



VKJ INFRADEVELOPERS LIMITED

Our Company was incorporated as 'VKJ Infra Developers Private Limited' a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 12, 2010 bearing registration number 200014 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to 'VKJ Infra Developers Limited' pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 29, 2013 issued by the Registrar of Companies, Delhi. Our corporate identification number is U45400DL2010PLC200014. For further details of our Company, please refer to the chapters titled 'General Information' and 'History and Certain Corporate Matters' beginning on page numbers 26 and 69, respectively, of the Draft Prospectus.

Registered Office: B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India

Tel: +91 11 3231 9722, **Fax:** +91 11 3231 9722, **Website:** www.vkjinfra.com, **E-mail:** vkjinfradevelop@yahoo.com

Company Secretary and Compliance Officer: Ms. Shubhra Aggarwal

PROMOTERS: MR. MANOJ KUMAR, MR. ARUN KUMAR CHALUKYA, MR. RAJESH KUMAR CHAUHAN AND SSD REAL ESTATE DEVELOPERS PRIVATE LIMITED

PUBLIC ISSUE OF 51,00,000 EQUITY SHARES OF ₹ 10 EACH ("EQUITY SHARES") OF VKJ INFRADEVELOPERS LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 25 PER EQUITY SHARE, INCLUDING A SHARE PREMIUM OF ₹ 15 PER EQUITY SHARE (THE "ISSUE PRICE"), AGGREGATING ₹ 1,275 LACS ("THE ISSUE"), OF WHICH 2,64,000 EQUITY SHARES OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKERS TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 48,36,000 EQUITY SHARES OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ 25 PER EQUITY SHARE AGGREGATING ₹ 1,209 LACS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 28.57% AND 27.09% RESPECTIVELY OF THE FULLY DILUTED POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

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

For further details please refer the section titled 'Issue Related Information' beginning on page 126 of the Draft Prospectus

All potential investors may participate in the Issue through an 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 132 of the 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 OF ₹ 25 IS 2.5 TIMES OF THE FACE VALUE

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is ₹ 10 and the Issue price of ₹ 25 per Equity Share is 2.5 times of the face value. The Issue Price (as determined by our Company in consultation with the Lead Manager, as stated under the chapter titled 'Basis for the Issue Price' beginning on page 49 of the Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page 11 of the Draft Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through the Draft Prospectus are proposed to be listed on the BSE SME Platform. In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principal listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE Limited ("BSE").

LEAD MANAGER TO THE ISSUE



INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED
2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End)
Western Express Highway, Andheri (East) Mumbai – 400 069
Tel No: +91 22 4075 1515; **Fax No:** +91 22 4075 1552
Email: sme.ipo@inventuremerchantbanker.com
Investor Grievance Email: redressal@inventuremerchantbanker.com
Website: www.inventuregrowth.com
SEBI Registration No: INM000012003
Contact Person: Saurabh Vijay

REGISTRAR TO THE ISSUE



SHAREPRO SERVICES (INDIA) PRIVATE LIMITED
13AB, Samhita Warehousing Complex, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai - 400 072, Maharashtra
Tel No: +91 - 22 - 6191 5402 / 5404; **Fax No:** +91 - 22 - 6191 5444
Website: www.shareproservices.com
Email: sme.ipo@shareproservices.com
SEBI Registration No: INR000001476
Contact Person: Subhash Dhingreja

ISSUE PROGRAMME

ISSUE OPENS ON:

[●]

ISSUE CLOSES ON:

[●]

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SECTION I – GENERAL**DEFINITIONS AND ABBREVIATIONS**

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

General Terms

| Term | Description |
|---|--|
| “VKJ INFRADEVELOPERS LIMITED”, “VKJ”, “We” or “us” or “our Company” or “the Issuer” | Unless the context otherwise requires, refers to VKJ Infradevelopers Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India |

Company Related Terms

| Terms | Description |
|--|---|
| Articles / Articles of Association | Unless the context otherwise requires, requires, refers to the Articles of Association of VKJ Infradevelopers Limited, as amended from time to time. |
| Auditors | The Statutory Auditors of our Company, being M/s Thakur Saroj Co., Chartered Accountants |
| Board of Directors / Board | The Board of Directors of VKJ Infradevelopers 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 VKJ Infradevelopers 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 VKJ Infradevelopers 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 | Mr. Manoj Kumar Mr. Arun Kumar Chalukya Mr. Rajesh Kumar Chauhan SSD Real Estate Developers Private Limited |
| Registered and/or Corporate Office | The Registered and Corporate Office of our company which is located at B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India |
| RoC | Registrar of Companies, Delhi |
| 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 Prospectus |
| Application Form | The Form in terms of which the applicant shall apply for the Equity Shares of our 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 our Company | ICICI 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 our 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 our Company will be opened |
| IPO | Initial Public Offering |
| Issue / Issue Size / Public Issue | The Public Issue of 51,00,000 Equity Shares of ₹ 10 each at ₹ 25 (including share premium of ₹ 15) per Equity Share aggregating to ₹ 1,275.00 Lacs by VKJ Infradevelopers Limited |
| Issue Price | The price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 25 |
| LM / Lead Manager | Lead Manager to the Issue, in this case being Inventure Merchant Banker Services Private Limited |
| 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 48,36,000 Equity Shares of ₹ 10 each at ₹ 25 (including share premium of ₹ 15) per Equity Share aggregating to ₹ 1,209.00 Lacs by VKJ Infradevelopers Limited |

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| Prospectus | The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information |
| Qualified Institutional Buyers / QIBs | As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lacs, pension fund with minimum corpus of ₹ 2,500 Lacs, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India |
| 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 Sharepro Services (India) Private 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 http://www.sebi.gov.in/pmd/scsb.pdf |
| 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. |
| Underwriters | Inventure Merchant Banker Services Private Limited, Anurity Multi Broking Private Limited and Narayan Securities Limited |
| Underwriting Agreement | The Agreement entered into between the Underwriters and our Company dated July 4, 2013 |
| Working Days | All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday |

Technical / Industry Related Terms

| Term | 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 |
| CSO | Central Statistical Organisation |
| DWT | Dead Weight Tonnage |
| EOU | Export Oriented Unit |

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| 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 |
| DEPB | Duty entitlement pass book scheme |
| EPCG | Export Promotion Capital Goods Scheme |
| EPC | Engineering Procurement and Commissioning |
| FDI | Foreign Direct Investment |
| 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 |
| RONW | Return on Net Worth |
| SSI | Small Scale Industry |
| SOP | Standard Operating Procedure |
| RSOP | Regional Scheduled Operator Permit |
| IT | Information Technology |
| SEZ | Special Economic Zone |
| MHUD | Ministry of Housing and Urban Development |
| REIT | Real Estate Information Technology |
| REMF | Real Estate Mutual Fund |
| PE | Private Equity |
| FDI | Foreign Direct Investment |
| O&M | Operations and Maintenance |
| PPP | Public Private Partnership |
| LT | Low Tension |
| LSTK | Lump Sum Turnkey |

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|-----|-----------------------|
| VCF | Venture Capital Funds |
|-----|-----------------------|

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 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 United States of America |
| VCF / Venture Capital Fund | Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India. |
| Working Days | All days except Saturday, Sunday and any public holiday |

Notwithstanding the foregoing:

1. In the section titled '*Main Provisions of the Articles of Association*' beginning on page number 149 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
2. In the chapters titled '*Summary of Our Business*' and '*Our Business*' beginning on page numbers 21 and 64 respectively, of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
3. In the section titled '*Risk Factors*' beginning on page number 11 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
4. In the chapter titled '*Statement of Tax Benefits*' beginning on page number 51 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section;
5. In the chapter titled '*Management's Discussion and Analysis of Financial Conditions and Results of Operations*' beginning on page number 104 of the Draft Prospectus, defined terms shall have the meaning given to such terms in that section.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from our audited financial statements for the 11 months period ended February 28, 2013 and Financial years ended March 31, 2012, 2011 and 2010 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP which are included in the Draft Prospectus, and set out in the section titled '*Financial Information*' beginning on page number 91 of the Draft Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

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

Any percentage amounts, as set forth in the sections / chapters titled '*Risk Factors*', '*Our Business*' and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on page numbers 11, 64 and 104, respectively, of the Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Indian GAAP.

Currency and units of presentation

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

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

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

Industry and Market Data

Unless stated otherwise, industry data used throughout the Draft Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

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

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

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, seasonal hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled ‘Risk Factors’, ‘Our Business’ and ‘Management’s Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page numbers 11, 64 and 104, respectively of the Draft Prospectus.

Forward looking statements reflects views as of the date of the Draft Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

SECTION II - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in the Draft Prospectus, including the risks and uncertainties summarised below, before making an investment in our Equity Shares. The risks described below are relevant to the industries our Company is engaged in, our Company and our Equity Shares. To obtain a complete understanding of our Company, you should read this section in conjunction with the chapters titled 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 64 and 104, respectively, of the Draft Prospectus as well as the other financial and statistical information contained in the Draft Prospectus. Prior to making an investment decision, prospective investors should carefully consider all of the information contained in the section titled 'Financial Information' beginning on page number 91 of the Draft Prospectus. Unless stated otherwise, the financial data in this section is as per our financial statements prepared in accordance with Indian GAAP.

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

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

These risks are not the only ones that our Company face. Our business operations could also be affected by additional factors that are not presently known to us or that we currently consider to be immaterial to our operations. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify financial or other implication of any risks mentioned herein.

Materiality

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

1. Some events may not be material individually but may be material when considered collectively.
2. Some events may have an impact which is qualitative though not quantitative.
3. Some events may not be material at present but may have a material impact in the future.

INTERNAL RISKS

1. **Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.**

| (₹ in lacs) | | | | |
|----------------------|--------------------------------|----------------|----------------|----------------|
| Cash flow from | Period ended February 28, 2013 | March 31, 2012 | March 31, 2011 | March 31, 2010 |
| Operating activities | 386.88 | -138.68 | 148.41 | 0.00 |
| Investing activities | -109.40 | -746.88 | -245.97 | 0.00 |
| Financing activities | -280.38 | 880.14 | 105.70 | 1.00 |

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled 'Financial Information' and chapter titled 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 91 and 104, respectively, of the Draft Prospectus.

2. **The objects of the Issue for which funds are being raised have not been appraised by any bank or financial**

institution. The deployment of funds in the project is entirely at the discretion of our management and as per the details mentioned in the section titled “Objects of the Issue”. Any revision in the estimates may require us to reschedule our project expenditure and may have a bearing on our expected revenues and earnings.

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

3. *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, registrations 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 page 113 of the Draft Prospectus.

4. *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.

5. *Our inability to manage growth could disrupt our business and reduce our profitability.*

A principal component of our strategy is to continue to grow by expanding the size and geographical scope of our businesses, as well as the development of our new business streams. This growth strategy will place significant demands on our management, financial and other resources. It will require us to continuously develop and improve our operational, financial and internal controls. Continuous expansion increases the challenges involved in financial management, recruitment, training and retaining high quality human resources, preserving our culture, values and entrepreneurial environment, and developing and improving our internal administrative infrastructure. Any inability on our part to manage such growth could disrupt our business prospects, impact our financial condition and adversely affect our results of operations.

6. *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 43 of the Draft Prospectus.

7. *The projects which we undertake may be delayed, modified, cancelled or not fully paid for by our clients and therefore, could materially affect our business, results of operations and financial condition.*

The projects which we undertake 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, right-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.

8. *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. When we sub-contract, payments may depend on the subcontractor’s performance. A delay in completion on the part of a 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.

9. *Our business is subject to seasonal and other fluctuations that may affect our cash flows and business operations.*

Our business and operations are affected by seasonal factors and in particular, the monsoon season in the second quarter of each Fiscal Year may restrict our ability to carry on activities related to our projects and trading of construction material and fully utilize our resources. This may result in delays to our contract schedules and reduce our productivity. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses but our project related activities may be delayed or reduced. Such fluctuations may adversely affect our cash flows and business operations related to the toll roads operated and managed by us.

10. *Our Company may not be able to procure contracts due to the competitive bidding process prevailing in the infrastructure industry.*

Most of tenders in construction and infrastructure industry are awarded pursuant to a competitive bidding process. The notice inviting bids may either involve pre-qualification, or shortlisting of contractors, or a post qualification process. Our Company may not be entitled to participate in projects where we are unable to meet the selection criteria specified by the relevant client or company. Further our Company may not be able to procure a contract even if we are technically qualified owing to price competitiveness in comparison to other bidders. Any failure to compete effectively could have a material adverse effect on our business, financial conditions and results of operations.

11. *We face intense competition in our businesses, which may limit our growth and prospects.*

Our Company faces significant competition from other construction companies. In particular, we compete with other companies operating in the markets in which we are present. We compete on the basis of a number of factors, including execution, depth of product and service offerings, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

12. 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.

13. We have issued Equity Shares in the last twelve months, the price of which is lower than the Issue Price.

We have issued Equity Shares in last twelve months and the price at which these equity shares are issued is less than the Issue Price. The price at which the Equity Shares were being issued in last twelve months is not indicative of the price which equity shares are offered in this Issue.

| Date of Issue | Name of the Persons | No. of Shares | Issue Price (Rs.) | Whether Part of Promoter Group |
|---------------|---------------------------------------|---------------|-------------------|--------------------------------|
| June 26, 2013 | Alps Motor Finance Ltd. | 25,00,000 | 10 | No |
| June 26, 2013 | Classic Global Finance & Capital Ltd. | 25,00,000 | 10 | No |
| June 26, 2013 | Achal Investments Ltd. | 25,00,000 | 10 | No |


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

As on February 28, 2013, our Company has unsecured loans aggregating to ₹ 172.53 lacs which are repayable on demand. For further details of these unsecured loans, please refer to chapter titled 'Financial Information' beginning on page 91 of the Draft Red Herring Prospectus. In case of any demand from lenders for repayment of such unsecured loans, the resultant cash outgo, may adversely affect our business operations and financial position of our Company.

