in the Section titled “*Capital Structure*” beginning on page 31 of this Draft Prospectus, we have not issued any Equity Shares for consideration other than for cash.

### **Underwriting Commission and Brokerage on Previous Issues**

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of the Company since its inception.

### **Companies under the same Management**

Except as stated in the section titled “*Our Promoter and Group*” beginning on page 93 of this Draft Prospectus, there are no companies under the same management within the meaning of former section 370 (1B) of the Companies Act. No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

### **Promise v/s performance**

The Company is an “Unlisted Company” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering”. Further none of our Group Companies are listed on any Stock Exchange in India or abroad.

### **Outstanding debentures, bonds, redeemable preference shares and other instruments issued by the Company**

The Company has no outstanding debentures or bonds. The Company has not issued any redeemable preference shares or other instruments in the past.

### **Stock market data for our Equity Shares**

This being an initial public issue of the Company, the Equity Shares of the Company are not listed on any stock exchange.

### **Mechanism for redressal of investor grievances**

The memorandum of understanding to be entered into by the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, 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 SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven business 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.

Our Board by a resolution on 7 July, 2012 constituted a Shareholders/Investors Grievance Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

Name of the Member	Nature of Directorship	Designation in committee
Mr. Manoj Kumar Bajaj	Executive Director	Chairman
Mr. Punit Sureka	Non Executive Director	Member
Mr. Niraj Jewrajka	Independent Director	Member

For further details, see section titled “*Our Management*” beginning on page 82 of this Draft Prospectus.

We have also appointed Ms. Shilpi Agarwal as the Company Secretary and Compliance Officer for this Issue and he may be contacted at the registered office of the Company. His contact details are as follows:

**Ms. Shilpi Agarwal**

158, Lenin Sarani, 3rd Floor, Room NO. 7B,  
Kolkata 700 013, West Bengal, India  
Tel No. : +91 (33) 2215 8486  
Fax No.: +91 (33) 2215 8486  
Email: ipo@bronzeinftratech.com

Investors can contact the Compliance Officer or the Registrar to the Issue or the Lead Manager 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 and refund orders.

**Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

**Disposal of investor grievances by listed companies under the same management as the Company**

No company under the same management as the Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

**Change in Auditors**

Except mentioned below there have been no changes in the Company’s auditors in the last 3 years.

M/s. Badri Prasad Singhania, Chartered Accountants, Kolkata were appointed as Auditors of the Company in place of M/s. A.Goel And Co, Chartered Accountants, Kolkata by approval of members in the Annual General Meeting dated 29/09/2009.

M/s. Surana Singh Rathi & Co, Chartered Accountants, Kolkata were appointed as Auditors of the Company in place of M/s. Badri Prasad Singhania, Chartered Accountants, Kolkata by approval of members in the Extra-Ordinary General Meeting dated 14/05/2012.

**Capitalisation of reserves or profits**

The details regarding capitalisation of reserves are enumerated in the Section titled “*Capital Structure*” beginning on page 31 of this Draft Prospectus. Other than as mentioned therein, we have not capitalised any of our reserves or profits.

**Revaluation of assets**

We have not revalued our assets in the last five years.

## SECTION VIII: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, 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 offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “*Main Provisions of the Articles of Association of the Company*” on page 155 of this Draft Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 1956. For further details, please refer to “*Dividend Policy*” on page 97 of this Draft Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10/- each are being offered in terms of this Draft Prospectus at the price of ₹ 15/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “*Basis of Issue Price*” on page 45 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

#### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the listing agreements with the Stock Exchange and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and / or consolidation / splitting, etc., please refer to Section titled “*Main Provisions of Articles of Association of the company*” beginning on Page 155 of this Draft Prospectus.

### **Minimum Application Value; Market Lot and Trading Lot**

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in Dematerialised form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only.

The trading of the equity shares will happen in the minimum contract size of 8000 equity shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 8000 Equity Share subject to a minimum allotment of 8000 Equity Shares to the successful applicants.

### **Minimum Number of Allottees**

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of issue.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

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

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

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

Further, 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.



In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

### **Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 73 of the Companies Act, 1956.

### **Arrangements for disposal of odd lots**

The trading of the equity shares will happen in the minimum contract size of 8000 shares. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

### **Restrictions, if any, on transfer and transmission of shares or debentures and on their consolidation or splitting**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer sub-heading "*Main Provisions of the Articles of Association of the company*" on Page 155 of this Draft Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

### **Migration to Main Board**

Our company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- a) If the Paid up Capital of the company is likely to increase above ₹ 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below ₹ 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this issue are proposed to be listed on the SME Platform of BSE (SME Exchange), wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Draft



Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information – Details of the Market Making Arrangements for this Issue*” on page 27 of this Draft Prospectus.

### **New Financial Instruments**

The Issuer Company is not issuing any new financial instruments through this Issue.

### **Withdrawal of the issue**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of the SME Platform of BSE, which the Company shall apply for after Allotment and
- (ii) The final RoC approval of the Prospectus after it is filed with the RoC.. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

### **Jurisdiction**

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

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than ₹ 10 crores and upto ₹ 25 crores, may issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 133 and 139 of this Draft Prospectus.

Following is the issue structure:

*Public issue of 57,04,000 equity shares of ₹ 10/- each (the “equity shares”) for cash at a price of ₹ 15/- per equity share (including a share premium of ₹ 5/- per equity share) aggregating to ₹ 855.60 Lakhs (“the issue”) by Bronze Infra-tech Limited (“BITL” or the “Company” or the “Issuer”).*

*The issue comprises a Net Issue to Public of 48,40,000 equity shares (“the Net issue”) and a reservation of 8,64,000 equity shares for subscription by the designated market maker (“the Market Maker Reservation Portion”).*

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	48,40,000 Equity Shares	8,64,000 Equity Shares
Percentage of Issue Size available for allocation	84.85% of the Issue Size	15.15% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 8000 equity shares and further allotment in multiples of 8000 equity shares each.  For further details please refer to “ <i>Issue Procedure – Basis of Allotment</i> ” on page 144 of this Draft Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process. The Retail Individual Applicant may apply through the ASBA or the Physical Form.	Through ASBA Process Only
Minimum Application Size	<i>For QIB and NII:</i>  Such number of equity shares in multiples of 8000 equity shares such that the Application Value exceeds ₹ 2,00,000/-  <i>For Retail Individuals:</i>  8,000 equity shares	8,64,000 Equity Shares
Maximum Application Size	<i>For QIB and NII:</i>  Such number of equity shares in multiples of 8,000 equity shares such that the Application Size does not	8,64,000 Equity Shares

	<p>exceed 48,40,000 equity shares.</p> <p><i>For Retail Individuals:</i></p> <p>Such number of equity shares in multiples of 8000 equity shares such that the Application Value does not exceed ` 2,00,000/-.</p>	
Mode of Allotment	Dematerialized Form or Physical Form, at the option of the applicant	Dematerialized Form or Physical Form, at the option of the applicant
Trading Lot	8000 Equity Shares	8000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

\* 50 % of the shares offered are reserved for allocation to applications below or equal to ₹ 2 Lakhs and the balance for higher amount applications.

#### Withdrawal of the Issue

Our Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before Allotment. If our Company withdraws the Issue, our Company will issue a public notice within two days, providing reasons for not proceeding with the Issue. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh draft offer document the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares offered through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final RoC approval of the Prospectus.

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time).

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

### Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that the Equity Shares will be allotted to all successful Applicants only in dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange.

### Application Form

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the ASBA 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 Applicant.

The prescribed color of the Application Form for various categories is as follows:

Category	Color
Indian Public / NRI's applying on a non-repatriation basis (ASBA and Non-ASBA)	White
Non-Residents including eligible NRI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA and Non-ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### Who can apply?

1. Indian nationals resident in India who are not minors in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;

3. Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in equity shares;
4. Mutual Funds registered with SEBI;
5. Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
6. Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co operative banks (subject to RBI regulations and the SEBI Regulations, as applicable);
7. FIIs registered with SEBI;
8. Venture Capital Funds registered with SEBI;
9. State Industrial Development Corporations;
10. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorized under their constitution to hold and invest in equity shares;
11. Scientific and/or industrial research organizations authorized to invest in equity shares;
12. Insurance Companies registered with Insurance Regulatory and Development Authority;
13. Provident Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
14. Pension Funds with minimum corpus of ₹ 250 million and who are authorized under their constitution to hold and invest in equity shares;
15. Foreign Venture Capital Investors registered with SEBI;
16. Multilateral and bilateral development financial institutions;
17. National Investment Fund; and

**Applications not to be made by:**

- a. Minors
- b. Partnership firms or their nominations
- c. Foreign Nationals (except NRIs)
- d. Overseas Corporate Bodies

**Participation by Associates of LM**

Except for the Underwriting Obligations, the Lead Manager shall not be allowed to subscribe to this Issue in any manner. However, associates and affiliates of the LM may subscribe to or purchase Equity Shares in the Issue, where the allocation is on a proportionate basis.

**Availability of Prospectus and Application Forms**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centres of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

### **Option to Subscribe in the Issue**

- a. Investors will have the option of getting the allotment of specified securities either in physical form or in dematerialization form.
- b. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

### **Application by Indian Public including eligible NRIs applying on Non Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, partnership firms or their nominees. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of securities offered to the public.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

**No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.**

**In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.**

### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

**As per the current regulations, the following restrictions are applicable for investments by FIIs:**

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue issued capital (i.e. 10% of 1,71,96,500 Equity Shares). In respect of an FII investing in our equity shares on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital 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, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

**Applications by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors**

As per the current regulations, the following restrictions are applicable for SEBI Registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, whilst the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund, a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital Investors can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

*The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**(a) For Retail Individual Applicants**

The Application must be for a minimum of 8000 Equity Shares and in multiples of 8000 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

**(b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 200,000 and in multiples of 8000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.



In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non Institutional Portion.

***Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.***

#### **Applications under Power of Attorney**

In case of Applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum of Association and Articles of Association and/ or bye laws must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by FIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of Applications made by provident funds with minimum corpus of ₹ 25 crore (subject to applicable law) and pension funds with minimum corpus of ₹ 25 crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

***The Company in its absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that the Company and the LM may deem fit.***

#### **Information for the Applicants:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our registered office or from the corporate office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.



### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at Mumbai.

### **Applicant's Depository Account and Bank Details**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants sole risk and neither the LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than 8000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 8000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 8000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 8000 equity shares subject to a minimum allotment of 8000 equity shares.

5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 8000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below
  - a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director / Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

#### **REFUNDS:**

*In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.*

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

**As per the RBI regulations, OCBs are not permitted to participate in the Issue.**

**There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

#### **TERMS OF PAYMENT / PAYMENT INSTRUCTIONS**

The entire issue price of ₹ 15 per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, The Company shall refund the excess amount paid on Application to the Applicants.

Payments should be made by cheque, or demand draft drawn on any Bank (including a Co operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

Cash/ Stockinvest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - Indian Public including eligible NRIs applying on non repatriation basis: "Bronze Infra-Tech Limited – Public Issue - R".
  - In case of Non Resident Retail Applicants applying on repatriation basis: "Bronze Infra-Tech Limited – Public Issue – NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 15 days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

#### **Payment by Stock invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## GENERAL INSTRUCTIONS

### *Do's:*

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

### *Don'ts:*

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

## OTHER INSTRUCTIONS

### *Joint Applications in the case of Individuals*

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### *Multiple Applications*

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications

- i. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

No separate applications for demat and physical is to be made. If such applications are made, the applications for physical shares will be treated as multiple applications and rejected accordingly.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of “know your client” norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (“PAN”) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **Grounds for Rejections**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied 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;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of The Issue;
- Applications for number of Equity Shares which are not in multiples of 8000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant’s identity (DP ID) and the beneficiary’s account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;

- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 5.00 pm on the Issue Closing Date;

### **Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 68A of the Companies Act, which is reproduced below:

**“Any person who:**

**(a) Makes in a fictitious name, an application to a Company for acquiring or 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.”**

### **Signing of Underwriting Agreement**

Vide an Underwriting agreement dated September 6, 2012 this issue is 100% Underwritten.

### **Filing of the Prospectus with the RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 56 and Section 60 of the Companies Act.

### **Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Marathi newspaper with wide circulation.

### **Designated Date and Allotment of Equity Shares**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any. Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates.

After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the allottees shall be within two working days of the date of Allotment

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Issue.



The 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 us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

## **PAYMENT OF REFUND**

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

### **Mode of making refunds**

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** – Payment of refund would be done through ECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centres, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
- 2) **Direct Credit** – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company.
- 3) **RTGS (Real Time Gross Settlement)** – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 10.00 Lakhs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant
- 4) **NEFT (National Electronic Fund Transfer)** – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be 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 Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Applicants.

## **DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY**

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within seven working days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

- 1) Allotment of Equity Shares shall be made within 12 (twelve) days of the Issue Closing Date;
- 2) Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 (fifteen) days of the Issue Closing Date would be ensured; and
- 3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 15 (fifteen) days time.

## **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of Allotment;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.



## **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 73 of the Companies Act;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME 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 the Stock Exchange where listing is sought has been received.

## **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## **EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- (b) Agreement dated August 23, 2012 between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE830N01015

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form 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.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

## ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### ASBA Process

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“**ASBA Account**”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA

Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account.

In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application 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.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

**SECTION IX: MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY**

Title Of Article	Article No.	Contents
'Table A' to apply	1.	Subject as hereinafter provided, the regulations contained in Table 'A' in the Schedule I of the Act, shall apply except so far as they have been specifically excluded or modified by/or under these Articles.
Interpretation clause	2.	<p>In the interpretation of these Articles, unless repugnant to the subject or context:</p> <p>“The Act” means “The Companies Act, 1956” or any other statutory modification or re-enactment therefore for the time being in force</p> <p>“The Articles” means these Articles of Association or as may from time to time be altered by special resolution</p> <p>“The Company” or “This Company” means “Bronze Infra-Tech Limited”</p> <p>“The Director” means the Director of the Company for the time being of the Company or as the case may be, the Directors present at Board Meetings</p> <p>“Annual General Meeting” means a general meeting of the members held in accordance with the provisions of Section 166 of the Act or any adjourned meeting thereof</p> <p>“Auditors” means and include those persons appointed as such for the time being by the Company or its Board</p> <p>“Beneficial Owner” shall mean and include beneficial owner as defined in clause (a) sub-section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.</p> <p>“Board” or “Board of Directors” or “the Board” means the Board of Directors for the time being of the Company</p> <p>“Board Meeting” means a meeting of the Directors duly called and constituted, or as the case may be, the Directors assembled at the Meeting of the Board of Directors of the Company collectively</p> <p>“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company</p> <p>“Debenture” includes debenture-stock, bonds and any other securities of the Company, whether constituting a charge on the assets of the Company or not.</p> <p>“Depository” shall mean a Depository as defined in clause (e) sub-section (1) Of Section 2 of the Depositories Act, 1996 and includes a company formed and registered under the Companies Act, 1956 which has been granted a certificate of registration under sub section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.</p> <p>“Depositories Act” shall mean the Depositories Act, 1996 and includes any statutory</p>

	<p>modification or enactment thereof</p> <p>“Dividend” includes interim dividend and bonus.</p> <p>“Extraordinary General Meeting” means an extraordinary general meeting of the Members duly called and constituted and any adjourned meeting thereof.</p> <p>“Financial Year” shall have the meaning assigned thereto by section 2(17) of the Act</p> <p>“In writing or written” means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form</p> <p>“Managing Director” means the Managing Director for the time being of the Company</p> <p>“Meeting or General Meeting” means a meeting of members.</p> <p>“Members or shareholders” means the subscribers to the Memorandum of Association of the Company and duly registered shareholders from time to time of the Company and shall include in case of shares held by a Depository, the Beneficial Owner(s) whose name are recorded as such with the Depository.</p> <p>“Month” means a calendar month</p> <p>“Ordinary Resolution” means a resolution passed at a general meeting of which then notice required under the Act has been duly given, the votes cast (whether on show of hands or on a poll as the case may be) in favour of the resolution (including casting vote, if any, of the Chairman) by members, who being entitled so to do, in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the resolution by members so entitled and voting.</p> <p>“Paid up” includes credited as paid up</p> <p>“Persons” includes corporations and firms as well as individuals</p> <p>“Postal Ballot” shall mean voting by post through postal papers distributed amongst eligible voters and shall include voting by electronic mode.</p> <p>“Prescribed” means prescribed under the Companies Act, 1956 or the Rules made thereunder</p> <p>“Register of Members” means the Register of Members to be kept pursuant to the Act and includes Register of Beneficial Owners in case of shares held with a Depository in any media as may be permitted by law, including in any form of electronic media</p> <p>“Registrar” means the Registrar of Companies of the State in which the Registered Office of the Company is for the time being situated</p> <p>“Seal” means the Common Seal of the Company</p> <p>“Section” referred to in these articles means the section of the Act</p> <p>“Security” means shares, debentures and/or such other securities as may be specified under the Companies Act, 1956 or by Securities Contracts (Regulation) Act, 1956 or any amendments</p>
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		<p>thereof or other competent authority, from time to time.</p> <p>“Shares” means the shares into which the capital of the Company is divided whether held in tangible or fungible form and includes stock except where a distinction between stock and share is expressed or implied.</p> <p>“Special Resolution” means a resolution when:</p> <p>(a) the intention to propose the resolution as a special resolution has been duly specified in the notice convening the general meeting or other information given to the members of the resolution</p> <p>(b) the notice required under the Act has been duly given of the general meeting; and</p> <p>(c) the votes cast in favour of the resolution whether on show of hands or on a poll as the case may be, by Member(s), who being entitled to do so vote in person or where proxies are allowed, by proxy, are not less than three(3) times the number of the votes, if any, cast against the resolution by Member(s) so entitled</p> <p>Reference to the singular includes reference to the plural and vice versa;</p> <p>Reference to any gender includes a reference to all genders;</p> <p>Any reference to any agreement or document shall be construed as a reference to such agreement or document as the same may have been amended, varied, supplemented or novated in writing at the relevant time in accordance with the requirements of such agreements or document and if applicable, of this agreements with respect to amendments;</p> <p>Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;</p> <p>Headings are inserted only for ease of reference and shall not affect the construction or interpretation of these Articles.</p>
<b>CAPITAL AND INCREASE AND REDUCTION OF CAPITAL</b>		
<i>Amount of Capital</i>	3.	<p>The Authorised Share Capital of the company shall be the capital as specified in Clause V of the Memorandum of Association, with power to increase and reduce the Share Capital of the company and to divide the shares in the Capital for the time being into several classes as permissible in law and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may for time being be provided in the Articles of Association.</p>

<p><i>Increase of Capital by the Company and how carried in to effect</i></p>	<p>4.</p>	<p>The Company in General Meeting may, from time to time, increase the capital by the creation of new shares. Such increase to be of such aggregate amount and to be divided into such shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, or otherwise and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Section 87 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act or any such compliance.</p>
<p><i>New capital part of the existing capital</i></p>	<p>5.</p>	<p>Except in so far as otherwise provided in the conditions of issue of shares by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.</p>
<p><i>Redeemable Preference shares</i></p>	<p>6.</p>	<p>Subject to the provisions of Section 80 of the Act, any preference shares may be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as the Company by the terms of the issue of the said shares may determine.</p>
<p><i>Provision applicable on the issue redeemable preference shares</i></p>	<p>7.</p>	<p>On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect :</p> <p>(a) No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>(b) No such shares shall be redeemed unless they are fully paid.</p> <p>(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Security Premium Account, before the shares are redeemed.</p> <p>(d) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of the profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account" a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, excepts as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.</p>
<p><i>Reduction of Capital</i></p>	<p>8.</p>	<p>The Company may (subject to the Provisions of Section 78, 80, 100 to 105 both inclusive, of the Act or any other applicable provisions of law for the time being in force) from time to time by way of special resolution reduce its capital, any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law.</p>

<i>Sub-division consolidation and cancellation of shares</i>	9.	Subject to the provisions of Section 94 of the Act, the Company in General Meeting may from time to time sub-divide, consolidate its shares, or any class of them, and the resolution whereby any share is sub-divided, or classified, may determine that, as between the holders of the shares resulting from such sub-division or classification, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
<i>Modification of rights</i>	10.	Whenever the share capital is divided into different classes of shares all or any of the rights and privileges attached to each class may, subject to the provisions of Sections 106 and 107 of the Act, be varied with the consent in writing by holders of at least three-fourths of the issued shares of the class or is confirmed by a special resolution passed at a separate General Meeting of the holders of shares of that class and all the provisions hereinafter contained as to General Meetings shall mutatis mutandis apply to every such Meeting, but so that the quorum thereof shall be any five members present in person or by proxy and holding three-fourths of the nominal amount of the issued shares of the class. This Article is not to derogate from any power the Company would have if it were omitted.
<b>SHARES AND CERTIFICATES</b>		
<i>Register and index of Members</i>	11.	The Company shall cause to be kept a Register and index of Members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or country outside India a branch Register of Members resident in that State or country.
<i>Shares to be numbered progressively and no share to be subdivided</i>	12.	The shares certificates shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
<i>Further issue of capital</i>	13.	<p>(1) Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then :</p> <p>a. Such further shares shall be offered to the persons who on the date of the offer, are holders of the equity shares of the Company, in proportion as nearly as circumstances admit, to the capital paid-up on those shares at the date.</p> <p>b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.</p> <p>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</p>



		<p>notice referred to in sub clause (b) hereof shall contain a statement of this right.</p> <p>d. After the expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the company.</p> <p><b>(2)</b> Notwithstanding anything contained in the sub-clause (1) the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof) in any manner whatsoever.</p> <p>a. if a special resolution to that effect is passed by the Company in general meeting; or</p> <p>b. where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p><b>(3)</b> Nothing in sub-clause (c) of (1) hereof shall be deemed;</p> <p>a. To extend the time within which the offer should be accepted; or</p> <p>b. To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.</p> <p><b>(4)</b> Nothing in this article shall apply to the increase of the subscribed capital of the company caused by the exercise of an option attached to the debenture issued by the company:</p> <p>I. To convert such debentures or loans into shares in the Company; or</p> <p>II. To subscribe for shares in the Company.</p> <p>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:</p> <p>a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that government in this behalf; and</p> <p>b. In the case of debentures or loans or other than debentures issued to or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the company in general meeting before the issue of the debentures or raising of the loans.</p>
<p><i>Shares at the disposal of the</i></p>	<p>14.</p>	<p>Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of the company for the time being shall be under the control of the directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with</p>

<i>Directors'</i>		the provision of Section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the general meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the general meeting.
<i>The power also to company in general meeting to authorize issue of shares</i>	15.	In addition to and without derogating from the powers for the purpose conferred on the Board under Articles 13 and 14, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons whether (members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company, either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a member or not) the option being exercisable at such times and for such consideration as may be directed by such General Meeting of the Company and the General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any shares.
<i>Acceptance of shares</i>	16.	Any application signed by or on behalf of an applicant, for shares in the Company, followed by an allotment of any share shall be an acceptance of shares within the meaning of these Articles and every person who, does or otherwise accepts shares and whose name is on the Register shall for the purpose of these Articles, be a member.
<i>Deposit and call to be a debt payable immediately</i>	17.	The money (if any) which the Board shall, on the allotment of any share being made by them require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them shall immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
<i>Liability of Members</i>	18.	Every member, or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may, for the time being, remain unpaid thereon, in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

<p><i>Limitation of time for issue of certificates</i></p>	<p>19.</p>	<p>Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the directors may from time to time determine) to several certificates each for one or more of such shares and the company shall complete and have ready for delivery of such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide or within two months of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal of the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and the amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holders.</p>
<p><i>Issue of New Certificate in Place of One Defaced, lost or Destroyed</i></p>	<p>20.</p>	<p>If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2 for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other Act, or rules applicable thereof in this behalf.</p> <p>The provision of this Article shall mutatis mutandis apply to debentures of the Company.</p>
<p><i>The first named joint holder deemed to be sole</i></p>	<p>21.</p>	<p>If any share stands in the names of two or more persons, the person first named in the register shall, as regards receipt of dividends or bonus or service of notice and all or any earlier matter connected with the Company, except voting at meetings, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the Company's regulations.</p>

<i>holder</i>		
<i>Company not bound to recognize any interest in share other than that of registered holder</i>	22.	Except as ordered by a Court of competent jurisdiction, or as by law required, the Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion upon presentation of relevant documents and on being convinced, to register any share in the joint names of any two or more persons or the survivor or survivors of them.
<i>Buy back of Securities by the Company</i>	23.	The Company shall have power, subject to and in accordance with all the applicable provisions of the Act and the rules made thereunder, to purchase any of its own fully paid shares or other specified securities whether or not they are redeemable and may make a payment out of its free reserves or securities premium account of the Company or proceeds of any shares or other specified securities provided that no buy back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.
<i>Term of issue of debenture</i>	24.	Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on the condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of share, attending (but not voting) at the general meeting, appointment of directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the general meeting by a special resolution.
<b>UNDERWRITING AND BROKERAGE</b>		
<i>Commission may be paid</i>	25.	Subject to the provisions of Section 76 of the Act, and other applicable laws for the time being in force, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or underwriting or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares, debentures or of the Company.
<i>Brokerage</i>	26.	The Company may pay a reasonable and lawful sum for brokerage authorized by the shareholders
<b>INTEREST OUT OF CAPITAL</b>		
	27.	Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building, or the provision of plant.

<b>CALLS</b>		
<i>Directors may make calls</i>	28.	<p>(a) The Board of Directors may, from time to time and subject to the terms on which any shares have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such call as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by instalments.</p> <p>(b) The option or right to call of shares shall not be given to any person except with the sanction of the Company in general meetings.</p>
<i>Notice of calls</i>	29	Fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.
<i>Calls to date from resolution</i>	30.	A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board.
<i>Calls may be revoked or postponed</i>	31.	A call may be revoked or postponed at the discretion of the Board.
<i>Joint and severally</i>	32.	The joint-holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
<i>Directors may extend time</i>	33.	The Board may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a member of grace and favour.
<i>Calls to carry interest</i>	34.	If any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at five per cent per annum or at such lower rate, if any, as the Board of Directors may determine. Nothing in this Article shall render it obligatory for the Board of Directors to demand or recover any interest from any such member
<i>Sums deemed to be calls</i>	35.	Any sum, which may by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Articles be deemed to be a call duly made and payable, on the date on which by the terms of issue the same becomes payable and in case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise, shall apply as if such sum had become payable by virtue of a call duly made and notified.
<i>Proof on trial of suit for money</i>	36.	At the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member, in respect of whose

<i>due on shares</i>		shares, the money is sought to be recovered appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered, is alleged to have become due on the shares in respect of such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representatives used in pursuance of these Articles and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made duly convened or constituted nor any other matters whatsoever, but the proof of the matter aforesaid shall be conclusive evidence of the debt.
<i>Partial payment not to preclude forfeiture</i>	37.	Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
<i>Payment in anticipation of call may carry interest</i>	38.	The directors may, if they think fit, subject to the provisions of section 92 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate, as the member paying such sum in advance and the directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the company.
<b>LIEN</b>		
<i>Company to have lien on shares</i>	39.	The Company shall have a first and paramount lien upon all the shares/ debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any shares shall be created except upon the footing, and upon the condition that that this Article will have full effect and any such lien shall extend to all dividends and bonuses from time to time declared 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/debentures. The directors may at any time declare any shares/ debentures wholly or in part to be exempt from the provision of this clause. Provided that, fully paid shares shall be free from all lien and that in case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.
<i>As to enforcing lien by sale</i>	40.	For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their member to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or

		them in payment, fulfillment, or discharge of such debts, liabilities or engagements for fourteen days after such notice.
<i>Application of proceeds of sale</i>	41.	The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the shares at the date of the sale.
<b>FORFEITURE OF SHARE</b>		
<i>If call or instalment not paid notice may be given</i>	42.	If any member fails to pay any call or installment on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non payment.
<i>Form of notice</i>	43.	The notice shall name a day (not being earlier than the expiry 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. The notice shall detail the amount which is due and payable on the shares and shall state that in the event of non-payment at or before the time appointed the shares will be liable to be forfeited.
<i>If notice not complied with shares may be forfeited</i>	44.	If the requisitions of any such notice as aforesaid be not complied with, any shares in respect of which such notice has been given may, at any time thereafter, before payment of all calls or installments, interest and expenses, due in respect thereof, 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.
<i>Notice of forfeiture to a member</i>	45.	When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.
<i>Forfeited share to become property of the company</i>	46.	Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, re allot or otherwise dispose of the same in such manner as think fit
<i>Power to annul forfeiture</i>	47.	The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.
<i>Liability on forfeiture</i>	48.	A person whose share has been forfeited shall cease to be a member in respect of the forfeited share, but shall notwithstanding, remain liable to pay, and shall forthwith pay to the Company, all calls, or installment, interest and expenses, owing in respect of such share at the time of the forfeiture, together with interest thereon, from the time of forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment thereof, to any party thereof, without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.