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

We do not own the premises on which our Registered Office is situated. Our Company has taken the registered office on lease basis from Smt. Krishnawati for a period of eleven months from January 1, 2013. We cannot assure you that we will 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. Further these agreements are not registered and may not be adequately stamped under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreements in the event of a dispute. For further details of our office premises please refer to the section titled "Our Business Overview" on page 64 of this Prospectus.

16. Our Company has made application for registration of trademark, which is under process of registration. We are unable to assure that the future viability or value of any of our intellectual property or that the steps taken by us to protect the proprietary rights of our Company will be adequate.

We have made application for registration of trademark '' and the registration for the said trademark in our name is important to retain our brand equity. If our application for registration is not accepted or if the oppositions filed against our trademark application if any, are successful, we may lose the statutory protection available to us

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

17. *We have made an application for registration of our trademark under the Trade Marks Act. Our ability to use the trademark may be impaired if the same is not registered under our name.*

Our Company's business may be affected due to our inability to protect our existing and future intellectual property rights. We have 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 may not prohibit the use of such name and logo by anybody by means of statutory protection until it is registered.

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 may enter into related party transactions in the future.*

We have not entered into transactions with our promoters and our Promoter Group other than issue of equity capital. However, it is likely that we may enter into related party transactions in the future. While we believe that all such transactions shall be 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. 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.

20. *Our Company has not taken insurance cover hence we may not be able to protect ourselves from all losses and may intturn adversely affect our financial condition.*

Our Company has not taken any insurance cover at present. Hence we may not be able to protect ourselves from any damage or loss suffered by us. To the extent that we suffer loss or damage, our results of operations or cash flow may be affected.

21. *Our Promoter Company, SSD Real Estate Developers Private Limited has incurred losses in the last three years. Sustained financial losses may not be perceived positively by external parties such as clients, customers, bankers etc, which may affect our credibility and business operations.*

The following Group Companies promoted by the Promoters has incurred losses in one or more of the last three years:

| Name of the Company | FY 2012 | FY 2011 | (₹ Lacs) |
|--|---------|---------|----------|
| | | | FY 2010 |
| SSD Real Estate Developers Private Limited | -0.01 | -0.03 | -0.03 |

EXTERNAL RISKS

1. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and

conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

2. *Global recession and market conditions could cause our business to suffer.*

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of recovering from recession which is affecting the economic condition and markets of not only these economies but also the economies of the emerging markets like Brazil, Russia, India and China. General business and consumer sentiment has been adversely affected due to the global slowdown and there cannot be assurance, whether these developed economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets.

3. *Any disruption in the supply of power, IT infrastructure, telecom lines and disruption in internet connectivity could disrupt our business process or subject us to additional costs.*

Any disruption in basic infrastructure or the failure of the Government to improve the existing infrastructure facilities could negatively impact our business since we may not be able to provide timely or adequate services to our clients. We do not maintain business interruption insurance and may not be covered for any claims or damages if the supply of power, IT infrastructure, internet connectivity or telecom lines is disrupted. This may result in the loss of a client, impose additional costs on us and have an adverse effect on our business, financial condition and results of operations and could lead to decline in the price of our Equity Shares.

4. *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.

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. Our 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 26 of this 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. This is a Public Issue of 51,00,000 Equity Shares of ₹ 10 each at a price of ₹ 25 (including share premium of ₹ 15) per Equity Share aggregating ₹ 1,275.00 Lacs.
2. Investors may contact the Lead Manager for any complaint pertaining to the Issue. All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares for which the applied, Application Amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form has been submitted by the ASBA Applicant.
3. Our Net Worth as at March 31, 2012 was ₹ 540.15 Lacs and as at February 28, 2013 was ₹ 544.02 Lacs.
4. The Net Asset Value per Equity Share as at March 31, 2012 was ₹ 268.54 and as at February 28, 2013 was ₹ 10.40.

5. The average cost of acquisition per Equity Share by our Promoters is set forth in the table below:

| Name of the Promoters | Average cost of acquisition (in ₹) |
|--------------------------------------|---|
| ARUN KUMAR CHALUKYA | 0.96 |
| RAJESH KUMAR CHAUHAN | 0.96 |
| MANOJ KUMAR | 25.00 |
| SSD REAL ESTATE DEVELOPERS PVT. LTD. | 25.00 |

For further details relating to the allotment of Equity Shares to our Promoter, please refer to the chapter titled “Capital Structure” beginning on page 32 of the Prospectus.

6. For information on changes in our Company’s name, Registered Office and changes in the objects clause of the MOA of our Company, please refer to the chapter titled “History and Certain Corporate Matters” beginning on page 69 of the Prospectus.
7. None of our group companies are having business interests or other interests in our Company.
8. For details of transaction by our Company with group or subsidiary companies during the last year please refer “Related Party Transactions” in “Section VI Financial Information” of our Company beginning on page 91 of this Prospectus.
9. There has been no financing arrangement whereby the Promoter Group, our Directors and their relatives have financed the purchase, by any other person, of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the Prospectus.
10. 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.
11. Investors are advised to refer to the paragraph titled “Basis for Issue Price” beginning on page 49 of this Prospectus.
12. 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 Prospectus and commencement of trading.
13. 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.
14. 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 91 of this Prospectus.
15. The details of related party transaction by our Company are disclosed under “Related Party Transactions” in “Section VI Financial Information” of our Company beginning on page 91 of this Prospectus.
16. Our Company does not have any contingent liabilities outstanding as on February 28, 2013.

SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

GENERAL MACRO-ECONOMIC ENVIRONMENT

After a robust growth of over 8 percent in the last two years, the Indian economy has slowed down in the year 2011-12 to a modest 6.5 percent. Revised estimates of Central Statistical Organisation (CSO) estimate Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices for FY12 is likely to be ₹ 52,22,515 crore as against ₹ 48,85,954 crore for FY11 of and the growth is expected to be 6.5 percent as compared to 8.4 percent in FY11.

Services sector continued to maintain its momentum with only a minor decrease in growth from 9.2 percent to 8.5 percent, and is expected to boost the overall growth in the economy. Industry and agriculture sectors, on the other hand, have dampened in the current fiscal attributed to both the domestic and global factors. The growth rate for agriculture sector may, however, be treated in synchronous with the trend as it comes to 2.8 percent on a high base of 2010-11(exhibiting 7 percent growth). Industry sector, meanwhile has displayed a dip in its growth with a more than halving of the growth rate to 2.6 percent from an earlier 6.8 percent primarily due to demand and inflationary factors.

(Source: SEBI Annual Report, 2011-2012)

The Economic Scenario

India is expected to record 6.1 per cent gross domestic product (GDP) growth in the current fiscal. The growth is expected to increase further to 6.7 per cent in 2014-15, according to the World Bank's latest India Development Update, a bi-annual report on the Indian economy. While, the Prime Minister's Economic Advisory Panel expects the economic growth rate to increase to 6.4 per cent in 2013-14 from 5 per cent during 2012-13, on back of improvement in performance of agriculture and manufacturing sectors. Indian manufacturing and services sectors expanded more than China in February 2013, according to a survey by HSBC. The HSBC composite index for India for manufacturing and services stood at 54.8 in February 2013, whereas it was 51.4 for China. The Indian economy is estimated to grow at a higher rate of 6.7 per cent in 2013-14 due to revival in consumption. In addition, the luxury market in India is expected to reach US\$ 14.73 billion by 2015 from an estimated US\$ 8.21 billion this year, with about 30 per cent of the customers coming from smaller cities.

Source: <http://www.ibef.org>

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.

Real Estate Industry in India

The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanisation. The sector comprises of four sub-sectors- housing, retail, hospitality, and commercial. While housing contributes to five-six percent of the country's gross domestic product (GDP), the remaining three sub-sectors are also growing at a rapid pace, meeting the increasing infrastructural needs. The real estate sector has transformed from being unorganised to a dynamic and organised sector over the past decade. Government policies have been instrumental in providing support after recognising the need for infrastructure development in order to ensure better standard of living for its citizens. In addition to this, adequate infrastructure forms a prerequisite for sustaining the long-term growth momentum of the economy.

Source: <http://www.ibef.org>

Road Ahead

The real estate industry in India is yet in a promising stage. The sector happens to be the second largest employer after agriculture and is expected to grow at the rate of 30 per cent over the next decade. A growing migrant population due to increasing job opportunities, together with healthy infrastructure development, is underpinning demand in the region's residential real estate market.

Source: <http://www.ibef.org>

Infrastructure Sector in India

Infrastructure in any country plays a vital role for the economy's growth and development. The Indian economy is getting bigger and better with every passing year. And needless to say, Infrastructure will contribute significantly to the country's overall development. Nearly all the infrastructure sectors will provide excellent opportunities for investments, with roads, railways, ports, power and airports being the major attractions.

The Indian Government has earmarked US\$ 1 trillion for investment in the development of the country's infrastructure.

SUMMARY OF OUR BUSINESS

Our Company was incorporated as ‘VKJ Infradevelopers Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 12, 2010 bearing registration number 200014 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘VKJ Infradevelopers Limited’ pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 29, 2013 issued by the Registrar of Companies, Delhi.

Our Company initially started its operations by way trading into construction related materials, primarily soils and sands. The main civil works we are engaged in consists of land and site development, land filling, fencing walls etc. Currently, we are engaged in the business of Land Development, Civil Construction and trading in construction materials, primarily soils and sands. Currently we are based in Delhi.

Our products and Services

Our Company is in the business of providing civil construction, land & site development services and trading of construction materials. Given below are the ongoing and completed projects by our Company:

Currently, we have executed / executing following projects:

- Currently we are doing land leveling works from the last few years with ISP Construction Private Limited.
- We are also doing soil and sands trading.
- At present we are looking for some land for future projects in Delhi, Noida, and NCR region. We are also negotiating with other Construction Companies/ Developers to finalise joint venture projects with them.

SUMMARY OF OUR FINANCIAL INFORMATION

The following tables set forth summary financial information derived from restated financial statements as of and for the financial years ended March 31, 2010, 2011 and 2012 and for the eleven months ended February 28, 2013. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI ICDR Regulations and presented under the section titled “Financial Information” beginning on page number 91 of the Draft Prospectus. The summary financial information presented below should be read in conjunction with the chapter titled “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Financial Information” beginning on page numbers 104 and 91, respectively of the Draft Prospectus.

Statement of Assets and Liabilities (As Restated)

(₹ in Lacs)

| Particulars | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--------------------------------------|-----------------|-----------------|---------------|-------------|
| Non-Current Assets | | | | |
| a) Fixed Assets | | | | |
| Tangible Assets | 12.23 | 2.22 | 2.73 | 0.00 |
| Capital Work -in-Progress | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Fixed Assets (a) | 12.23 | 2.22 | 2.73 | 0.00 |
| b) Non Current Investments | 859.05 | 896.00 | 140.00 | 0.00 |
| c) Long Term Loans and Advances | 219.13 | 97.81 | 103.68 | 0.00 |
| d) Deferred Tax Asset | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Non Current Assets | 1,090.41 | 996.03 | 246.41 | 0.00 |
| Current assets | | | | |
| Current Investments | 0.00 | 0.00 | 0.00 | 0.00 |
| Inventories | 0.00 | 0.00 | 0.00 | 0.00 |
| Trade Receivables | 53.02 | 0.00 | 0.00 | 0.00 |
| Cash and Cash Equivalents balances | 0.82 | 3.72 | 9.13 | 1.00 |
| Short Term Loans and advances | 20.25 | 0.00 | 0.69 | 0.00 |
| Other Current Assets | 1.52 | 3.17 | 0.00 | 0.00 |
| Total Current Assets | 75.61 | 6.89 | 9.82 | 1.00 |
| Total Assets | 1,166.02 | 1,002.92 | 256.23 | 1.00 |
| Non Current Liabilities | | | | |
| Long Term Borrowings | 0.00 | 452.92 | 0.00 | 0.00 |
| Long term provisions | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Long Term Liabilities | 0.00 | 0.00 | 13.52 | |
| Deferred Tax Liability | 0.44 | 0.13 | 0.09 | 0.00 |
| Total Non Current Liabilities | 0.44 | 453.05 | 13.61 | 0.00 |
| Current Liabilities | | | | |
| Short Term Borrowings | 172.53 | 0.00 | 0.00 | 0.00 |
| Trade Payables | 22.78 | 0.00 | 0.00 | 0.00 |
| Other Current Liabilities | 424.38 | 7.35 | 134.12 | 0.65 |
| Short Term Provisions | 1.87 | 2.36 | 0.69 | 0.00 |
| Total Current Liabilities | 621.56 | 9.71 | 134.81 | 0.65 |
| Net worth | 544.02 | 540.15 | 107.81 | 0.35 |
| Represented by | | | | |
| Share capital | | | | |
| -Equity Share Capital | 522.98 | 20.11 | 11.57 | 1.00 |
| -Preference Share Capital | 0.00 | 0.00 | 0.00 | 0.00 |
| Total(a) | 522.98 | 20.11 | 11.57 | 1.00 |
| Reserves and surplus | | | | |

| | | | | |
|--|---------------|---------------|---------------|--------------|
| P&L Account | 10.09 | 6.23 | 1.11 | -0.65 |
| Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 |
| Share Premium | 10.95 | 513.81 | 95.13 | 0.00 |
| Total(b) | 21.04 | 520.04 | 96.24 | -0.65 |
| Less: Miscellaneous Expenditure (To the extent not written off) | 0.00 | 0.00 | 0.00 | 0.00 |
| Total(c) | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Worth (a+b-c) | 544.02 | 540.15 | 107.81 | 0.35 |