<i>Effect of forfeiture</i>	49.	The forfeiture of a share involve extinction, at the time of the forfeiture, of all interest and all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved
<i>Evidence of forfeiture</i>	50.	A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.
<i>Cancellation of share certificate in respect of forfeited shares</i>	51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding. Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.
<i>Employees Stock Options</i>	52.	Subject to the provisions of section 81 of the Act and the applicable law, the Company may issue options to the whole-time directors, officers, or employees of the Company, its subsidiaries or its parent, which would give such directors, officers or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a predetermined price, in terms of schemes of employee stock options or employees share purchase or both.
<i>Power To Issue Shares With Differential Voting Rights</i>	53.	The Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to the compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, as amended or any other law as may be applicable.
<i>Power To Issue Share Warrants</i>	54.	The Company may issue share warrants subject to and in accordance with the provisions of Sections 114 and 115, and accordingly, the Board may in its discretion, with respect to any share which is fully paid up on an application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the persons signing the application, and on receiving the certificate (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant
<b>TRANSFER AND TRANSMISSION OF SHARES</b>		
<i>Register of transfers</i>	55.	The Company shall keep a book to be called the “Register of Transfers”, and therein shall be fairly and directly entered particulars of every transfer or transmission of any share.
<i>Instruments of transfer</i>	56.	The instrument of transfer shall be in common form and in writing and all provision of section 108 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
<i>To be executed by transferor and transferee</i>	57.	Every such instrument of transfer shall be executed both by transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The Board shall not issue or register a transfer of any share in favour of a minor (except in cases when



		they are fully paid up).
<i>Transfer books when closed</i>	58.	The Board shall have power on giving seven days' previous notice by advertisement in some newspaper circulating in the district in which the Office of the Company is situated to close the transfer books, the Register of Members or Register of Debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
<i>Directors may refuse to register transfer</i>	59.	Subject to the provisions of section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, 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, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
<i>Nomination</i>	60.	<p>Every holder of shares in, or debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of death of such holder.</p> <p>Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.</p> <p>Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or debentures of the Company, the nominee shall, on the death of the shareholders or holder of debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.</p> <p>Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of debentures to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or debentures of the Company, in the event of his death, during the minority.</p>
<i>Transmission in the name of nominee</i>	61.	<p>Any person who becomes a nominee by virtue of the provision of the above Article, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either :</p> <p>a) to be registered himself as holder of the shares or debentures, as the case may be; or</p> <p>b) to make such transfer of the shares or debentures, as the case may be, as the deceased</p>

		<p>shareholder or debenture holder, as the case may be, could have made.</p> <p>If the nominee, so becoming entitled, elects himself to be registered as holder of the shares or debentures, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder and the certificate(s) of shares or debentures, as the case may be, held by the deceased in the Company.</p> <p>Subject to the provisions of Section 109 B (3) of the Act and these Articles, the Board may register the relevant shares or debentures in the name of the nominee of the transferee as if the death of the registered holder of the shares or debentures had not occurred and the notice or transfer were a transfer signed by that shareholder or debenture holder, as the case may be.</p> <p>A nominee on becoming entitled to shares or debentures by reason of the death of the holder or joint holders shall be entitled to the same dividend and other advantages to which he would be entitled if he were the registered holder of the share or debenture, except that he shall not before being registered as holder of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or debenture holder in relation to meetings of the Company.</p> <p>The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonus, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with.</p>
<i>No transfer to insolvent etc.</i>	62.	No share shall in any circumstances be transferred to any insolvent or persons of unsound mind.
<i>Registration of persons entitled to shares otherwise than by transfer (The transmission article)</i>	63.	Subject to the provisions of articles 56 and 57, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board of Directors (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under this article of his title, as the holder of the shares or elect to have some person nominated by him and approved by the Board of Directors, registered as such holder, provided nevertheless, that if such person shall elect to have his nominee registered he shall testify the election by executing to his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares. This Article is referred to in these Articles as the Transmission Article.
<i>Person entitled may receive dividend without being registered as a member</i>	64.	A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receives and may give discharge for any dividends or other moneys payable in respect of the share.
<i>Transfer to be presented with</i>	65.	Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the

<i>evidence of title</i>		transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors.
<i>Conditions of registration of transfer</i>	66.	For the purpose of the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (same as provided in Section 108 of the Act) a properly stamped and executed instrument of transfer.
<i>No fee on transfer or transmission</i>	67.	No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.
<i>Company not liable for disregard of a notice in prohibiting registration of transfer</i>	68.	The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or deferred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company; but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Board of Directors shall so think fit.
<b>DEMATERIALIZATION OF SECURITIES</b>		
<i>Definitions</i>	69.	1. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.
<i>Dematerialization of Securities</i>		2. The Company shall be entitled to dematerialize securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended.
<i>Options for Investors</i>		3. Every holder of or subscriber to securities of the Company shall have the option to receive certificates for such securities or to hold the 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 bylaw, in respect of any securities in the manner provided by the Depositories Act, 1996, as amended and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates for the Securities.  If a person opts to hold his Securities with the depository, the Company shall intimate such depository the details of allotment of the Securities, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.
<i>Securities in depositories to be in fungible</i>		4. All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by on behalf of the beneficial owners.

<i>form</i>		
<i>Rights of Depositories and beneficial owners</i>		<p>5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of securities of the Company on behalf of the beneficial owner.</p> <p>(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.</p> <p>(c) Every person holding securities of the Company and whose name is entered as the beneficial owner of securities in the record of the depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository and shall be deemed to be a Member of the Company.</p>
<i>Service of Documents</i>		6. Notwithstanding anything contained in the Act or these Articles to the contrary, where securities of the Company are held in a depository, the records of the beneficiary ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
<i>Transfer of Securities</i>		7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
<i>Allotment of securities dealt with in a depository</i>		8. Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
<i>Distinctive number of securities held in a Depository</i>		9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
<i>Register and index of Beneficial Owners</i>		10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.
<b>COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS</b>		
<i>Copies of Memorandum and Articles of Association sent by the company</i>	70.	Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Board to every Member at his request within fifteen days of the request on payment of Re. 1/- for each copy
<b>BORROWING POWERS</b>		
<i>Power to borrow</i>	71.	The Board may, from time to time, at its discretion subject to the provisions of these Articles, Section 58A, 292, 293 and 372A of the Act and directions issued by the Reserve Bank of India

		raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company; by a resolution passed at a meeting of the Board and not by Circular Resolution, provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.
<i>Conditions on which money may be borrowed</i>	72.	The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular, by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future including its uncalled capital for the time being.
<i>Issued at discounts etc. with special privileges</i>	73.	Any debentures, debenture-stock, bonds other securities may be issued at a discount and otherwise debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Debentures, debenture-stock, bonds or other securities with a right of conversion into or allotment of shares shall be issued only with sanction of the Company in General Meeting.
<i>Instrument of transfer</i>	74.	Save as provided in Section 108 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.
<i>Notice of refusal to register members</i>	75.	If the Board refuses to register the transfer of any debentures, the Company shall, within one month from the date on which the instrument of transfer was lodged with the company, send to the transferee and to the transferor the notice of such refusal.
<i>Register of mortgages etc. to be kept</i>	76.	The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 118 and 125 and 127 to 144, both inclusive of the Act in that behalf to be duly complied with, so far as they are ought to be complied with by the Board.
<i>Register and index of debenture holders</i>	77.	The Company shall, if at any time it issues debentures, keep Register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of debenture-stock, resident in that State or Country.
<b>CONVERSION OF SHARES INTO STOCK AND RECONVERSION</b>		
<i>Shares may be converted to stock</i>	78.	The Company in General Meeting may convert any paid-up shares into stock; and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which the shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may at any time re-convert any stock into paid-up shares of any denomination.

<i>Rights of stock Holders</i>	79.	The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends and voting at the meetings of the Company, and other matters as if they held the shares from which the stock arose; but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets of winding-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
<b>MEETING OF MEMBERS</b>		
<i>Annual General Meeting Summary</i>	80.	The company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meeting shall be Extraordinary General Meetings. The first Annual General Meeting shall be held within eighteen months from the date of incorporation of the company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for on a time during business hours, on a day that is not a public holiday, and shall be held in the office of the company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report (if not already attached in the Audited statement of Accounts) the proxy Register with proxies and the Register of Directors' Share holdings of which latter Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
<i>Extraordinary General Meeting</i>	81.	The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at the date carries the right of voting in regard to the matter in respect of which the requisition has been made.
<i>Regulation of the Members to state objects of meeting</i>	82.	Any valid requisition so made by members must state the object or objects of the meeting proposed to be called and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in file form each signed by one or more requisitionists.
<i>On receipt of requisitions Directors to call</i>	83.	Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than



<i>meeting and in default requisitionists may do so</i>		forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represents either a majority in value of the paid-up share capital of the Company as is referred to in Section 169(4) of the Act, which ever is less, may themselves call the meeting, but in either case, any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
<i>Meeting called by requisitionist</i>	84.	Any meeting called under the foregoing Articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
<i>Twenty one days notice of meeting to be given</i>	85.	Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary and by whosoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in the case of any other meeting, with the consent of members holding not less than 95 percent of such part of the paid up share capital of the Company as gives a right to vote at the meeting any be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring (iv) the appointment of and fixing of remuneration of the Auditors, is proposed to be transacted then in that event there shall 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 concern or interest, if any, therein of every director, and the Manager (if any). Where any such item of special business relates to or affects any other Company, the extent of shareholding interest in other company of every Director and the Manager, if any, of the Company shall also be set out in the Statement if the extent of such share holding interest is not less than 20 percent of the paid-up share capital of that other company Where 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.
<i>Omissions to given notice not to invalidate a resolution passed</i>	86.	The accidental omission to give any such notice as aforesaid to any of the members, or the non receipt thereof, shall not invalidate the holding of the meeting or any resolution passed at any such meeting.
<i>Meeting not to transact business not mentioned in notice</i>	87.	No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
<i>Quorum of General Meeting</i>	88.	Five members present in person shall be quorum for a General Meeting.  A member may also be present at the General Meeting of the Company through electronic mode, subject to compliance with the Act and rules made thereunder any Circulars and directions issued by the Ministry of Corporate Affairs in this respect. However, members present through electronic mode shall not be counted for the purpose of forming quorum

	89.	A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
<i>If quorum not present meeting to be dissolved or adjourned</i>	90.	If, at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day in the next week or, if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such oilier time and place in the city or town in which the office of the Company is for the time being situate as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
<i>Chairman of general meeting</i>	91.	The Chairman (if any) of the Board of Directors, or in his absence, the Managing Director of the Company shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board or Managing Director, or if at any meeting neither of them is present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the Chair, then the members present shall chose another director as Chairman of the meeting. If no director be present or if all the directors present decline to take the chair, then the Members present shall elect one of their number to be Chairman for that particular meeting.
	92.	No business shall be discussed at any General Meeting except the election of a Chairman, while the chair is vacant.
<i>Chairman with consent may adjourn meeting</i>	93.	The Chairman with the consent of the members in any meeting at which a quorum is present may adjourn any meeting from time to time and from place to place in the city in which it is held 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.
<i>Questions at general meeting decided</i>	94.	At any General Meeting a resolution put to vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded by at least five members having the right to vote on the resolution and present in person or by proxy, or by the Chairman of the Meeting or by any member or members holding not less than one-tenth of the total voting power in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum has been paid-up on all the shares conferring that right, and unless a poll is 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 Minute Book 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 the resolution.
<i>Chairman's casting vote</i>	95.	In the case of an equality of votes, the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.