Summary Statement of Profit and Loss, As Restated

(₹ in Lacs)

| Particulars | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|---------------|---------------|--------------|--------------|
| Income | | | | |
| Revenue from Operations | 254.36 | 169.23 | 90.20 | 0.00 |
| Other Income | 5.60 | 3.25 | 0.73 | 0.00 |
| Total Revenue | 259.96 | 172.48 | 90.93 | 0.00 |
| | | | | |
| Expenditure | | | | |
| Cost of Materials Consumed | 240.01 | 154.30 | 78.00 | 0.00 |
| Employee Benefit Expenses | 8.40 | 7.20 | 8.10 | 0.00 |
| Other Administrative Expenses | 5.15 | 2.95 | 1.99 | 0.65 |
| Total (B) | 253.56 | 164.45 | 88.09 | 0.65 |
| Profit Before Interest, Depreciation and Tax | 6.40 | 8.03 | 2.84 | -0.65 |
| Depreciation | 0.37 | 0.52 | 0.29 | 0.00 |
| Profit Before Interest and Tax | 6.03 | 7.51 | 2.55 | -0.65 |
| Financial Charges | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit before Taxation | 6.03 | 7.51 | 2.55 | -0.65 |
| Provision for Taxation | 1.86 | 2.36 | 0.69 | 0.00 |
| Provision for Deferred Tax | 0.31 | 0.04 | 0.09 | |
| Provision for FBT | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 2.17 | 2.40 | 0.79 | 0.00 |
| Profit After Tax but Before Extra ordinary Items | 3.86 | 5.11 | 1.76 | -0.65 |
| Prior Period Items | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Profit after adjustments | 3.86 | 5.11 | 1.76 | -0.65 |
| Net Profit Transferred to Balance Sheet | 3.86 | 5.11 | 1.76 | -0.65 |

Summary Statement of Cash Flow:

(₹ in Lacs)

| PARTICULARS | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|----------------|----------------|----------------|--------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit Before Tax | 6.03 | 7.51 | 2.55 | -0.65 |
| Adjusted for : | | | | |
| Depreciation | 0.37 | 0.52 | 0.29 | 0.00 |
| Interest Income | 5.60 | 3.25 | 0.73 | 0.00 |
| | | | | |
| Operating profit before working capital changes | 0.80 | 4.78 | 2.11 | -0.65 |
| Adjusted for : | | | | |
| Decrease /(Increase) in Inventories | 0.00 | 0.00 | 0.00 | 0.00 |
| Decrease / (Increase) in trade receivable | -53.02 | 0.00 | 0.00 | 0.00 |
| (Increase) / Decrease in Other Current Assets | 1.65 | -2.48 | -0.69 | 0.00 |
| Increase / (Decrease) in Trade Payables | 22.78 | 0.00 | 0.00 | 0.00 |
| Increase / (Decrease) in other current liabilities | 417.03 | -126.77 | 133.47 | 0.65 |
| Increase / (Decrease) in Other Long Term Liabilities | 0.00 | -13.52 | 13.52 | 0.00 |
| | | | | |
| Cash generated from operations | 389.24 | -137.99 | 148.41 | 0.00 |
| Income Tax Paid (net of refunds) | 2.36 | 0.69 | 0.00 | 0.00 |
| NET CASH GENERATED FROM OPERATION | 386.88 | -138.68 | 148.41 | 0.00 |
| | | | | |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | -10.38 | 0.00 | -3.02 | 0.00 |
| Proceeds from loans & advances (long term & short term) | -141.57 | 5.87 | -103.68 | 0.00 |
| (Purchase) / Sale of non-current investment | 36.95 | -756.00 | -140.00 | 0.00 |
| (Increase) in Misc. Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest received | 5.60 | 3.25 | 0.73 | 0.00 |
| Net cash (used) in investing activities | -109.40 | -746.88 | -245.97 | 0.00 |
| | | | | |
| | | | | |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Proceeds from share issued | 502.87 | 8.54 | 10.57 | 1.00 |
| Share Premium | -502.86 | 418.68 | 95.13 | |
| (Repayments) / proceeds of long term borrowings | -452.92 | 452.92 | 0.00 | 0.00 |
| (Repayments) / proceeds of short term borrowings | 172.53 | 0.00 | 0.00 | 0.00 |
| | | | | |
| Net cash generated/(used) in financing activities | -280.38 | 880.14 | 105.70 | 1.00 |
| | | | | |
| Net Increase / (Decrease) in cash and cash equivalents | -2.90 | -5.42 | 8.13 | 1.00 |
| Cash and cash equivalents at the beginning of the year | 3.72 | 9.13 | 1.00 | 0.00 |
| Cash and cash equivalents at the end of the year | 0.82 | 3.72 | 9.13 | 1.00 |

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged /recasted wherever necessary to make them comparable with those of current year.

THE ISSUE

Present Issue in terms of the Draft Prospectus:

| Issue Details | |
|--|--|
| Equity Shares offered | 51,00,000 Equity Shares of face value of ₹ 10 each |
| <i>Of which:</i> | |
| Reserved for Market Makers | 2,64,000 Equity Shares of face value of ₹ 10 each |
| Net Issue to the Public | 48,36,000 Equity Shares of face value of ₹ 10 each |
| Equity Shares outstanding prior to the Issue | 1,27,49,770 Equity Shares of face value of ₹ 10 each |
| Equity Shares outstanding after the Issue | 1,78,49,770 Equity Shares of face value of ₹ 10 each |
| Use of Proceeds | For further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page number 43 of the Draft Prospectus for information on use of Issue Proceeds |

Notes

1. 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 section titled ‘Issue related Information’ beginning on page 126 of the Draft Prospectus.
2. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 26, 2013 and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act at the EGM held on June 28, 2013.

GENERAL INFORMATION

Our Company was incorporated as ‘VKJ Infradevelopers Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 12, 2010 bearing registration number 200014 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘VKJ Infradevelopers Limited’ pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 29, 2013 issued by the Registrar of Companies, Delhi. Our corporate identification number is U45400DL2010PLC200014.

Registered Office of our Company

VKJ Infradevelopers Limited

B-25, First Floor,
Dayanand Colony,
Lajpat Nagar,

New Delhi – 110024

Tel: +91 11 3231 9722

Fax: +91 11 3231 9722

Website: www.vkjinfra.com

E-mail: vkjinfradevelop@yahoo.com

For details of change in the name and Registered Office of our Company, please refer to the chapter titled “*History and Certain Corporate Matters*” beginning on page number 69 of the Draft Prospectus.

Address of the RoC

Registrar of Companies, Delhi

4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi - 110019

Name of the Stock Exchange where proposed to be listed

Our Company proposed to list its Equity Shares on the SME Platform of BSE Limited.

Issue Programme

Issue Opens on: [•]

Issue Closes on: [•]

Our Board of Directors

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

| Sr. No. | Name and Designation | Age (in years) | DIN | Address |
|---------|---|----------------|----------|---|
| 1. | Mr. Manoj Kumar <i>Whole Time Director</i> | 37 | 06590962 | T-49, Goushala Marg, Rattan Nagar, New Rohtak Road, Karol Bagh, New Delhi - 110 005 |
| 2. | Mr. Arun Kumar Chalukya <i>Non Executive Director</i> | 44 | 05167558 | 567, West Guru Angad Nagar, Laxmi Nagar, Delhi – 110092, India |
| 3. | Mr. Aayush Golash <i>Non Executive and Independent Director</i> | 23 | 06617481 | 3/3, J Extension, Gali No. 6, Murti Wali Gali, Laxminagar, Shakarpur Baramad, Shakarpur, New Delhi – 110 092. |

| Sr. No. | Name and Designation | Age (in years) | DIN | Address |
|---------|---|----------------|----------|---|
| 4. | Mr. Vinay Kumar <i>Non Executive and Independent Director</i> | 28 | 06617479 | D-50, Block D, Ali Vihar, New Delhi – 110 076 |

For detailed profile of our Whole Time Director and other Directors, refer to chapters titled “*Our Management*” and “*Our Promoters and Promoter Group*” on page 73 and 83 respectively of the Draft Prospectus.

Company Secretary and Compliance Officer

Ms. Shubhra Aggarwal

VKJ Infradevelopers Limited

B-25, First Floor, Dayanand Colony,

Lajpat Nagar, New Delhi – 110024

Tel: +91 11 3231 9722

Fax: +91 11 3231 9722

Website: www.vkjinfra.com

E-mail: vkjinfradevelop@yahoo.com

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, Sharepro Services (India) Private Limited and / or the Lead Manager, i.e., Inventure Merchant Banker Services Private Limited, in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

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

Lead Manager to the Issue

Inventure Merchant Banker Services Private Limited

2nd Floor, Viraj Tower,

Nr. Andheri Flyover (North End)

Western Express Highway,

Andheri (East), Mumbai – 400 069

Tel No: +91 22 4075 1515

Fax No: +91 22 4075 1552

Email: sme.ipo@inventuremerchantbanker.com

Investor Grievance Email: redressal@inventuremerchantbanker.com

Website: www.inventuregrowth.com

SEBI Registration No: INM000012003

Contact Person: Mr. Saurabh Vijay

Registrar to the Issue

Sharepro Services (India) Private Limited

13AB, Samhita Warehousing Complex,

Sakinaka Telephone Exchange Lane,

Off Andheri Kurla Road, Sakinaka, Andheri (East),

Mumbai - 400 072, Maharashtra

Tel No: +91 - 22 - 6191 5402 / 5404;

Fax No: +91 - 22 - 6191 5444

Website: www.shareproservices.com

Email: sme.ipo@shareproservices.com

SEBI Registration No: INR000001476

Contact Person: Subhash Dhingreja

Legal Counsel to the Issue

Law & Legal Jurists

Ch-612, Dwarka Courts,
Sector 10, Dwarka,
New Delhi - 110 075

Tel: +91 11 23812302

Email: lljurists@yahoo.co.in

Contact Person: Mr. Ranjan Kumar

Bankers to our Company

HDFC Bank Limited

A-38, Anand Vihar,
Delhi - 110092

Tel: +91 11 6160 6161

Fax: +91 11 4360 7763

Email: support@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Mr. Sujit Kurup

Statutory Auditors of our Company

Thakur Saroj & Co.

Chartered Accountants

D-251/ 10, IIIrd Floor,
Laxmi Nagar,
New Delhi-110 092

Tel: +91 11 9313032669

Email: cadpsingh@gmail.com

Membership No: 524561

FRN: 024812N

Contact Person: Saroj Kumar Thakur

Independent Auditors of our Company (Peer Review certified)

S.C. Garg & Associates

Chartered Accountants

171-172, Rajendra Bhawan,
Rajendra Place,
New Delhi -110008

Tel: +91 11 2581 4009

Email: scg171@gmail.com

Membership No: 085615

FRN: 006873N

Contact Person: Subhash Garg

Bankers to the Issue/Escrow Collection Banks

[•]

Refund Bankers to the Issue

[•]

Self Certified Syndicate Banks (SCSB's)

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.

Statement of Responsibility of the Lead Manager/ Statement of inter se allocation of responsibilities

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities amongst Lead Managers is not required.

Credit Rating

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

IPO Grading

Since the issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

Brokers to the Issue

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

Expert Opinion

Except for the report which will be provided by (a) Peer Review auditors' reports on the restated financial statements; and (b) statement of tax benefits by the statutory auditors, (a copy of the said report and statement of tax benefits has been included in the Prospectus), we have not obtained any other expert opinions.

Trustees

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

Appraisal and Monitoring Agency

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

However, as per the Clause 52 of the SME Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the corporate governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

Underwriting Agreement

This Issue less is 100% Underwritten. The Underwriting agreement is dated July 4, 2013. 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:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lacs) | % of the Total Issue Size Underwritten |
|--|-----------------------------------|--|---|
| Inventure Merchant Banker Services Private Limited 2 nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East), Mumbai – 400 069 Tel No: +91 22 4075 1515 Fax No: +91 22 4075 1552 Email: sme.ipo@inventuremerchantbanker.com Website: www.inventuregrowth.com SEBI Registration No: INM000012003 | 7,68,000 | 192.00 | 15.06% |

| | | | |
|---|------------------|-----------------|----------------|
| Anuriti Multi Broking Private Limited 17A/55, 2 nd Floor, Trivini Plaza Gurudwara Road, Karol Bagh New Delhi-110005 Tel: +91 11 4504 4444 Email: anuriti.direct@gmail.com SEBI Registration No: INB011456739 | 20,40,000 | 510.00 | 40.00% |
| Narayan Securities Limited E-1/7, III rd Floor, East Patel Nagar, Opposite Metro Pillar No.178, New Delhi-110008 Tel: +91 11 30295500-11 Email: nspl@narayansecurities.com SEBI Registration No: INB010935436 | 22,92,000 | 573.00 | 44.94% |
| Total | 51,00,000 | 1,275.00 | 100.00% |

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above mentioned Underwriters are sufficient to enable them to discharge the underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

Details of the Market Making Arrangement for this Issue

Our Company and the Lead Manager have entered into an agreement dated July 2, 2013, with the following Market Maker, duly registered with BSE Limited to fulfill the obligations of Market Making:

Anuriti Multi Broking Private Limited

17A/55, 2nd Floor, Trivini Plaza
Gurudwara Road, Karol Bagh
New Delhi-110005

Tel: +91 11 4504 4444

Email: anuriti.direct@gmail.com

SEBI Registration No: INB011456739

The Market Maker shall fulfill 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 ₹ 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) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

- 6) The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 7) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
- 8) The Market Maker(s) shall have the right to terminate said arrangement by giving a three 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 our 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 registered office from 11.00 a.m. to 5.00 p.m. on working days.