<i>Poll be taken if demanded</i>	96.	If a poll is demanded as aforesaid, the same shall, subject to Article 94 be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situate and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or person who made the demand.
<i>Scrutineers at poll</i>	97.	Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer from such removal or from any other cause.
<i>In what case poll taken without adjournment</i>	98.	Any poll duly demanded on the election of Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
<i>Demand of poll not to prevent transaction of other business</i>	99.	The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
<b>VOTE OF MEMBERS</b>		
<i>Members in arrears not to vote</i>	100.	<i>No member shall be entitled to vote either personally or by proxy, at any General Meeting or Meeting of a class of shareholders, either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.</i>
<i>Number of vote which a person entitled</i>	101.	Subject to the provisions of these Articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company. Provided, however, if any preference share-holder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares and subject as aforesaid, the holders of preference shares shall in respect of such capital be entitled to vote on every resolution placed before the Company at a meeting if the dividend due on such capital or any part of such dividend remains unpaid in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting and where the holders of any preference shares have a right to vote as aforesaid on any resolution every such member personally present shall have one vote and on a poll his voting rights in respect of such

		preference shares shall be in proportion to the total of the capital paid up on such shares.
<i>Casting on votes by a member entitled more than one vote</i>	102.	On a poll taken at meeting of the Company a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he used or may abstain from voting.
<i>How members non composmentia and minor may vote</i>	103.	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 vote by proxy, if any member be a minor, the vote in respect of his share or shares shall be by his guardian, or any of his, guardians, if more than one, to be selected in case of dispute by the Chairman of the meeting.
<i>Vote of joint holders</i>	104.	If there be joint holders of any shares, anyone of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto by the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.
<i>Voting in person or by proxy</i>	105.	Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act, and such representative shall be entitled to exercise the same rights and powers (including the rights to vote by proxy) on behalf of the body corporate which he represents as the body could exercise if it were an individual member.
<i>Votes in respect of shares of deceased and insolvent members</i>	106.	Any person entitled under Article 60, to transfer any share may vote at any General Meeting in respect thereof in the same manner, as if he were the registered holder of such shares, provided that forty eight hours atleast before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
<i>Appointment of proxy</i>	107.	Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meeting.
<i>Proxy either for specified meeting or a period</i>	108.	An instrument of proxy may appoint a proxy either for the purpose of a particular meeting specified in the instrument and any adjournment thereof or. It may appoint for the purpose of every meeting of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

	109.	A member present by proxy shall be entitled to vote only on a poll.
<i>Deposit of instrument of appointment</i>	110.	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 office not later than forty eight hours before the time for holding the 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
<i>Form of proxy</i>	111.	Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX of the Act.
<i>Validity of votes given by proxy notwithstanding death of member</i>	112.	A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the pervious death or insanity of the principal, or revocation of the proxy of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
<i>Time for objection of votes</i>	113.	No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
<i>Passing of resolution by postal ballot</i>	114.	Notwithstanding any thing contained in the foregoing, the company shall transact such business, as may be specified by the Central Government from time to time, through the means of postal ballot. In case of resolutions to be passed by postal ballot, no meeting need to be held at a specified time and space requiring physical presence of members to form a quorum. Where a resolution will be passed by postal ballot the company shall, in addition to the requirements of giving requisite clear days notice, send to all the members the following :  1. Draft resolution and relevant explanatory statement clearly explaining the reasons thereof.
<i>Chairman of meeting to be the judge of validity of any vote</i>	115.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
<i>Minutes of General Meeting and inspection thereof by members</i>	116.	1. The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.  2. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or non availability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.  3. In no case the minutes of proceedings of a meeting shall be attached to any such book

		<p>as aforesaid by pasting or otherwise.</p> <p>4. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>5. All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meetings.</p> <p>6. Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter which in the opinion of the 'Chairman of the meeting :</p> <p>(a) is or could reasonably be regarded, as, defamatory of any person or</p> <p>(b) is irrelevant or immaterial to the proceeding, or</p> <p>(c) is detrimental to the interest of the Company.</p> <p>The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds</p> <p>7. Any such minutes shall be evidence of the proceedings recorded therein.</p> <p>8. The book containing the minutes of proceedings of General Meetings shall be kept at the registered office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the Directors determine, to the inspection of any member without charge.</p>
<b>DIRECTORS</b>		
	117.	Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve including the Special Director, if any and the debenture Director, if any, and the Corporation Director, if any. The Company may increase the number of Directors subject to provisions of law.
	118.	<p>The first Directors of the Company are as under:</p> <ul style="list-style-type: none"> <li>• Amit Baidya</li> <li>• Mukesh Bhuwalka</li> </ul>
<i>Nominee Director</i>	119.	<p>The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any Person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board ("<b>Nominee Director</b>") upon such terms and conditions as the Company may deem fit. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.</p> <p>In the event of Company borrowing any Money from any financial corporation or institution or Government or any Government body or a collaborator, bank, person or persons or from any other source, while any money remains due to them or any of them, the lender concerned may</p>

		<p>have and may exercise the right and power to appoint, from time to time, any person or persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act. Any person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointer and served on the Company. Such Director need not hold any qualification shares.</p>
<i>Restrictions on directorship</i>	120.	<p>If the Company at any time have a minimum paid up capital of Rupees Five Crore or such sum as may be prescribed and at least one thousand or more small shareholders, then the company may, suo moto or upon requisition of not less than one tenth of the total number of small shareholders, proceed to appoint a nominee from amongst small shareholders as a Director of the Company. The small 'shareholders' director shall before his appoint, file his consent, to act as a Director, in writing to the Company and the tenure of such appointment shall be three years at a time without retirement by rotation, but shall be eligible for reappointment for another tenure. He shall, however, not be appointed as Managing Director or Whole Time Director under any circumstances and shall be subject to same disqualifications and shall vacate his office on the same grounds as are applicable to other Directors, in pursuance of these Articles. The company shall follow such Rules as may be prescribed by the Central Govt. in this behalf.</p> <p>No small shareholders' director appointed in accordance with the provisions of this Article shall hold office at the same time as "small shareholders' director" in more than two companies.</p>
<i>Appointment of alternate directors</i>	121.	<p>The Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original director in whose place he has been appointed and shall vacate the office of the Original Director when he returns to that State. If the terms of office of the Original Director are determined before he so returns to that state, any provisions in the Act or in these Articles for the automatic reappointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.</p>
<i>Directors power to add to the Board or the appointment of Additional director</i>	122.	<p>Subject to the provisions of Sections 260 and 264 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an Additional Director, but so that the total number of Directors shall not at any time exceed the maximum 12 fixed under the Article 111. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting.</p>
<i>Share qualification of directors</i>	123.	<p>Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.</p>
<i>Directors can act before acquiring</i>	124.	<p>Without prejudice to the restrictions imposed by Section 226 of the Act, a Director who is required to hold qualification shares may act as a Director before acquiring such shares but shall, if he is not already qualified, obtain his qualification, and every Director other than a Director appointed by the Central or a State Government shall file with the Company a</p>

<i>qualification</i>		declaration specifying the qualification shares held by him within two months from his appointment as a director.
<i>Director's power to fill casual vacancies</i>	125.	Subject to the provisions of Section 262, 264 and 284(6) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy Any person so appointed shall hold office only up to the date to which the Director in whose place he is appointed would have held office if it had not been vacated by him.
<i>Remuneration of Directors</i>	126.	<p>(1) Subject to the provisions of the Act, a Managing Director, or Managing Directors or Director who is/are in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.</p> <p>(2) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a Managing Director, may be paid remuneration either.</p> <p>(i) by way of monthly, quarterly or annual payment or</p> <p>(ii) by way of commission if the Company by a special resolution authorised such payment.</p> <p>(3) The fees payable to a Director for attending the meetings of the Board or Committee thereof shall be such sum as may be decided by the Board of Directors from time to time within the maximum limit prescribed by the Central Government under the relevant provisions of the Act.</p>
<i>Reimbursement of expenses to Directors for attending meeting of the Board</i>	127.	The Board may allow any pay to any director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified; and if any Director be called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.
<i>Directors may act notwithstanding any vacancies</i>	128.	The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by the Article 111 hereof, the continuing Directors not being less than three, may act for the purpose of increasing the number of directors to that number or for summoning a General Meeting but for no other purpose.
<i>Vacation of office of director</i>	129.	<p>(1) The office of a Director shall ipso facto be vacated if :</p> <p>(a) he fails to obtain within the time specified in sub-section (1) of Section 270 of the Act, or at any time thereafter ceases to hold, the share qualification, if any necessary for his appointment; or</p> <p>(b) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(c) he applies to be adjudicated an insolvent;</p>