#

- 9) **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 10) **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- 11) **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:
 - i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

#

| Sr. No. | Market Price Slab (in ₹) | Proposed spread (in % to sale price) |
|---------|--------------------------|--------------------------------------|
| 1 | Up to 50 | 9 |
| 2 | 50 to 75 | 8 |
| 3 | 75 to 100 | 6 |
| 4 | Above 100 | 5 |

CAPITAL STRUCTURE

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

| No. | Particulars | Amount (₹ in Lacs) | |
|-----------|--|-------------------------|--------------------------------|
| | | Aggregate nominal value | Aggregate value at Issue Price |
| A. | Authorised Share Capital | | |
| | 2,47,50,000 Equity Shares of ₹ 10 each | 2,475.00 | -- |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 1,27,49,770 Equity Shares of ₹ 10 each | 1,274.98 | -- |
| C. | Present Issue in terms of the Draft Prospectus^(a) | | |
| | Public Issue of 51,00,000 Equity Shares at a Issue price of ₹ 25 per Equity Share | 510.00 | 1,275.00 |
| | <i>Which comprises:</i> | | |
| a) | Reservation for Market Maker(s): 2,64,000 Equity Shares of ₹ 10 each reserved as Market Maker portion at a price of ₹ 25 per Equity Share | 26.40 | 66.00 |
| b) | Net Issue to the Public of 48,36,000 Equity Shares of ₹ 10 each at a price of ₹ 25 per Equity Share | 483.60 | 1209.00 |
| | Of the Net Issue to the Public | | |
| - | 24,18,000 Equity Shares of ₹ 10 each at a price of ₹ 25 per Equity Share shall be available for allocation for Investors applying for a value of upto ₹ 2 lacs | 241.80 | 604.50 |
| - | 24,18,000 Equity Shares of ₹ 10 each at a price of ₹ 25 per Equity Share shall be available for allocation for Investors applying for a value above ₹ 2 lacs | 241.80 | 604.50 |
| D. | Issued, Subscribed and Paid-up Share Capital after the Issue | | |
| | 1,78,49,770 Equity Shares of ₹ 10 each | 1,784.98 | -- |
| E. | Securities Premium Account | | |
| | Before the Issue | | 13.95 |
| | After the Issue | | 778.95 |

The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on June 26, 2013, and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act at the EGM held on June 28, 2013.

NOTES TO THE CAPITAL STRUCTURE

1. Details of increase in authorised Share Capital:

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

| Particulars of Change | | Date of Shareholders' Meeting | AGM/EGM |
|--|----|-------------------------------|---------|
| From | To | | |
| ₹ 25,00,000 consisting of 2,50,000 Equity shares of ₹ 10 each. | | On incorporation | - |

| Particulars of Change | | Date of Shareholders' Meeting | AGM/EGM |
|--|--|-------------------------------|---------|
| From | To | | |
| ₹ 25,00,000 consisting of 2,50,000 Equity shares of ₹ 10 each. | ₹ 5,25,00,000 consisting of 52,50,000 Equity shares of ₹ 10 each. | October 5, 2012 | EGM |
| ₹ 5,25,00,000 consisting of 52,50,000 Equity shares of ₹ 10 each. | ₹ 16,25,00,000 consisting of 1,62,50,000 Equity shares of ₹ 10 each. | April 29, 2013 | EGM |
| ₹ 16,25,00,000 consisting of 1,62,50,000 Equity shares of ₹ 10 each. | ₹ 24,75,00,000 consisting of 2,47,50,000 Equity shares of ₹ 10 each. | June 17, 2013 | EGM |

2. History of Equity Share Capital of our Company

| Date of Allotment / Fully Paid-up | No. of Equity Shares allotted | Face value (₹) | Issue Price (₹) | Nature of consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative Paid-up Capital (₹) | Cumulative Securities premium (₹) |
|-----------------------------------|-------------------------------|-------------------|--------------------|-------------------------|---|------------------------------------|-----------------------------------|--------------------------------------|
| March 12, 2010 | 10000 | 10 | 10 | Cash | Subscription to Memorandum of Association | 10000 | 1,00,000 | Nil |
| March 31, 2011 | 1,05,700 | 10 | 100 | Cash | Further Allotment | 1,15,700 | 11,57,000 | 95,13,000 |
| March 30, 2012 | 85,445 | 10 | 500 | Cash | Further Allotment | 2,01,145 | 20,11,450 | 5,13,81,050 |
| October 16, 2012 | 50,28,625 | 10 | Nil | Nil | Bonus Issue in the ratio of 25 equity shares for each equity share held | 52,29,770 | 5,22,97,700 | 10,94,800 |
| June 18, 2013 | 20,000 | 10 | 25 | Cash | Further Allotment | 52,49,770 | 5,24,97,700 | 13,94,800 |
| June 26, 2013 | 75,00,000 | 10 | 10 | Cash | Further Allotment | 1,27,49,770 | 12,74,97,700 | 13,94,800 |

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

Other than bonus issue of equity shares as mentioned above, Our Company has not issued any Equity Shares for consideration other than cash.

4. Details of Promoters' contribution and Lock-in

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

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

| Date of Allotment / acquisition / transaction and when made fully paid up | Nature of acquisition (Allotment/ transfer) | Number of Equity Shares | Face Value per Equity Share (in ₹) | Issue/ Transfer price per Equity Share (in ₹) | Consideration (cash/other than cash) | % of pre issue capital | % of post issue capital | Lock-in Period |
|---|---|-------------------------|------------------------------------|---|--------------------------------------|------------------------|-------------------------|----------------|
| Mr. Manoj Kumar | | | | | | | | |
| June 18, 2013 | Further Allotment | 10,000 | 10 | 25 | Cash | 0.08% | 0.06% | 1 Year |
| | Sub-total | 10,000 | | | | 0.08% | 0.06% | |
| Mr. Arun Kumar Chalukya | | | | | | | | |
| October 1, 2012 | Transfer | 1,58,133 | 10 | 25 | Cash | 1.24% | 0.89% | 1 Year |

| | | | | | | | | |
|---|---------------------|------------------|----|-----|------|---------------|---------------|---------|
| | (Purchase) | | | | | | | |
| October 16, 2012 | Bonus Issue | 36,00,000 | 10 | Nil | Cash | 28.24% | 20.17% | 3 Years |
| | | 3,53,325 | | | | 2.77% | 1.98% | 1 Year |
| | Sub-total | 41,11,458 | | | | 32.25% | 23.03% | |
| Mr. Rajesh Kumar Chauhan | | | | | | | | |
| October 1, 2012 | Transfer (Purchase) | 21,867 | 10 | 25 | Cash | 0.17% | 0.12% | 1 Year |
| October 16, 2012 | Bonus Issue | 5,46,675 | 10 | Nil | Cash | 4.29% | 3.06% | 1 Year |
| | Sub-total | 5,68,542 | | | | 4.46% | 3.19% | |
| SSD Real Estate Developers Private Limited | | | | | | | | |
| June 18, 2013 | Further Allotment | 10,000 | 10 | 25 | Cash | 0.08% | 0.06% | 1 Year |
| | Sub-total | 10,000 | | | | 0.08% | 0.06% | |
| | Grand Total | 47,00,000 | | | | 36.86% | 26.33% | |

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

The Promoters’ contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoter under the SEBI ICDR Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 36,00,000 Equity Shares for a period of three years from the date of Allotment in the Issue.

The balance pre-Issue Equity Share capital of our Company, *i.e.* 91,49,770 Equity Shares shall be locked in for a period of one year from the date of Allotment in the Issue. Equity Shares offered by the Promoters for the minimum Promoters’ contribution are not subject to pledge. Lock-in period shall commence from the date of Allotment of Equity Shares in the Issue.

We confirm that the minimum Promoters’ contribution of 20% which is subject to lock-in for three years does not consist of:

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

Further, our Company has not been formed by the conversion of a partnership firm into a company and no Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.

The share certificates for the Equity Shares in physical form, which are subject to lock-in, shall carry the inscription ‘non-transferable’ and the non-transferability details shall be informed to the depositories.

Equity Shares locked-in for one year

In addition to 20% of the post-Issue shareholding of our Company locked-in for three years as the minimum Promoters’ contribution, the balance Pre-Issue Paid-up Equity Share Capital *i.e.* 91,49,770 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering. Further, such lock-in of the

Equity Shares would be created as per the bye laws of the Depositories.

Other requirements in respect of 'lock-in'

In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters' prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code as applicable.

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

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

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

5. Our shareholding pattern

(a) The table below represents the shareholding pattern of our Company in accordance with clause 35 of the Listing Agreement, as on the date of the Draft Prospectus:

| Category code | Category of shareholder | No. of shareholders | Total no. of shares | No. of shares held in dematerialized form | Total shareholding as a % of total number of shares | | Shares pledged or otherwise encumbered | |
|---------------|---|---------------------|---------------------|---|---|-------------------|--|------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of shareholding |
| (A) | Promoter and Promoter Group | | | | | | | |
| 1 | Indian | | | | | | | |
| (a) | Individuals/ Hindu Undivided Family / Nominee of Promoter | 3 | 46,90,000 | Nil | 36.78 | 36.78 | Nil | Nil |
| (b) | Central Government/ State Government(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) | Bodies Corporate | 1 | 10,000 | Nil | 0.08 | 0.08 | Nil | Nil |
| (d) | Financial Institutions/ Banks | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (e) | Any Other (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (A)(1) | 4 | 47,00,000 | Nil | 36.86 | 36.86 | Nil | Nil |
| 2 | Foreign | | | | | | | |
| (a) | Individuals (Non-Resident Individuals/ Foreign Individuals) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Promoter Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (c) | Institutions | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (d) | Any Other (specify) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (A)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 4 | 47,00,000 | Nil | 36.86 | 36.86 | Nil | Nil |
| (B) | Public shareholding | | | | | | | |
| 1 | Institutions | | | | | | | |
| (a) | Mutual Funds/ UTI | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Financial Institutions/ Banks | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| Category code | Category of shareholder | No. of shareholders | Total no. of shares | No. of shares held in dematerialized form | Total shareholding as a % of total number of shares | | Shares pledged or otherwise encumbered | |
|---------------|---|---------------------|---------------------|---|---|-------------------|--|------------------------|
| | | | | | As a % of (A+B) | As a % of (A+B+C) | No. of shares | As a % of shareholding |
| (c) | Central Government/ State Government(s) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (d) | Venture Capital Funds | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (e) | Insurance Companies | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (f) | Foreign Institutional Investors | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (g) | Foreign Venture Capital Investors | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (h) | Foreign Bodies Corporate | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (B)(1) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2 | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 3 | 75,00,000 | Nil | 58.82 | 58.82 | Nil | Nil |
| (b) | Individuals | | | | | | | |
| | i. Individual shareholders holding nominal share capital up to Rs. 1 lakh. | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh. | 5 | 5,49,770 | Nil | 4.31 | 4.31 | Nil | Nil |
| (c) | Any Other | | | | | | | |
| | 1. NRI | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2. Directors & Relatives | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 3. Foreign Company | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 4. Trust | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Sub-Total (B)(2) | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | Total Public Shareholding (B) = (B)(1)+(B)(2) | 8 | 80,49,770 | Nil | 63.14 | 63.14 | Nil | Nil |
| | TOTAL (A)+(B) | 12 | 1,27,49,770 | Nil | 100.00 | 100.00 | Nil | Nil |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | |
| (a) | Promoter and Promoter group | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| (b) | Public | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | GRAND TOTAL (A)+(B)+(C) | 12 | 1,27,49,770 | Nil | 100.00 | 100.00 | Nil | Nil |

In terms of SEBI circular bearing no. Cir/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing no. SEBI/Cir/ISD/05/2011, dated September 30, 2011, our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoter Group shall be dematerialised prior to filing the Prospectus with the RoC.

Our Company will file the shareholding pattern of our Company, in the form prescribed under clause 35 of the Listing Agreement, one day prior to the listing of Equity Shares. The shareholding pattern will be uploaded on the website of Stock Exchanges before commencement of trading of such Equity Shares.

(b) There are no partly paid-up shares / outstanding convertible securities / warrants in our Company.

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

| Sr | Name of the shareholder | Details of Shares held | Encumbered shares (*) | Details of warrants | Details of convertible securities | Total shares (including underlying shares assuming full conversion of |
|----|-------------------------|------------------------|-----------------------|---------------------|-----------------------------------|---|
| | | | | | | |

| | | No. of Shares held | As a % of grand total | No. | As a % of total number of Encumbered shares | As a % of grand total | Number of warrants held | As a % of total number of warrants of the same Class | Number of convertible securities held | As a % of total number of convertible securities of the same class | warrants and convertible securities) as a % of diluted share capital |
|--------------|--|--------------------|-----------------------|------------|---|-----------------------|-------------------------|--|---------------------------------------|--|--|
| | Promoter | | | | | | | | | | |
| 1. | Mr. Manoj Kumar | 10,000 | 0.08 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| 2. | Mr. Arun Kumar Chalukya | 41,11,458 | 32.25 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| 3. | Mr. Rajesh Kumar Chauhan | 5,68,542 | 4.46 | | | | | | | | |
| 4. | SSD Real Estate Developers Private Limited | 10,000 | 0.08 | | | | | | | | |
| | | | | | | | | | | | |
| | Promoter Group | | | | | | | | | | |
| 5. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| 6. | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| TOTAL | | 47,00,000 | 36.86 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |

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

(d) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 1% of the total number of shares

| Sr. No. | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|---------|-------------------------|------------------------|---------------------------------------|-----------------------|-------------------------|--|-------------------------|--|---------------------------------------|--|--|
| | | No. of Shares held | As a % of grand total (A) + (B) + (C) | No. | As a percentage | As a % of grand total (A) + (B) + (C) of sub-clause (I)(a) | Number of warrants held | As a % of total number of warrants of the same class | Number of convertible securities held | As a % of total number of convertible securities of the same class | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) / (III)* 100 | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) |
| 1. | ALPS MOTOR FINANCE LTD. | 25,00,000 | 19.61% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | | | | | |
|--------------|---------------------------------------|------------------|---------------|------------|------------|------------|------------|------------|------------|------------|
| 2. | CLASSIC GLOBAL FINANCE & CAPITAL LTD. | 25,00,000 | 19.61% | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 3. | ACHAL INVESTMENTS LTD. | 25,00,000 | 19.61% | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 4. | Rajesh Kumar | 1,63,800 | 1.28% | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 5. | Mukesh Kumar | 1,59,250 | 1.25% | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| TOTAL | | 78,23,050 | 61.36% | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

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

(e) Following are the details of the holding of securities (including shares, warrants, convertible securities) of persons belonging to the category “Public” and holding more than 5% of the total number of shares

| Sr. No. | Name of the shareholder | Details of Shares held | | Encumbered shares (*) | | | Details of warrants | | Details of convertible securities | | Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital |
|--------------|---------------------------------------|------------------------|---------------------------------------|-----------------------|-------------------------|--|-------------------------|---|---------------------------------------|---|--|
| | | No. of Shares held | As a % of grand total (A) + (B) + (C) | No. | As a percentage | As a % of grand total (A) + (B) + (C) of sub-clause (I)(a) | Number of warrants held | As a % total number of warrants of the same class | Number of convertible securities held | As a % total number of convertible securities of the same class | |
| (I) | (II) | (III) | (IV) | (V) | (VI) = (V) / (III)* 100 | (VII) | (VIII) | (IX) | (X) | (XI) | (XII) |
| 1. | ALPS MOTOR FINANCE LTD. | 25,00,000 | 19.61% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 2. | CLASSIC GLOBAL FINANCE & CAPITAL LTD. | 25,00,000 | 19.61% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| 3. | ACHAL INVESTMENTS LTD. | 25,00,000 | 19.61% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| TOTAL | | 75,00,000 | 58.82% | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

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

(f) There are no Equity Shares against which depository receipts have been issued.

(g) Other than the Equity Shares, there is no other class of securities issued by our Company.

6. The shareholding pattern of our Company before and after the Offer is set forth below:

| Sr. No. | Particulars | Pre Offer | | Post Offer | |
|---------|--|--------------------|----------------|--------------------|----------------|
| | | No. of Shares | % Holding | No. of Shares | % Holding |
| a) | Promoters | 47,00,000 | 36.86% | 47,00,000 | 26.33% |
| b) | Promoter Group | 0.00 | Nil | Nil | Nil |
| | Total Promoter & Promoter Group (A+B) | 47,00,000 | 36.86% | 47,00,000 | 26.33% |
| c) | Public Shareholding | 80,49,770 | 63.14 | 1,31,49,770 | 73.67% |
| | Total | 1,27,49,770 | 100.00% | 1,78,49,770 | 100.00% |

7. The shareholding pattern of our Promoters and Promoter Group before and after the Issue is set forth below:

| Sr. No. | Particulars | Pre Issue | | Post Issue | |
|---------|---|------------------|----------------|------------------|---------------|
| | | No. of Shares | % Holding | No. of Shares | % Holding |
| a) | Promoters | 47,00,000 | 36.86% | 47,00,000 | 26.33% |
| | Mr. Manoj Kumar | 10,000 | 0.08% | 10,000 | 0.06% |
| | Mr. Arun Kumar Chalukya | 41,11,458 | 32.25% | 41,11,458 | 23.03% |
| | Mr. Rajesh Kumar Chauhan | 5,68,542 | 4.46% | 5,68,542 | 3.19% |
| | SSD Real Estate Developers Private Limited | 10,000 | 0.08% | 10,000 | 0.06% |
| b) | Immediate Relatives of the Promoters | -- | -- | -- | -- |
| c) | Companies in which 10% or more of the share capital is held by the promoter / an immediate relative of the promoter / a firm or HUF in which the promoter or any one of their immediate relatives is a member | -- | -- | -- | -- |
| d) | Companies in which Company mentioned in c. above holds 10% or more of the share capital | -- | -- | -- | -- |
| e) | HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total | -- | -- | -- | -- |
| f) | All persons whose shareholding is aggregated for the purpose of disclosing in the prospectus as “Shareholding of the promoter group” | -- | -- | -- | -- |
| | Total | 47,00,000 | 36.863% | 47,00,000 | 26.33% |

8. Our Company has not revalued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.
9. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Plan for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.
10. Our Company has not issued following Equity Shares during a period of one year preceding the date of the Draft Prospectus at a price lower than the Issue price:

| Date of Issue | Name of the Persons | No. of Shares | Issue Price (Rs.) | Whether Part of Promoter Group |
|---------------|---------------------------------------|---------------|-------------------|--------------------------------|
| June 26, 2013 | Alps Motor Finance Ltd. | 25,00,000 | 10 | No |
| June 26, 2013 | Classic Global Finance & Capital Ltd. | 25,00,000 | 10 | No |
| June 26, 2013 | Achal Investments Ltd. | 25,00,000 | 10 | No |

11. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
12. During the past six months immediately preceding the date of filing Draft Prospectus, there are no transactions in our Equity Shares, which have been purchased/(sold) by our Promoters, their relatives and associates, persons in Promoter Group [as defined under sub clause (zb) sub regulation (1) Regulation 2 of SEBI (ICDR) Regulations] or the directors of the company which is a promoter of the Company and/or the Directors of the Company.
13. The members of the Promoter Group, our Directors or the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months preceding the date of filing of the Draft Prospectus.
14. Our Company, our Promoters, our Directors and the Lead Manager to this Issue have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares issued by our Company through the Draft Prospectus.
15. There are no safety net arrangements for this public issue.
16. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the minimum allotment lot and multiple of one share thereafter, while finalizing the Basis of Allotment. Consequently, the actual allotment may go up by a maximum of 10% of the Issue as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock- in shall be suitably increased so as to ensure that 20% of the Post Issue paid-up capital is locked in for 3 years.
17. Under-subscription in the net issue, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the BSE.
18. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
19. All the Equity Shares of our Company are fully paid up as on the date of the Draft Prospectus. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up equity shares.
20. As per RBI regulations, OCBs are not allowed to participate in this Issue.
21. **Particulars of top ten shareholders:**

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

| Sr. No | Name of shareholder | No. of Shares | % of then Issued Capital |
|--------|---------------------------------------|---------------|--------------------------|
| 1. | Mr. Arun Kumar Chalukya | 41,11,458 | 32.25% |
| 2. | Alps Motor Finance Ltd. | 25,00,000 | 19.61% |
| 3. | Classic Global Finance & Capital Ltd. | 25,00,000 | 19.61% |
| 4. | Achal Investments Ltd. | 25,00,000 | 19.61% |
| 5. | Mr. Rajesh Kumar Chauhan | 5,68,542 | 4.46% |
| 6. | Mr. Rajesh Kumar | 1,63,800 | 1.28% |
| 7. | Mr. Mukesh Kumar | 1,59,250 | 1.25% |

| | | | |
|--------------|-----------------------|--------------------|---------------|
| 8. | Mr. Raj Kumar | 1,04,000 | 0.82% |
| 9. | Mr. Satendra Kumar | 78,000 | 0.61% |
| 10. | Mr. Shankar Lal Gupta | 44,720 | 0.35% |
| Total | | 1,27,29,770 | 99.84% |

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

| Sr. No | Name of shareholder | No. of Shares | % of then Issued Capital |
|--------------|--|------------------|--------------------------|
| 1. | Mr. Arun Kumar Chalukya | 41,11,458 | 78.32% |
| 2. | Mr. Rajesh Kumar Chauhan | 5,68,542 | 10.83% |
| 3. | Mr. Rajesh Kumar | 1,63,800 | 3.12% |
| 4. | Mr. Mukesh Kumar | 1,59,250 | 3.03% |
| 5. | Mr. Raj Kumar | 1,04,000 | 1.98% |
| 6. | Mr. Satendra Kumar | 78,000 | 1.49% |
| 7. | Mr. Shankar Lal Gupta | 44,720 | 0.85% |
| 8. | Mr. Manoj Kumar | 10,000 | 0.19% |
| 9. | SSD Real Estate Developers Private Limited | 10,000 | 0.19% |
| Total | | 52,49,770 | 100.00% |

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

| Sr. No | Name of shareholder | No. of Shares | % of the then Issued Capital |
|--------------|--------------------------------------|-----------------|------------------------------|
| 1. | Maa Taluka Buildcon P. Ltd. | 25,000 | 21.61% |
| 2. | Strum Infra Development P. Ltd. | 25,000 | 21.61% |
| 3. | Sunshine Infrabuild Corporation Ltd. | 20,000 | 17.29% |
| 4. | Vivek Kr. Jain | 5,000 | 4.32% |
| 5. | Dinesh Pandey | 5,000 | 4.32% |
| 6. | Gargi Motor Finance P. Ltd. | 5,000 | 4.32% |
| 7. | Zoom Heritage Properties P. Ltd. | 4,500 | 3.89% |
| 8. | Gama Instrumentation P. Ltd. | 4,000 | 3.46% |
| 9. | Annex It Distributors P. Ltd. | 4,000 | 3.46% |
| 10. | Rayan Garments P. Ltd. | 4,000 | 3.46% |
| Total | | 1,01,500 | 87.73% |

22. Our Company has not raised any bridge loan against the proceeds of this Issue. However, depending on business requirements, we might consider raising bridge financing facilities, pending receipt of the Net Proceeds.
23. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
24. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.
25. An Applicant cannot make an application for more than the number of Equity Shares being issued through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
26. No payment, direct or indirect in the nature of discount, commission, allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Issue.
27. We have 12 shareholders as on the date of filing of the Draft Prospectus.
28. Our Promoters and the members of our Promoter Group will not participate in this Issue.
29. Our Company has not made any public issue since its incorporation.
30. Neither the Lead Manager, nor their associates hold any Equity Shares of our Company as on the date of the Draft Prospectus.

31. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Prospectus and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transaction.
32. For the details of transactions by our Company with our Promoter Group, Group Companies during the Fiscals 2010, 2011 and 2012 and for period year ended February 28, 2013, please refer to paragraph titled “*Statement of Transactions with Related Parties, as Restated*” in the chapter titled ‘*Financial Information*’ beginning on page number 91 of the Draft Prospectus.
33. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “*Our Management*” beginning on page number 73 of the Draft Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are:

- To meet the fund requirements for execution of our Ongoing and Forthcoming Projects and other working capital requirements,
- To meet the funds required for general corporate purposes, and
- To Meet the Issue Expenses.

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

The main object clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Cost of Project and Means of Finance

The Cost of Project and Means of Finance as estimated by our management are given below:

Cost of Project

| | | (₹ in lacs) |
|--------------|--|-----------------|
| Sr. No. | Particulars | Amount |
| A. | To meet the fund requirements for execution of our Ongoing and Forthcoming Projects and other working capital requirements | 1,065.00 |
| B. | General Corporate Purposes | 150.00 |
| C. | Public Issue Expenses | 60.00 |
| Total | | 1,275.00 |

Means of Finance

| | | (₹ in lacs) |
|--------------|------------------------------------|-----------------|
| Sr. No. | Particulars | Amount |
| A. | Proceeds from Initial Public Offer | 1,275.00 |
| Total | | 1,275.00 |

We propose to meet the requirement of funds for the stated objects of the Issue from the Net Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 4 (2) (g) of the SEBI ICDR Regulations and Clause VII C of Part A of Schedule VIII of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Our fund requirements and deployment thereof are based on the estimates of our management and have not been appraised by any bank or financial institution or independent third party entity. These are based on current circumstances of our business and are subject to change in light of changes in external circumstances or costs, or in our financial condition, business or strategy, as discussed further below and also detailed under the section ‘Our Business’ beginning on page 64 of the Draft Prospectus. Our management, in response to the dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options which include utilisation of our internal accruals, debt or equity financing. Our management expects that such alternate arrangements would be available to fund any such shortfall.

Variation in fund requirements and Surplus / Shortfall of Net Proceeds

Whilst we intend to utilise the Issue Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity may be financed by surplus funds, if any, available in any other object for which funds are being raised in the Issue, subject to applicable law. In the event of any shortfall in the Issue Proceeds, our Company will bridge the fund requirements from internal accruals, debt or equity financing. In the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal. No part of the issue proceeds will be paid as consideration to Promoter, Promoter Group, Group Entities, directors, Key Managerial Personnel and associates.

DETAILED BREAK UP OF THE PROJECT COST**(A) To meet the fund requirements for execution of our Ongoing and Forthcoming Projects and other working capital requirements**

Currently we are doing land leveling works from the last few years with ISP Construction Private Limited. Further we are looking for some land for future projects in Delhi, Noida, and NCR region. We are also negotiating with other Construction Companies/ Developers to finalise joint venture projects with them. We are also doing soil and sands trading.

We also expect to be awarded similar projects in the future. We intend to deploy ₹ 1,065.00 Lacs out of the Issue Proceeds for our ongoing and forthcoming projects and also for meeting our other working capital requirements. Our other working capital requirements will include the utilization for funds for construction material for our trading activities. We intend to utilise these funds mainly on end to end execution of these projects.

Further details on the above projects are provided in the Section titled “Our Business” beginning on page 64 of the Draft Prospectus.

(B) General Corporate Purposes

Our Company intends to deploy ₹ 150.00 lacs, towards general corporate purposes, including but not restricted to strategic initiatives, organic growth opportunities strengthening of our marketing capabilities, meeting exigencies and contingencies which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors. We intend to undertake various brand building activities for the services we provide. We intend to advertise our services and even forthcoming projects through traditional means and internet. We believe it is essential for our Company to focus on increasing the brand visibility for our Company and the services that we provide to our clients. This will enhance our visibility, which we intend to convert into business opportunity for us. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

(C) Public Issue Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, advertising expenses and listing fees. The estimated Issue expenses are as follows:

| Sr. No. | Particulars | Amount (₹ in Lacs) |
|---------|--|-----------------------|
| 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. | 45.00 |
| 2. | Printing & Stationery and Postage Expenses | 5.00 |
| 3. | Marketing and Advertisement Expenses | 5.00 |
| 4. | Regulatory fees and other expenses | 5.00 |
| | Total | 60.00 |

Schedule of implementation

The funds raised from this Issue shall be utilized for the specified Objects during during FY 2014.