		<p>(d) or he is undischarged insolvent; or</p> <p>(e) he is convicted by a Court in India of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or</p> <p>(f) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call; or</p> <p>(g) he absents from three consecutive meetings of the Board or from all meetings of the Board for a continuous period of three months, whichever is the longer, without obtaining leave of absence from the Board; or</p> <p>(h) he or any firm of 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 of the Act; or</p> <p>(i) he acts in contravention of Section 299 of the Act; or</p> <p>(j) he has been removed from office in pursuance of Section 203 of the Act; or</p> <p>(k) by notice in writing to the Company that he resigns his office; or</p> <p>(l) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of Section 314 of the Act and by operation of that Section he is deemed to vacate the office.</p> <p>(2) Notwithstanding any matter or thing in sub-clauses (d), (e) and (j) of clause (1), the disqualification referred to in those sub-clauses shall not take effect :</p> <p>(a) for thirty days from the date of adjudication sentence or order; or</p> <p>(b) where an appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence, or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(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 result in the removal of the disqualification until such further appeal or petition is disposed of.</p>
<p><i>Director may contract with company</i></p>	<p>130.</p>	<p>(1) A Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or a private company of which the Company is a member or director, may enter into any contract with Company for the sale, purchase or supply of any goods, materials, or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that the sanction of the Board is obtained before or within three months of the date on which the contract is entered into in accordance with Section 297 of the Act.</p> <p>(2) No sanction shall, however, be necessary for :</p> <p>(a) any purchase of goods and materials from the Company, or the sale of the goods or materials to the Company, by any such director, relative, firms partner or private company as</p>



		<p>aforesaid for cash at prevailing market prices; or</p> <p>(b) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other side for sale, purchase or supply of any goods, materials and services in which either the Company or the director, relative, firm, partner or private company, as the case may be, regularly trades or does business, where the value of the goods and materials or the, cost of such services does not exceed Rs. 5,000/- Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract or contracts.</p> <p>Provided that in the circumstances of urgent necessity, a Director, relative, firm, partner or private company as aforesaid may ‘without obtaining the consent of the Board enter into any such contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or the cost of such services exceeds Rs.5,000/- Rupees Five Thousand only) in the aggregate in any year comprised in the period of the contract and the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.</p>
<i>Disclosure of interest</i>	131.	<p>A director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299(2) of the Act; provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the Directors of the Company either himself or along with his relatives holds or hold two per cent of the paid-up share capital in any such other company.</p>
<i>General notice of interest</i>	132.	<p>A General Notice given to the Board by the Directors, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of the financial year in which it would have otherwise expired of such general notice and no renewal thereof, shall be of effect unless it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.</p>
<i>Interested director not to participate or vote in Board’s proceeding</i>	133.	<p>No director shall as Director take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the Company, if he is in any way whether directly or indirectly concerned or interested in such contract or arrangement; nor shall his presence count for the purpose</p> <p>of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall apply to :-</p> <p>(a) any contract of indemnity against any loss which the Directors or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company.</p>



		<p>(b) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely :</p> <p>(i) in his being:</p> <p>(a) a director in such company, and</p> <p>(b) the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company           Or</p> <p>(ii) in his being a member holding not more than 2% of its paid-up share capital.</p>
<i>Register of contracts in which directors are interested.</i>	134.	The Company shall keep a Register in accordance with Section 301(1) and shall within the time specified in section 301 (2) enter therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company the names of the bodies corporate and firms of which notice has been given by him under Article 125. The Register shall be kept at the office of the company and shall be open to inspection at such office, and extracts may be taken therefrom and copies thereof in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provision of Section 163 of the Act shall apply accordingly.
<i>Directors may be directors of companies promoted by the company.</i>	135.	A Director may be or become a director of any company promoted by the Company or in which it may be interested as a vendor, shareholder, or otherwise, and no such director shall be accountable for any benefits received as director or shareholder of such company except in so far as Section 209(6) or Section 314 of the Act may be applicable.
<i>Retirement and rotation of directors</i>	136.	At every Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
<i>Ascertainment of Directors retiring by rotation and filling of vacancies.</i>	137.	Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those (other than Managing Director and or any Director or Directors who by virtue of the Provisions of any agreement referred to in Article-116 are not liable to retire) who have been longest in the office since their last appointment, but as between persons who became directors on the same day; those who are 135. Subject to Section 256(2) of the Act, the Directors to retire by rotation under Article 129 at every Annual General Meeting shall be those (other than Managing Director and or any Director or Directors who by virtue of the Provisions of any agreement referred to in Article-116 are not liable to retire) who have been longest in the office since their last appointment, but as between persons who became directors on the same day; those who are to retire, shall, in default of, and subject to any agreement among themselves, be determined by lot.
<i>Retiring Director eligible for re-election</i>	138.	A retiring Director shall be eligible for re-election.

<i>Filling up of vacancies at general meeting</i>	139.	Subject to Sections 258 and 259 of the Act, the Company at the General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.
<i>Provisions for default of appointment.</i>	140.	<p>(a) If the place of the retiring Director is not so filled up and the meeting has not expressly, resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place.</p> <p>(b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be so deemed to have been reappointed at the adjourned meeting, unless :</p> <p>(i) at that meeting or at the previous meeting the resolution for the reappointment of such Director has been put to the meeting and lost;</p> <p>(ii) the retiring Director has, by a notice in writing addressed to the Company or its Board expressed his unwillingness to be so reappointed;</p> <p>(iii) he is not qualified or is disqualified for appointment;</p> <p>(iv) a resolution whether special or ordinary, is required for the appointment or reappointment by virtue of any provisions of the Act; or</p> <p>(v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case</p>
<i>Company may increase or reduce the number of directors.</i>	141.	Subject to Section 259 of the Act, the Company may, by ordinary resolution, from time to time, increase or reduce the number of directors, and may after their qualifications the Company (subject to the provisions of Section 284 of the Act) remove any Director before the expiration of his period of office and appoint another qualified person in his stead. The person so appointed shall hold Office during such time as the director in whose place he is appointed would have held the same if he had not been removed.
<i>Notice of candidate for office of directors except in certain cases.</i>	142.	<p>(1) No person not being a retiring Director, shall be eligible for appointment to the office of director at any General Meeting unless he or some member intending to propose him 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 Director or the intention of such member to propose him as a candidate for that office.</p> <p>(2) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 or the Act signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director, shall sign and file with the Company, the consent in writing to act as a Director, if appointed.</p> <p>(3) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or reappointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.</p>

<i>Register of Directors etc. and notification of charge to Registrar.</i>	143.	<p>(a) The Company shall keep at its office a Register containing the particulars of its Directors, Managers, Secretaries and other persons mentioned in Section 303 of the Act and shall otherwise comply with the provisions of the said Section in all respects.</p> <p>(b) The Company shall in respect of each of its Directors also keep at its office a Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.</p>
<i>Disclosure by directors of appointment only in other body corporate</i>	144. (a)	Every Director (including a person deemed to be a Director by virtue of the Explanation to sub-section (1) of Section 303 of the Act, Managing Director, Manager, or Secretary of the Company, shall within twenty days of his appointment to any of the above offices in any other body corporate, disclose to the Company the particulars relating to his office in the other body which are required to be specified under sub-section (1) of Section 303 of the Act.
<i>Disclosure by a Director of his holding of share and debenture of company etc.</i>	144.(b)	Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provision of that section.
<b>MANAGING DIRECTOR</b>		
<i>Board may appoint Managing Director or Managing Directors.</i>	145.	Subject to the provisions of the Act and of these Articles, the Board shall have power to appoint from time to time any of its member or members as Managing Director or Managing Directors of the Company for fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit and subject to the provisions of Article 140, the Board may by resolution vest in such Managing Director or Managing Directors such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as it may determine. The remuneration of a Managing Director may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all these modes, or any other mode not expressly prohibited by the Act.
<i>Restriction on Management</i>	146.	The Board of Directors, subject to Section 292 of the Act, may entrust to and confer upon a Managing or whole time Director any of the powers exercisable by them, upon such terms and conditions and with such restrictions, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.
<i>Managing Director Special position of Managing Director.</i>	147.	A Managing Director shall not while he continues to hold that office be subject to the retirement by rotation, in accordance with Article 129. If he ceases to hold the office of Director, he shall ipso facto and immediately cease to be a Managing Director.
<i>Remuneration to Managing Directors</i>		A Managing or whole time Director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board of Directors may determine.

<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>		
<i>Meetings of Directors</i>	148.	The Directors may meet together as a Board for the dispatch of business from time to time, and shall so meet atleast once in every three months and atleast four such meetings shall be held in every year. The Directors may adjourn and otherwise regulate their meetings as they think fit.
<i>Notice of Meeting</i>	149.	Notice of every meeting of the Board shall be given in writing to every Director for the time being in India, and at his usual address in India; to every other Director.
<i>When meeting to be convened</i>	150.	The Managing Director or a Director or a Secretary upon the requisition of Director(s), may at any time convene a meeting of the Directors.
<i>Chairman</i>	151.	The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed, or if at any meeting of the Board the Chairman is not present within five minutes after the time appointed, for holding the same, the Directors present shall choose some one of their member to be the Chairman of such meeting
<i>Quorum</i>	152.	<p>The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of the Section 287 of the Act. If a quorum shall not be present within fifteen minutes from the time appointed for holding a meeting of the Board it shall be adjourned until such date and time as the Chairman of the Board shall appoint.</p> <p>A director of a company may participate in a meeting of the Board/ Committee of directors under the provision of Companies Act, 1956 through electronic mode. For this purpose, the Company shall comply with the requirements and procedures laid down by the Circulars and directions issued by the Ministry of Corporate Affairs in this respect.</p>
<i>Exercise of powers to be valid in meetings where quorum is present</i>	153.	A meeting of the Board of which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Articles for the time being vested in or exercisable by the Board.
<i>Matter to be decided on majority of votes</i>	154.	Subject to the provisions of Sections 316, 327(4) and 386 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.
<i>Power to appoint committee and a delegate</i>	155.	The Board may subject to the provisions of the Act, from time to time and at any time delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may from time to time revoke such delegation. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulation that may from time to time be imposed upon it by the Board.
<i>Proceeding of committee</i>	156.	The meetings and the proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto, and are not superseded by any regulations made by the Board under the Article 149.
<i>Resolution without Board Meeting/</i>	157.	Save in those case where a resolution is required by Sections 262, 292,297,316,372(4) and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be as valid and effectual as if it had been passed at a meeting of the Board or Committee of the Board, as the case may