Deployment of Funds in the Project

Our Company has incurred the following expenditure on the project till June 20, 2013. The same has been certified by our statutory auditors Thakur Saroj & Co, Chartered Accountants *vide* their certificate dated June 29, 2013.

(₹ in Lacs)

| Sr. No. | Particulars | Amount Deployed till June 20, 2013 |
|---------|-----------------------|------------------------------------|
| 1 | Public Issue Expenses | 4.00 |
| | Total | 4.00 |

The above funds were deployed from the Company's internal accruals.

Details of balance fund deployment

(₹ in Lacs)

| Sr. No. | Particulars | Expenses Already Incurred | FY 2014 | Total |
|---------|--|---------------------------|-----------------|-----------------|
| 1 | To meet the fund requirements for execution of our Ongoing and Forthcoming Projects and other working capital requirements | 0.00 | 1,065.00 | 1,065.00 |
| 2 | General Corporate Purposes | 0.00 | 150.00 | 150.00 |
| 3 | Public Issue Expenses | 4.00 | 56.00 | 60.00 |
| | Total | 4.00 | 1,271.00 | 1,275.00 |

Appraisal Report

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

Bridge Financing Facilities

We have currently not raised any bridge loans against the Net Proceeds.

Interim Use of Funds

The management, in accordance with the approval of the Board of Directors, will have the flexibility in deploying the Issue Proceeds. Pending utilization for the purposes described above, we intend to invest the Issue Proceeds in interest/dividend bearing liquid instruments including money market mutual funds and deposits with banks for the necessary duration. Such investments would be in accordance with all applicable laws and investment policies approved by our Board from time to time. Our Company confirms that pending utilization of the Issue Proceeds; it shall not use the funds for any investments in the equity markets.

Monitoring of Issue proceeds

As the size of the Issue will not exceed ₹ 50,000 Lacs, the appointment of Monitoring Agency would not be required as per Regulation 16 of the SEBI ICDR Regulations. Our Board will monitor the utilization of the proceeds of the Issue. Our Company will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statement specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. The statement shall be certified by our Statutory Auditors.

Further, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in the Draft Prospectus. Further, this information shall be furnished to

the Stock Exchanges along with the interim or annual financial results submitted under clause 41 of the Listing Agreement and shall be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee. No part of the proceeds of this issue will be paid as consideration to our Promoters, Directors, Key Managerial Personnel or group concerns/companies promoted by our Promoters.

BASIC TERMS OF THE ISSUE

Ranking of Equity Shares

The Equity Shares being issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 149 of the 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 dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 25 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 for Issue Price*” beginning on page 49 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

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.

Market Making

The shares offered through this issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see “*General Information – Details of the Market Making Arrangements for this Issue*” beginning on page 30 of the Draft Prospectus.

Minimum Subscription

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

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

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.

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.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. 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 Platform of BSE.

BASIS FOR ISSUE PRICE

The Issue Price is determined by our Company in consultation with the Lead Manager. The financial data presented in this section are based on our Company's restated financial statements. Investors should also refer to the sections titled 'Risk Factors' and 'Financial Information' on pages 11 and 91, respectively, of the Draft Prospectus to get a more informed view before making the investment decision.

Qualitative Factors

For details of Qualitative factors please refer to the paragraph "Our Competitive Strengths" in the chapter titled "Our Business" beginning on page 64 of the Draft Prospectus.

Quantitative Factors

1. Basic & Diluted Earnings Per Share (EPS):

| Period | Basic and Diluted EPS (₹) | Weightage |
|---|---------------------------|-----------|
| April to February 2013 (Not Annualised) | 0.07 | 3 |
| Fiscal 2012 | 4.40 | 2 |
| Fiscal 2011 | 17.14 | 1 |
| Weighted Average | 4.36 | |

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ 25:

| Particulars | P/E at the Issue Price (₹ 25) |
|--|-------------------------------|
| a. Based on Weighted Average EPS of ₹ 4.36 | 5.73 |
| b. Based on April to February 2013 EPS of ₹ 0.07 | 338.72 |

| Industry P/E | |
|-----------------------------------|--------|
| ▪ Highest – Aricent Infra Limited | 577.17 |
| ▪ Lowest – Ramky Infra | 1.81 |
| ▪ Average | 18.95 |

Source: www.bseindia.com and www.edelweiss.in/Sector/SectorConstituents.aspx?sector=Construction

3. Return on Net Worth

| Period | Return on Net Worth (%) | Weights |
|---|-------------------------|---------|
| April to February 2013 (Not Annualised) | 0.71 | 3 |
| Fiscal 2012 | 0.95 | 2 |
| Fiscal 2011 | 1.64 | 1 |
| Weighted Average | 6.13 | |

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

The minimum return on increased net worth required maintaining pre-Issue EPS for the April to February 2013 (Not Annualised):

A) Based on Basic and Diluted EPS of ₹ 0.07

- a. At the Issue Price of ₹ 25: 0.49 % based on restated financial statements.

B) Based on Weighted Average EPS of ₹ 4.36

- a. At the Issue Price of ₹ 25: 30.23 % based on restated financial statements.

5. Net Asset Value per Equity Share

- As of February 28, 2013, ₹ 10.40
- NAV per Equity Share after the Issue is ₹ 14.42
- Issue Price per Equity Share is ₹ 25.00

6. Comparison of Accounting Ratios

| Particulars | Face Value (₹) | EPS | P/E Ratio | RONW (%) | NAV (₹) |
|----------------------------------|----------------|------|-----------|----------|---------|
| Arihant Superstructures Limited* | 10 | 1.26 | 29.17 | 8.93 | 13.35 |
| VSF Projects Limited* | 10 | 1.43 | 6.13 | 14.31 | 10.02 |
| RPP Infra Projects Limited* | 10 | 4.80 | 7.14 | 10.55 | 45.54 |
| Aricent Infra Limited* | 10 | 0.30 | 577.17 | 2.99 | 10.00 |
| VKJ Infradevelopers Limited# | 10 | 0.07 | 338.72 | 0.71 | 10.40 |

Source: www.bseindia.com

*Based on March 31, 2013 financial statements as reported to BSE

#Based on February 28, 2013 restated financial statements (not annualised).

The peer group identified is broadly based on the service lines that we are into, but their scale of operations is not comparable to us.

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue price is 2.5 times the face value.

The Issue Price of ₹ 25 is determined by our Company, in consultation with the Lead Manager is justified based on the above accounting ratios. For further details, please refer to the section titled 'Risk Factors', and chapters titled 'Our Business' and 'Financial Information' beginning on page numbers 11, 64 and 91, respectively of the Draft Prospectus.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
VKJ Infradevelopers Limited
B-25, First Floor, Dayanand Colony,
Lajpat Nagar, New Delhi,
Delhi-110024
India

Dear Sirs,

Sub: Statement of possible tax benefits available to the Company and its shareholders on proposed Public Issue of Shares under the existing tax laws

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

The benefits discussed in the Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

- The Company or its shareholders will continue to obtain these benefits in future; or
- The Conditions prescribed for availing the benefits have been or would be met.

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

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change. We shall not be liable to VKJ Infradevelopers Limited for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Thanking you,
Yours faithfully,
For Thakur Saroj & Co.
Chartered Accountants

Mr. Saroj Kumar Thakur

ANNEXURE**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY
AND ITS SHAREHOLDERS****A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS
SHAREHOLDERS****I. Special Benefits available to Our Company**

There are no special tax benefits available to the Company.

II. Special Benefits available to the Shareholders of Our Company

There are no special tax benefits available to the Equity Shareholders.

B) OTHER GENERAL TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The following tax benefits shall be available to the Company and its Shareholders under Direct tax law

Under the Income-Tax Act, 1961 (“the Act”):**I. Benefits available to the Company****1. Depreciation**

As per the provisions of Section 32 of the Act, the Company is eligible to claim depreciation on tangible and specified intangible assets as explained in the said section and the relevant Income Tax rules there under.

2. Dividend Income

Dividend income, if any, received by the Company from its investment in shares of another domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961.

3. Income from Mutual Funds / Units

As per section 10(35) of the Act, the following income shall be exempt in the hands of the Company:

Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or

Income received in respect of units from the Administrator of the specified undertaking; or

Income received in respect of units from the specified company.

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

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

4. Income from Long Term Capital Gain

As per section 10(38) of the Act, long term capital gains arising to the Company from the transfer of a long-term capital asset, being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the Company.

For this purpose, “Equity Oriented Fund” means a fund –

(i) Where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent of the total proceeds of such funds; and

(ii) Which has been set up under a scheme of a Mutual Fund specified under section 10(23D) of the Act.

As per section 115JB, the Company will not be able to reduce the income to which the provisions of section 10(38) of the Act apply while calculating “book profits” under the provisions of section 115JB of the Act and will be required to pay Minimum Alternative Tax as follows-

| Book Profit | A.Y.-2011-12 | A.Y.-2012-13 |
|---|---------------------|---------------------|
| If book profit is less than or equal to Rs. 1 Crore | 18.54 % | 19.055% |
| If book profit is more than Rs. 1 Crore | 19.93 % | 20.01% |

5. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

6. As per the provisions of Section 112 of the Income Tax Act, 1961, long-term capital gains as computed above that are not exempt under Section 10(38) of the Income Tax Act, 1961 would be subject to tax at a rate of 20 percent (plus applicable surcharge plus education cess plus secondary and higher education cess). However, as per the provision to Section 112(1), if the tax on long-term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long-term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge plus education cess plus secondary and higher education cess).

7. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long term specified asset” within a period of 6 months after the date of such transfer. However, if the assessee transfers or converts the long term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

8. As per section 111A of the Act, short-term capital gains arising to the Company from the sale of equity share or a unit of an equity oriented fund transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge plus education cess plus secondary and higher education cess)

9. Preliminary Expenses

Under Section 35D of the Act, the company will be entitled to the deduction equal to 1/5th of the Preliminary expenditure of the nature specified in the said section, including expenditure incurred on present issue, such as Brokerage and other charges by way of amortization over a period of 5 successive years, subject to stipulated limits.

10. Credit for Minimum Alternate Taxes (“MAT”)

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond

10 years immediately succeeding the year in which the MAT credit initially arose.

II. Benefits to the Resident Shareholders of the Company under the Income-Tax Act, 1961:

As per section 10(34) of the Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003) received on the shares of the Company is exempt from tax in the hands of the shareholders.

1. Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long-term capital gains, it offers a benefit by permitting substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition / improvement by a cost inflation index as prescribed from time to time.

2. Under Section 10(38) of the Income Tax Act, 1961, long-term capital gains arising to a shareholder on transfer of equity shares in the company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to STT. However, the long-term capital gain of a shareholder being company shall be subject to income tax computation on book profit under section 115JB of the Income Tax, 1961.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4. As per section 112 of the Act, if the shares of the company are listed on a recognized stock exchange, taxable long-term capital gains, if any, on sale of the shares of the Company (in cases not covered under section 10(38) of the Act) would be charged to tax at the rate of 20% (plus applicable surcharge plus education cess plus secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) without indexation benefits, whichever is less.

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

7. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

9. As per section 36(1)(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered in the course of the business will be eligible for deduction from the income chargeable under the head —Profits and Gains of Business or Profession if income arising from taxable securities transaction is included in such income.

III. Non-Resident Indians/Non-Resident Shareholders (Other than FIIs and Foreign Venture Capital Investors)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.

3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.

4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family (‘HUF’) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961,

short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

(i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the non-resident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessional tax at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).

(ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

(iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect 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 assessment years until such assets are converted into money.

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

8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

IV. Foreign Institutional Investors (FIIs)

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.

2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.

3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

Nature of income & Rate of tax (%)

| Nature of Income | Rate of Tax (%) |
|---|-----------------|
| Long-Term Capital Gain | 10 |
| Short-Term Capital Gain (Referred to Section 111A) | 15 |
| Short-Term Capital Gain (other than under section 111A) | 30 |

The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

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

5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only part of capital gain is so reinvested, the exemption shall be allowed proportionately provided that the investment made in the long-term specified asset during any financial year does not exceed fifty Lac rupees. In such a case, the cost of such long-term specified asset will not qualify for deduction under section 80C of the Act. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long-term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

(i) by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or

(ii) By the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956, and notified by the Central Government in the Official Gazette for the purposes of this section.

6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII’s could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

V. Venture Capital Companies/Funds

1. Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment

in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

VI. Mutual Funds

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

Under the Wealth Tax Act, 1957

Benefits to shareholders of the Company

Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2 (ea) of Wealth Tax Act, 1957. Hence the shares are not liable to Wealth Tax.

Tax Treaty Benefits

An investor has an option to be governed by the provisions of the Income Tax Act, 1967 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

Notes:

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- 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, 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;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

SECTION IV – ABOUT THE 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.

GENERAL MACRO-ECONOMIC ENVIRONMENT

After a robust growth of over 8 percent in the last two years, the Indian economy has slowed down in the year 2011-12 to a modest 6.5 percent. Revised estimates of Central Statistical Organisation (CSO) estimate Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices for FY12 is likely to be ₹ 52,22,515 crore as against ₹ 48,85,954 crore for FY11 of and the growth is expected to be 6.5 percent as compared to 8.4 percent in FY11.

Services sector continued to maintain its momentum with only a minor decrease in growth from 9.2 percent to 8.5 percent, and is expected to boost the overall growth in the economy. Industry and agriculture sectors, on the other hand, have dampened in the current fiscal attributed to both the domestic and global factors. The growth rate for agriculture sector may, however, be treated in synchronous with the trend as it comes to 2.8 percent on a high base of 2010-11(exhibiting 7 percent growth). Industry sector, meanwhile has displayed a dip in its growth with a more than halving of the growth rate to 2.6 percent from an earlier 6.8 percent primarily due to demand and inflationary factors.

(Source: SEBI Annual Report, 2011-2012)

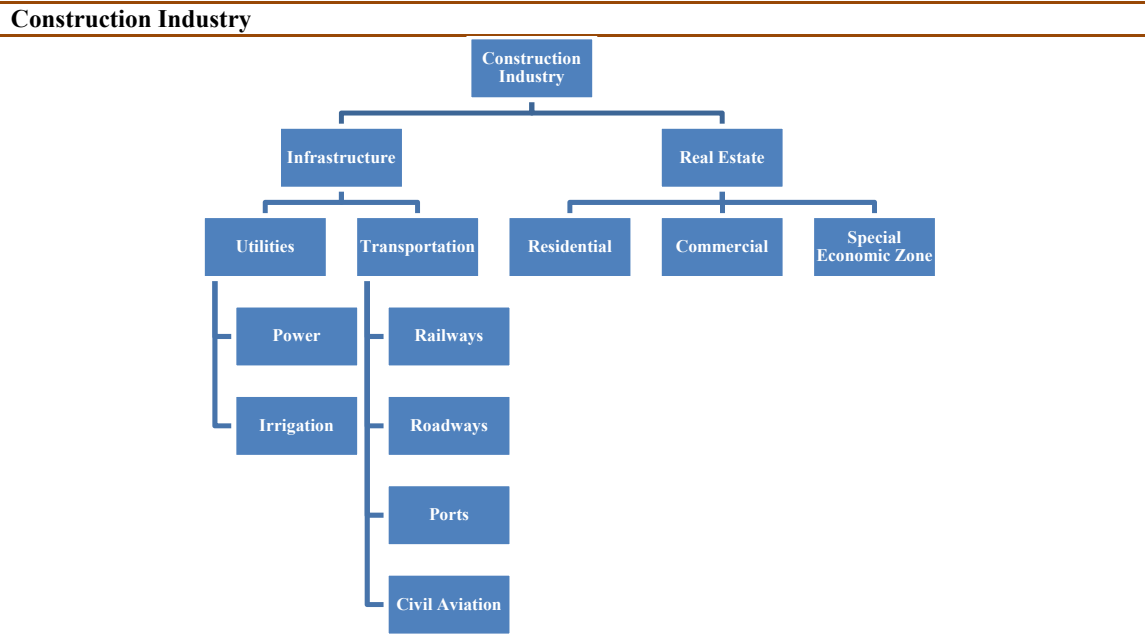
Construction Industry Overview

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

Real Estate Industry in India

The real estate sector in India has come a long way by becoming one of the fastest growing markets in the world. It is not only successfully attracting domestic real estate developers, but foreign investors as well. The growth of the industry is attributed mainly to a large population base, rising income level, and rapid urbanisation. The sector comprises of four sub-sectors- housing, retail, hospitality, and commercial. While housing contributes to five-six percent of the country's gross domestic product (GDP), the remaining three sub-sectors are also growing at a rapid pace, meeting the increasing infrastructural needs. The real estate sector has transformed from being unorganised to a dynamic and organised sector over the past decade. Government policies have been instrumental in providing support after recognising the need for infrastructure development in order to ensure better standard of living for its citizens. In addition to this, adequate infrastructure forms a prerequisite for sustaining the long-term growth momentum of the economy.

Source: <http://www.ibef.org>

Market Size/ Growth Prospects

The total revenue of the real estate sector was US\$ 66.8 billion during 2010-11. By 2020, the sector is expected to earn a revenue of US\$ 180 billion. In fact, the demand is expected to grow at a compound annual growth rate (CAGR) of 19 per cent between 2010 and 2014, with tier I metropolitan cities projected to account for about 40 per cent of this. Growing infrastructure requirements from sectors such as education, healthcare and tourism are providing numerous opportunities in the sector. Further, India is going to produce an estimated two million new graduates from various Indian universities during this year, creating demand for 100 million square feet of office and industrial space. In addition, presence of a large number of Fortune 500 and other reputed companies will attract more companies to initiate their operational bases in India thus, creating more demand for corporate space.

Source: <http://www.ibef.org>

Investments

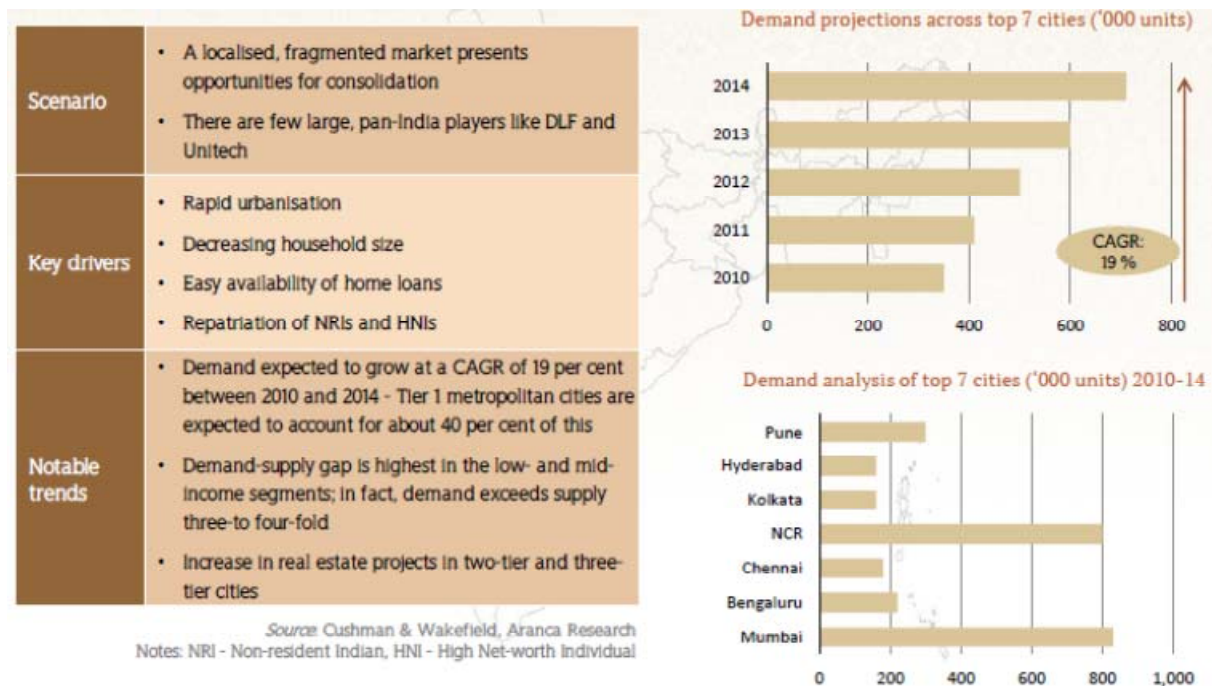
India is ranked 20th in the list of world's top real estate investment markets with investment volume of US\$ 3.4 billion in 2012, according to the latest report titled 'International Investment Atlas' by Cushman & Wakefield. The sector is set for robust inflows of US\$ 4-5 billion from overseas investors in the next couple of years, with Bangalore, Delhi and Mumbai emerging as the favourites, according to Jones Lang LaSalle, a global real estate consultancy giant.

Construction development sector (including townships, housing, built-up infrastructure & construction-development projects) has attracted a cumulative foreign direct investment (FDI) worth US\$ 22,007.67 million from April 2000 to February 2013. FDI flows into the construction sector for the period April-February 2012-13 stood at US\$ 1,260 million, according to the department of industrial policy and promotion (DIPP).

Bengaluru witnessed the highest number and value of private equity investments at Rs 32.5 billion (US\$ 585.57 million) in 2012, recording more than double of investment over last year, followed by Mumbai with Rs 13 billion (US\$ 234.17 million) and National Capital Region (NCR) with Rs 7 billion (US\$ 126.09 million) of investments. India needs to invest US\$ 1.2 trillion over the next 20 years to modernise urban infrastructure and keep pace with the growing urbanisation, as per a report released by McKinsey Global Institute (MGI)-India's urban awakening.

Source: <http://www.ibef.org>

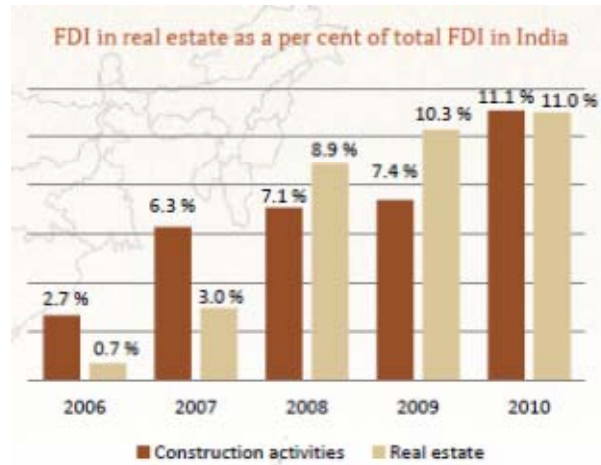
Demand for residential space expected to grow sharply



Source: IBEF Real Estate 2013

FDI in Real Estate

- Total FDI in the real estate sector during 2000-10 stood at over USD9 billion
- Real estate and construction currently accounts for over 22 per cent of total FDI, up from less than 4 per cent in 2006



Source: IBEF Real Estate 2013

Government Initiatives

- According to the latest reforms, FDI up to 100 per cent is allowed under the automatic route in townships, housing, built-up infrastructure and construction development projects to increase investment, generate economic activity, create new employment opportunities and add to the available housing stock and built-up infrastructure
- The Ministry of Housing & Urban Poverty Alleviation has planned to introduce a single-window system for clearance of all real estate projects across the country. The system could bring down the average approval time from the current 196 days to 45-60 days
- The Government of India has sanctioned projects worth Rs 41,723 crores (US\$ 7.51 billion) for building of 1,569,000 houses/dwelling units for economically weaker/lower income group sections under the Ministry's flagship Jawaharlal Nehru National Urban Renewal Mission (JNNURM) programmes
- Housing finances are becoming feasible with the housing loan limit being raised to US\$ 52080 for priority sector lending

Some of the initiatives taken in the union budget 2013-14 include:

- For homes and flats with a carpet area of 2,000 square feet or more or of a value of Rs 1 crore (US\$ 180,213) or more, which are high-end constructions, where the component of services is greater, rate of abatement reduced from 75 to 70 percent
- Rs 6,000 crore (US\$ 1.08 billion) were given to Rural Housing Fund
- National Housing Bank plans to set up Urban Housing Fund. Rs 2,000 crore (US\$ 360.47 million) will be provided to the fund in the current financial year

Source: <http://www.ibef.org>

Road Ahead

The real estate industry in India is yet in a promising stage. The sector happens to be the second largest employer after agriculture and is expected to grow at the rate of 30 per cent over the next decade. A growing migrant population due to increasing job opportunities, together with healthy infrastructure development, is underpinning demand in the region's residential real estate market.

Source: <http://www.ibef.org>

Infrastructure Sector in India

Infrastructure in any country plays a vital role for the economy's growth and development. The Indian economy is getting bigger and better with every passing year. And needless to say, Infrastructure will contribute significantly to the country's overall development. Nearly all the infrastructure sectors will provide excellent opportunities for investments, with roads, railways, ports, power and airports being the major attractions.

The Indian Government has earmarked US\$ 1 trillion for investment in the development of the country's infrastructure.

The Shipping Ministry has decided to aggressively pursue port development in India and has set an ambitious target to award 42 such port projects for a total worth of Rs 15,000 crore (US\$ 2.76 billion) in 2013. These new ports will add a capacity of 250 MT, informed G K Vasan, the Shipping Minister. The ministry intends to achieve a capacity of 3, 200 MT at Indian ports by 2020 and around 2, 600 MT of it all is planned by 2016-17. Meanwhile, India and Spain have inked an MoU on Technical Co-Operation in the Field of Railway Sector. As per the agreement signed, both the countries will co-operate and exchange information in the areas of High Speed Railway, upgradation of speed of passenger trains on existing lines, improving safety of train operations, modernisation of Rolling Stock, construction and maintenance technologies for fixed infrastructure (Track, Bridges, Tunnels, OHE, Power Supply Systems, Signaling and Telecommunications) and other cooperation in railway related technology developments.

Additionally, the Union Cabinet has recently approved proposals for two highway projects entailing an outlay of over Rs 5, 000 crore (US\$ 920.02 million). One project proposal, to be executed in Bihar, would be implemented with financial assistance from Japan, while the other is to be executed in Odisha.

Cargo traffic at major Indian ports is expected to grow by 4 per cent in 2013-14, according to a study by the Centre for Monitoring Indian Economy (CMIE). The study states that the major reason behind the upsurge would be an increase in the cargo volumes of commodities including petroleum, oil & lubricants (POL), container, coal and fertilisers. Hence, cargo traffic handled by major ports is anticipated to increase to 568.5 MT in 2013-14 from the 546.4 MT estimated for 2012-13, said the report. Alongside, a recent study has stated 18,637 km of expressways need be built by the end of the 13th Five-Year Plan period, i.e. 2022. Infrastructure development (for expressway projects alone), on such a massive scale would require about Rs. 450, 000 crore (US\$ 83 billion), according to the study.

Meanwhile, the Government, under NHDP-VI, has already given the nod for constructing four expressways of more than 1, 000 km length at a financial outlay of Rs. 16, 680 crore (US\$ 3.07 billion). The administration is contemplating on public-private partnership avenues for these new developments.