<p><i>Resolution by Circulation</i></p>		<p>be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the Directors, or to all the members of the Committee of the Board, as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors, or members of the Committee, at their usual address in India, and has been approved by such of them as are then in India, or by a majority of them as are entitled to vote on the resolution</p>
<p><i>Acts of Board Committee valid notwithstanding formal appointment</i></p>	<p>158.</p>	<p>All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act</p> <p>or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.</p>
<p><i>Minutes of proceedings of meeting of Board</i></p>	<p>159.</p>	<p>(1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in the books kept for that purpose with their pages consecutively numbered.</p> <p>(2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>(3) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise.</p> <p>(4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings.</p> <p>(6) The minutes shall also contain.</p> <p>(a) the names of the Directors present at the meeting; and</p> <p>(b) in the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.</p> <p>(7) Nothing contained in sub-clause (1) to (6) shall be deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting :</p> <p>(a) is, or could reasonably be regarded as defamatory of any person.</p> <p>(b) is irrelevant or immaterial to the proceedings; or</p>

		<p>(c) is detrimental to the interest of the Company.</p> <p>The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.</p> <p>(8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.</p>
<i>Power of Director</i>	160.	<p>The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall not, except with the consent of the Company in General Meeting :</p> <p>(a) sell, lease or otherwise dispose of the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole of any such undertaking.</p> <p>(b) remit, or give time for the repayment of any debt due by a Director.</p> <p>(c) invest, otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a), or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.</p> <p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid up capital of the Company and its free reserves that is to say, reserve not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at meetings of the Board, unless the same be delegated to the extent there in stated; or</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed twenty five thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.</p>
<i>Absolute powers of Board in certain cases</i>	161.	<p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers; that is to say, power :</p> <p>(1) To pay the costs, charges and expenses preliminary and incidental to the promotion,</p>

	<p>formation, establishment and registration of the Company.</p> <p>(2) To pay any charge to the capital account of the Company and Commission or interest lawfully payable there out under the provisions of Sections 76 and 208 of the Act.</p> <p>(3) Subject to Sections 292 and 297 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p> <p>(4) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>(5) To secure the fulfillment of any contracts or engagement 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 firm being or in such manner as they may think fit;</p> <p>(6) To accept from any member, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;</p> <p>(7) To appoint any person to accept and hold in trust for the Company and property belonging to the Company, in which it is interested, or for any other purposes; and execute such deeds and do all such things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;</p> <p>(8) 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 payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and, perform any awards made thereon;</p> <p>(9) To act on behalf of the Company in all matters relating to bankrupts and insolvents;</p> <p>(10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>(11) Subject to the provisions of Sections 292, 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time to vary the size of such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name;</p> <p>(12) 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 any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present or future) as they think fit, and any such mortgage may contain a power of sale and such other</p>
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	<p>powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>(13) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts and documents and to give the necessary authority for such purpose;</p> <p>(14) To distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other person employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;</p> <p>(15) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions; funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit; and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of public and general utility or otherwise;</p> <p>(16) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to Depreciation Fund, or to an Insurance Fund, or as a Reserve Fund, or Sinking fund, or any Special Fund to meet contingencies or to repay Debentures or Debenture stock, or for special dividends or for equalized dividends or for repairing, improving, extending and maintaining any of the property of the Company or for such other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 292 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the Reserve Fund into such special Funds as the Board may think fit, with full power to transfer the whole, or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund or division, of a Reserve Fund and with full power to employ the assets constituting all or any of the above Funds, including the Depreciation Fund, in the business of the Company or in the purchase or repayment of Debentures or debenture stock, and without being bound to keep the same, separate from the other assets, and without being bound to pay interest on the same with power, however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(17) Subject to the provisions of the Act to appoint, and at their discretion remove or suspend such general managers, managers, secretaries, assistants, supervisor, clerks, agents</p>
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	<p>and servants of permanent, temporary or special services as they may for time to time think fit, and to determine their powers and duties and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India, or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.</p> <p>(18) To comply with the requirements of any local law which in their opinion it shall, in the interest of the Company, be necessary of expedient of comply with;</p> <p>(19) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to the members of such Local Boards and to fix their remuneration.</p> <p>(20) Subject to Section 292 &amp; 293 of the Act from time to time and at any time, delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorise the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>(21) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the powers to make calls and excluding also, except in their limits authorised by the Board, the power to make loans and borrow money’) 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 Local Board, established as aforesaid or in favour of any company, or the share holders, directors, nominees or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board and any such power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;</p> <p>(22) Subject to Sections 294, 294A, 297 and 301 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and to execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient;</p> <p>(23) Subject to the provisions of the Act, the Board may pay such remuneration to Chairman/Vice Chairman of the Board upon such conditions as they may think fit.</p>
<b>MANAGEMENT</b>	

<i>Management of the Company</i>	162.	The Board of Directors may in accordance with the provisions of the Act appoint a whole-time Director or President or Executive Director or manager to- manage Its affairs. A Director may be appointed as a secretary or Manager. The terms and conditions and the appointment of paid Director shall be subject to the provision of the Act, and subject to the consent of the General meeting of the company, wherever required
<i>Local Management</i>  <i>Local Directorate Delegation</i>  <i>Power of Attorney</i>  <i>Sub-delegation</i>  <i>Seal for use abroad</i>	163.	<p>Subject to the provisions of the Act the following shall have effect:</p> <p>(a) The Board may from time to time provide for the management of the affairs of the company outside India (or in any specified locality in India) in such manner as It shall think fit and the provisions contained in the four next following paragraphs shall be without prejudice to the general powers conferred by this paragraph.</p> <p>(b) Subject to the provisions of the Act, the Board may at any time establish any local Directorate for managing any of the Delegation. affairs of the company outside India, and may appoint any person to be member of any such local Directorate or any manager or agents and may fix their remuneration and, save as provided in the Act, the Board may at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board and such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit and the Board may at any time remove any person so appointed and annual or vary any such delegations.</p> <p>(c) The Board may, at any time and from time to time by power. of attorney under seal, appoint any person to be the attorney of the company for such purposes and with such powers, authorities and discretions not exceeding those which may be delegated by the board under the act and for such period and subject to such conditions as the board may, from time to time, thinks fit, and such appointments may, It the board thinks fit, be made In favour of the members or any of members of any local directorate established as aforesaid, or in favour of the company or of the members, directors, nominees or officers of the company or firm or In favour of any fluctuating body of persons whether nominated directly or Indirectly by the board, and any such Power-of- Attorney may contain such provisions for the protection or convenience of persons dealing with such attorneys as the Board thinks fit.</p> <p>(d) Any such delegate or Attorney as aforesaid may be authorized by the board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them</p> <p>(e) The company may exercise the power conferred by the Act with regard to having an Official seat for use abroad, and such powers shall be vested In the board, and the company may cause to be kept in any state or country outside India, as may be permitted by the Act, a Foreign Register of Member or debenture holders residents Irv any such state or country and the board may, from time to - time make such regulations not being inconsistent with the provisions of the Act, and the board may, from time to time make such provisions as it may think fit relating thereto and may comply with the requirements of the local law and shall In any case comply with the provisions of the Act</p>
<b>THE SECRETARY</b>		
<i>Power to appoint Secretary</i>	164. (A)	(a) Subject to the provisions of the Act, the Board may appoint a secretary of the company on such terms and conditions as it may think fit and may remove any secretary so appointed and may fill up vacancy in the office of Secretary. The Secretary shall exercise such powers and carry out such duties as the Board may from time to time

		determine
<i>Power to authenticate documents</i>	164.(B)	(b) Any director or the Secretary or any officer appointed by the Board for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any books, records, documents and accounts relating to the business of the company and to certify copies or extracts thereof; and where any books, records documents or accounts are then, at the office, the local manager or other officer of the company having the custody thereof, shall be deemed to be a person appointed by the Board as aforesaid.
<i>Certified copies of resolution of the Board</i>	164.(C)	(c) Document purporting to be a copy of resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that extract Is a true and accurate records of a duly constituted meeting of the Directors.
<i>The seal, its custody and use</i>	165.	(a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and the Seal shall never be used except by the authority of the Board or a Committee of the Board previously given.  (b) The Company shall also be at liberty to have an official; Seal in accordance with Section 50 of the Act, for use in any territory, district or place outside India.
	166.	The seal shall not be affixed to any instrument except by the authority of resolution of the Board of Directors or a committee of the Board authorised by it in that behalf and except in the presence of anent one director and that one director shall sign every instrument to which the seal of the Company is so affixed in his presence. The share certificate will, however, be signed and seated in accordance with Rule 6 of the Companies (Issue of Share Certificates) Rules, 1960, as amended.
<b>DIVIDENDS</b>		
<i>Division of profits</i>	167.	The profits of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles, and subject to the provisions of these Articles shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
<i>The Company in general meeting may declare a dividend</i>	168.	The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed thee amount recommended by the Board, but the company in general meeting may declare a smaller dividend.
<i>Dividend only to be paid out of profits</i>	169.	No dividend shall be declared or paid otherwise than out of the profits of the financial year arrived at after providing for depreciation in accordance, with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining

		<p>undistributed or out of both, provided that;</p> <p>(a) if the Company has not provided for depreciation for any previous financial year or years, it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or years.</p> <p>(b) if the Company has incurred any loss in any previous financial year or years, the amount of the loss or any amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act, or against both.</p>
<i>Interim Dividend</i>	170.	The Board may, from time to time, pay to the Members such interim dividend as in their judgment, the position of the Company justifies.
<i>Calls in advance not to carry rights to participate in profits</i>	171.	Where capital is paid in advance of calls such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
<i>Payment of prorata dividend</i>	172	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 dividend as from a particular date, such share shall rank for dividend accordingly.
<i>Dividend to be kept in abeyance</i>	173	The Board may retain the dividends payable upon shares in respect of which any person is under the Article 60 entitled to become a member or which any person under that Article is entitled to transfer; until such a person shall become a member, in respect of such shares or duly transfer the same.
<i>Receipts for dividends</i>	174.	Anyone of several person who are registered as joint-holders of any share may give effectual receipts for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
<i>Deduction of money owned to the company</i>	175.	No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
<i>Rights to dividend where shares transferred</i>	176.	A transfer of share shall not pass the right to any dividend declared thereon before the registration of the transfer
<i>Manner of</i>	177.	Unless otherwise directed, any dividend may be paid by cheque or warrant or by a pay-slip or receipt having the force of a cheque or warrant sent through the post to the registered address

<i>paying dividend</i>		of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such cheque or Warrant shall be made payable to the order of the person to whom it is sent. The Company shall not be liable or responsible for any cheque or Warrant or pay-slip or receipt lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay-slip or receipt or the fraudulent recovery of the dividend by any other means.
<i>Non-forfeiture of unclaimed dividend</i>	178	No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the company shall comply with the provision of Sections 205A and 205C of the Act in respect of all unclaimed or unpaid dividends.
<i>Dividend may be set off against calls</i>	179.	Any General Meeting declaring a dividend may, on the recommendation of the Directors, make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend and the dividend may, if so arranged between the Company and the member, be set off against the calls.
<i>Unpaid or unclaimed dividend</i>	180.	Where the company has declared a dividend but which has not been paid or claimed within 30 days from the date of the declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days to a special account to be opened by the Company in that behalf in any scheduled bank to be called "Bronze Infra-Tech Limited Unpaid Dividend Account". Any money transferred to the unpaid dividend account of the Company which remains unpaid/unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and Protection Fund established under the sub section (1) of section 205C of the Act.  No unclaimed or unpaid dividend shall be forfeited by the Board until the claim becomes barred by law.
<b>CAPITALISATION OF RESERVES</b>		
<i>Issue of Bonus Shares</i>	181.	(I) The Company in general meeting may, upon the recommendation of the Board, resolve—  i. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and  ii. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions  (II) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (3), either in or towards -  i. paying up any amounts for the time being unpaid on any shares held by such members respectively;  ii. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or  iii. partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

<i>Utilization of undistributed capital profits</i>	182.	<p>A General Meeting may resolve that any surplus money arising from the realisation of any capital asset of the Company or any investments representing the same, or any other undistributed profits of the Company not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.</p> <p>A Securities Premium Account and a Capital redemption reserve account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares</p>
<i>Resolving issues of fractional certificates</i>	183.	<p>The Board shall give effect to the resolution passed by the Company in pursuance of this regulation. Whenever such a resolution as aforesaid shall have been passed, the Board shall –</p> <ol style="list-style-type: none"> <li>i. 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</li> <li>ii. generally do all acts and things required to give effect thereto</li> </ol>
<b>ACCOUNTS</b>		
<i>Directors to keep true accounts</i>	184.	<p>(1) The company shall keep at the office or at such other place in India as the Board thinks fit, proper Books of Account in accordance with Section 209 of the Act, with respect to</p> <ol style="list-style-type: none"> <li>(a) all the sums of moneys received and expended by the Company and the matters in respect of which the receipts and expenditure take place.</li> <li>(b) all sales and purchases of goods by the Company.</li> <li>(c) the Assets and liabilities of the Company.</li> </ol> <p>(2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company the Company shall within seven days of the decision file with the Registrar a notice in writing giving, the full address of that other place.</p> <p>(3) The Company shall preserve in good order the Books of Account relating to the period of not less than eight years preceding the current year together with the vouchers relevant to any entry in such Books of Account.</p> <p>(4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to date at intervals of not more than three months are sent by the branch office to the Company at its offices at other place in India, at which the Company's Books of Account are kept as aforesaid.</p> <p>(5) The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction. The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.</p>

<i>Places of keeping accounts</i>	185.	The Board shall from time to time determine whether and to what extent and at what times and place and under what conditions are regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors, and no person (not being a member) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorised by the Board.
<i>Laying of accounts before Annual General Meeting</i>	186.	The Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profit and Loss Account and Reports as are required by these Sections.
<i>Accounts when to be sent</i>	187.	A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet), shall at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to holders of debentures issued by the Company (not being debentures which ex facie are payable to the bearer thereof); to trustees for the holders of such debentures and to all persons entitled to receive notice of General Meeting of the Company.
<b>AUDIT</b>		
<i>Accounts to be audited</i>	188.	Auditors shall be appointed and their rights and duties regulated in accordance with Sections 224 to 233 of the Act.
<i>First auditor or Secretarial Auditors</i>	189.	<p>The First Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the First Annual General Meeting provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nomination notice has been given to the members of the company not less than fourteen days before the date of the Meeting provided further that if its powers under this Article, the Company in General Meeting may appoint first Auditor or Auditors.</p> <p>The remuneration of the auditors shall be fixed by the Company in Annual general meeting or in such manner as the company in general meeting may determine except that remuneration of the first or any auditors appointed by the directors may be fixed by the Board of Directors.</p> <p>The aforesaid provisions shall mutatis mutandis apply to any Secretarial Auditor appointed under the relevant provisions of the Act.</p>
<b>DOCUMENTS AND NOTICES</b>		
<i>Service of documents and notice</i>	190.	<p>(1) A document or notice may be served or given by the Company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him.</p> <p>(2) Where a document or notice is sent by post, services of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the</p>



		<p>document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgment due and has deposited with the Company a sum sufficient to defray the expenses of the doing so; service of the documents or notice 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 in the case of Notice of a meeting, at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.</p> <p>(3) A document or notice as required to be served or given by the Company on any member may be served electronically in the manner as set out in the Information Technology Act, 2000 and subject to compliance with the Circulars and directions issued by the Ministry of Corporate Affairs from time to time in this respect. Such manner will be in sufficient compliance of the provisions of the Act requiring servicing of notice on the members.</p>
<i>Newspaper advertisement of notice to be deemed duly serviced</i>	191.	A document or notice advertised in a newspaper circulating in the neighbourhood of the Office shall be deemed to be duly served or sent on the day on which the advertisement appears to every member who has no registered address in India and has not supplied to the Company an address within India for serving of documents on or the sending of notices to him.
<i>Notice to whom Served</i>	192.	A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice on or to the joint-holders named first in the Register of Members in respect of the share.
<i>Notice to be served to representative</i>	193.	A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through post in a prepaid letter addressed to him or them by name or by the title of representatives of the deceased or assignee 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 entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
<i>Service of notice of General Meetings</i>	194.	Documents or notices of every General Meeting shall be served or given in the same manner hereinbefore on or to (a) every member (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor for the time being of the Company.
<i>Members bound by notice</i>	195.	Every person who, by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of Members, shall have been duly served on or given to the person from whom he derives his title to such shares.
<i>Documents or notice to be signed</i>	196	Any document or notice to be served or given by the Company may be signed by a Director or some person duly authorised by the Board of Directors for such purpose and the signatures thereto may be written, printed or lithographed.
<i>Notice to be served by post</i>	197.	All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or Officer at the Office



		by post under a certificate of posting or by registered post, or by leaving it at the office.
<b>WINDING UP</b>		
<i>Liquidators powers</i>	198.	<p>The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may, with the sanction of a Special Resolution but subject to the rights attached to any preference share capital, divide among the contributories in specie 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 as the Liquidator, with the like sanction shall think fit.</p> <p>For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p>
<b>INDEMNITY AND RESPONSIBILITY</b>		
<i>Person when to be indemnified by the company</i>	199.	Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceeding, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of Act, in which relief is granted to him by the Court.
<b>SECURITY</b>		
	200.	Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals 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 his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as maybe necessary in order to comply with any of the provisions in these presents and the provisions of the Act.

## SECTION X: 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 the Company or entered into more than two years before the date of this Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of this Draft Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of this Draft Prospectus until the Issue Closing Date.

#### Material contracts

1. Memorandum of understanding dated September 6, 2012 among the Company and the Lead Manager.
2. Memorandum of understanding dated August 23, 2012 between the Company and the Registrar to the Issue.
3. Escrow agreement dated [●] among the Company, the Lead Manager, the Escrow Collection Banks, and the Registrar to the Issue.
4. Underwriting agreement dated September 6, 2012 between the Company, Lead Manager and Market Maker.
5. Market Making Agreement dated September 6, 2012, between the Company, the Lead Manager and the Market Maker.

#### Material documents

1. The Company's Memorandum and Articles of Association, as amended.
2. Board Resolutions and Shareholders' resolution dated July 16, 2012 and July 31, 2012 in authorising the Issue and other related matters.
3. Auditors' Report dated September 06, 2012 as required by Part II of Schedule II of the Companies Act, 1956 and mentioned in this Draft Prospectus.
4. Copies of Annual reports of the Company for the years ended March 31, 2012, 2011, 2010, 2009 and 2008 and Audited Financials for the four months ended July 31, 2012
5. Consents of Auditors, Bankers to the Company, Lead Manager, Registrar to the Issue, Escrow Bankers, Legal Advisor to the Issue, Directors of the Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
6. In-principle listing approval dated [●] from the SME Platform of BSE.
7. Agreement among NSDL, the Company and the Registrar to the Issue dated [●], 2012.
8. Agreement among CDSL, the Company and the Registrar to the Issue dated August 23, 2012.
9. Due diligence certificate dated September 06, 2012 received by the company from the Lead Manager.
10. Statement of possible tax benefits dated September 06, 2012.
11. Special Resolution dated July 31, 2012 for the detailed terms of appointment of Mr. Manoj Kumar Bajaj as a Chairman and Managing Director.

## DECLARATION

All relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India and / or the regulations / guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules made there under or regulations issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

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**Manoj Kumar Bajaj**  
(Chairman and Managing Director)

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**Punit Sureka**  
(Non Executive Director)

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**Sumit Sharma**  
(Independent Director)

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**Niraj Jewrajka**  
(Independent Director)

### SIGNED BY

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**Sweety Bhawsinghka**  
(Chief Financial Officer)

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**Shilpi Agarwal**  
(Company Secretary and Compliance Officer)

Date: September 6<sup>th</sup>, 2012

Place: Kolkata