Source: <http://www.ibef.org>

Government Initiatives

The Cabinet Committee on Economic Affairs (CCEA) has recently approved two new projects, entailing investments of Rs 1, 700 crore (US\$ 292.94 million), to increase capacity of ports in the country.

The Shipping ministry had also drafted plans to develop a harbour channel at Tuticorin Port at a cost of Rs 7, 500 crore (US\$ 1.29 billion). Meanwhile, The Ministry of Railways, Government of India and the Société Nationale des Chemins de Fer Français (SNCF), the French National Railways, have signed a Memorandum of Understanding (MoU) for technical cooperation in the field of Railways. Four areas of mutual collaboration that have been incorporated in the MoU are:

- High speed and semi-high speed rail;
- Station renovation and operations;
- Modernisation of current operations and infrastructure;
- Sub-urban trains.

Under the High Speed Cooperation Programme, the two countries have decided to jointly carry out an 'operations and development' feasibility project on the Mumbai-Ahmedabad High-Speed Rail. SNCF will be funding the project with a support from the French Ministry of Finance. The bi-lateral agreement is valid for a period of five years and is extendable by one year with mutual consent. Furthermore, multi-lateral body Asian Development Bank (ADB) has agreed to facilitate a US\$ 252 million-loan for development of rural roads in Assam, Chhattisgarh, Odisha, Madhya Pradesh and West Bengal. The loan amount is the first tranche of US\$ 800 million-financing facility under Rural Connectivity Investment Programme. The first phase of the project is anticipated to be completed in December, 2015.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Prospectus, including the information contained in the section titled ‘Risk Factors’, beginning on page number 11 of the Draft Prospectus.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled ‘Risk Factors’ and ‘Financial Information’ and chapter titled ‘Management Discussion and Analysis of Financial Condition and Results of Operations’ beginning on page numbers 11, 91 and 104, respectively, of the Draft Prospectus.

Unless the context otherwise requires, in relation to business operations, in this section of the Draft Prospectus, all references to “we”, “us”, “our” and “our Company” are to VKJ Infradevelopers Limited and Group Entities as the case may be.

Overview

Our Company was incorporated as ‘VKJ Infradevelopers Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 12, 2010 bearing registration number 200014 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘VKJ Infradevelopers Limited’ pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 29, 2013 issued by the Registrar of Companies, Delhi.

Our Company initially started its operations by way trading into construction related materials, primarily soils and sands. The main civil works we are engaged in consists of land and site development, land filling, fencing walls etc. Currently, we are engaged in the business of Land Development, Civil Construction and trading in construction materials, primarily soils and sands. Currently we are based in Delhi.

Our products and Services

Our Company is in the business of providing civil construction, land & site development services and trading of construction materials. Given below are the ongoing and completed projects by our Company:

Currently, we have executed / executing following projects:

- Currently we are doing land leveling works from the last few years with ISP Construction Private Limited.
- We are also doing soil and sands trading.
- At present we are looking for some land for future projects in Delhi, Noida, and NCR region. We are also negotiating with other Construction Companies/ Developers to finalise joint venture projects with them.

Our Company has raised ₹ 755 Lacs by issuing 20,000 Equity Shares to Promoters and 75,00,000 Equity Shares to Other Strategic Investors. We intend to utilise the above amount on the expansion and working capital needs of our Company including the following:

- a. Expansion Business and funding the projects
- b. Brand Building exercise
- c. Strengthen the Management Team
- d. Other Corporate Purposes

Location

We operate from the following premises:

| Type of Facility | Location |
|-------------------|---|
| Registered Office | B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India |

Considering the nature of Company's business i.e. construction, the location of project depends upon the contracted site, which usually varies from project to project

Our Competitive Strengths**1. Financial resources**

The Net Worth of our Company as on February 28, 2013 is Rs. 544.02 Lacs and our post issue networth will be Rs. 2574.02 Lacs, which will allow our Company to bid for and undertake higher value projects. This assumes significance when we take into account that the leading infrastructure companies are passing on the projects awarded, to contractors down the line.

- Our Company is headed by visionary promoters and managed by qualified experienced professionals heading key functions.
- We are focused on SHE (safety, health and environment).

Our Business Strategy**1. Building our own execution capabilities**

We have bagged few construction contracts in FY 2013 which we are executing through third party contractors. We believe that this will help us in building our own execution capabilities. This will also help us in increasing our margins in the long run.

2. Continue to build-up a professional organization

We believe in transparency, flow of information, and commitment to the work among our work force and with our valuable customers, suppliers, investors, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our ongoing projects. For taking care of accounts and finance related matters we have employed finance professionals. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

3. 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. 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.

4. To focus on Quality Projects and on timely project schedule delivery.

Our one of the significant business strategy is to undertake quality projects and timely project execution thereby maximizing customer satisfaction. We believe that this strategy can help strengthen our ability to engage in complex projects.

PLANT & MACHINERY, TECHNOLOGY, PROCESS

Our company does not own any major plant and machinery. However we take the machinery on rent basis as and

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

PROCESS

The life-cycle of a construction project is a combination of sound market understanding, meticulous planning, competitive bidding, winning of an award, resource mobilization, and implementation as per pre-determined schedules and standards. The entire exercise is aimed at winning a project and completing it in exemplary fashion. To begin with, our Promoters along with our key managerial personnels identifies a project that our Company can undertake. Once we finalise a project to be executed we begin with sub-contracting process.

Our Company lays great stress on periodical monitoring, and quantity, as well as quality assurance of all components of the project. Third Party contractors are hired to ensure that all contractual obligations are met, particularly during the construction period so that the employer is assured of project proceeding smoothly.

Collaborations

We have not entered into any technical or other collaboration.

Infrastructure Facilities

Materials

The requirement of raw materials like cement, steel and other materials in which we trade is processed through negotiations with the suppliers keeping in view the logistics of location of project and timing of supply. The procurement of raw materials is centralized at our Delhi office.

Utilities

Our registered office has facilities of water and electricity provided by respective authorities. Our office is equipped with necessary communication devices like telephone, computers, printers, internet connection etc. Generally power requirements are met at site through normal distribution channel like State Electricity Board.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

As on date of this Prospectus, the Company has 11 employees.

| Description | No. of employees |
|--------------------|-------------------------|
| Middle Management | 4 |
| Office staff | 6 |
| Others | 1 |
| Total | 11 |

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

Past Production Figures Industry-wise

The construction industry is highly fragmented and is dominated by large number of unorganized players. There are no published data available to our Company for past production figures, existing installed capacity, past trends and future prospects regarding exports, demand & supply forecasts. For details of the industry data please refer to section titled "Our Industry" beginning on page 59 of the Draft Prospectus.

Competition

The construction industry is quite competitive. Our Company faces competition from number of other players in the industry. The award of contracts depends on successfully bidding the tenders. The tendering involves two-tier process. Firstly, the prospective bidders have to qualify technical bids. Only after qualifying for the technical bid, the prospective bidders can participate in financial bid. This process of pre-qualification in technical bid wards off unhealthy competition from small players who are unable to qualify. Further, the key success factor in qualifying for the financial bid is cost competitiveness, technical competency and low overheads.

Approach to Marketing and Marketing Set-up

To procure contracts from Private Clients, our Company on continuous basis collects market information and makes presentation to Architects/ Consultants. Our Company's association with Architects/Consultants during the period of its existence also helps us to get contracts. Our Company adopts direct marketing approach. It has set-up a separate full-fledged team to procure Contracts. The team is under the control of our Whole Time Director and is supported by his subordinates.

Future Prospects

The future plans of our Company are in line with the way the industry is thinking and planning ahead. Our Company is trying to increase the geographical areas of operations to cater to the growing market.

Capacity and Capacity Utilization

Our Company operates in a service industry and hence capacity and capacity utilisation is not applicable to us.

Export Possibilities & Export Obligation

Currently, we do not have any outstanding export obligations.

Property

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

| Sr. No | Description of Property | Name of Lessor | Agreement Date, Lease period | Amount | Purpose |
|--------|---|------------------|--|---|-------------------|
| 1. | B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India | Smt. Krishnawati | January 1, 2013 For a period of 11 Months | Rent of Rs. 10,000 per month and Security Deposit of Rs. 10,000 | Registered Office |

Intellectual Property

Our Company has applied for registration of Trademark “” in the name of the Company vide its application dated June 18, 2013.

Insurance

Our 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.

KEY REGULATIONS AND POLICIES

There are no specific laws in India governing the industry in which we operate in India. The significant legislations and regulations that generally govern our industry in India are acts such as the Income Tax Act, 1961, Service Tax Rules, 1994, Employees State Insurance Act, 1948, State Shops and Establishment Act, Employees Provident Fund and Miscellaneous Act 1952, State Tax on Professions, Trades, Callings and Employment Act, 1975 and such other acts as applicable. Taxation statutes such as the Income Tax Act, 1961, Central Sales Tax Act, 1956 and applicable local sales tax statutes, and labour laws apply to us as they do to any other Indian company. For details of government approvals obtained by us, please refer to the chapter titled “Government and Other Approvals” beginning on page number 113 of the Draft Prospectus.

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was incorporated as ‘VKJ Infradevelopers Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 12, 2010 bearing registration number 200014 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘VKJ Infradevelopers Limited’ pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 29, 2013 issued by the Registrar of Companies, Delhi. Our corporate identification number is U45400DL2010PLC200014.

Our Company initially started its operations by way trading into construction related materials, primarily soils and sands. The main civil works we are engaged in consists of land and site development, land filling, fencing walls etc. Currently, we are engaged in the business of Land Development, Civil Construction and trading in construction materials, primarily soils and sands. Currently we are based in Delhi.

Our current promoters are Mr. Manoj Kumar, Mr. Arun Kumar Chalukya, Mr. Rajesh Kumar Chauhan and SSD Real Estate Developers Private Limited. Our Company was initially promoted by Mr. Vivek Kumar Jain and Mr. Dinesh Pandey. Mr. Nitin Kumar Jain and Mr. Sushil Kumar became the Directors of our Company in April and May 2010 respectively and acquired the Equity Shares from earstwhile promoters in October 2011. Our Current Promoters acquired our Company on October 1, 2012.

For further details of our Company’s activities, services and the growth of our Company, please refer to the chapters titled “*Our Business*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on page numbers 64 and 104, respectively, of the Draft Prospectus.

The total number of members of our Company as on the date of filing of the Draft Prospectus is 12. For further details, please refer the chapter titled ‘*Capital Structure*’ beginning on page number 32 of the Draft Prospectus.

Changes in our Registered Office:

| From | To | Effective Date | Reason |
|---|---|--------------------|--------------------------------|
| B-419/1, Main Market, Bhajanpura, Delhi – 110053 | 27, Kilokari Village, Opp Thapar Business Centre, Sunlight Colony, New Delhi, Delhi-110014, India | September 16, 2011 | For administrative convenience |
| 27, Kilokari Village, Opp Thapar Business Centre, Sunlight Colony, New Delhi, Delhi-110014, India | B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India | January 1, 2013 | For administrative convenience |

Main Objects of our Company:

The object clauses of the Memorandum of Association of our Company enable us to undertake the activities for which the funds are being raised in the present Issue. Furthermore, the activities of our Company which we have been carrying out until now are in accordance with the objects of the Memorandum. The main objects of our Company are:

1. To acquire by purchase, lease, exchange, hire or otherwise, lands and immovable property of any description and of any tenure or any interest in the same, in India or elsewhere.
2. To erect, build, construct houses, flats, buildings or works or estates or farm houses or condominiums or commercial centers, business parks, roads, colonies, infrastructure etc. of any description on any land of the company, or upon other lands or immovable property and to pull down, rebuild, enlarge, after and improve existing estates, houses, building or words thereon, to convert and appropriate any such land into and for roads, streets, squares, gardens, schools, hospitals, clubs, police posts/stations and other conveniences and to deal with and improve the immovable property of the Company or any

other immovable property, in India or elsewhere.

3. To sell, let, mortgage or otherwise develop, alienate or dispose of the lands, houses, flats, buildings, estates, and any other immovable property of any descriptions, of the Company or others, in India or elsewhere.
4. To undertake or direct the design development, construction, supervision and/or the management of the property, buildings, lands and estates (of any tenure or kind of any person and wherever located whether in India or elsewhere).
5. To act as contractors, in India or elsewhere, for any person, or governmental authorities for the construction of buildings of all description, roads, bridges, earthwork, sewers, tanks, dams, culverts, channels, sewage or other works, or things that may be necessary or convenient therefore.
6. To purchase and sale for any persons, in India or elsewhere, freehold or other houses, property buildings or lands or interest therein and to transact on commission or otherwise the general business of immovable property dealers/agents and to act as advisors, consultants, real estate managers and generally to carry on the business of real estate in all its related branches.

Amendments to the MoA of our Company since Incorporation:

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

| Date | Changes |
|-----------------|---|
| October 5, 2012 | Increased in Authorised Capital from 2,50,000 equity shares of ₹ 10/-each aggregating to ₹ 25,00,000/- to 52,50,000 equity shares of ₹ 10/- each aggregating to ₹ 5,25,00,000/- |
| April 29, 2013 | Increased in Authorised Capital From 52,50,000 equity shares of ₹ 10/- each aggregating to ₹ 5,25,00,000/- to 1,62,50,000 equity shares of ₹ 10/- each aggregating to ₹ 16,25,00,000 /- |
| April 29, 2013 | The Shareholders of the company in EGM held on 29 th Apr. 2013 decided to alter the Other object clause no. No. III C (7) by substituting new object to remove the word Architects. New clause read as follows: ‘7. To Construct, develop, restore the properties/building for customers/clients including all kind of interior designing and exterior construction’ |
| May 29, 2013 | The name of our Company was changed to ‘VKJ Infradevelopers Limited’ pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company issued by the Registrar of Companies, Delhi |
| June 17, 2013 | The Shareholders of the company in EGM held on June 17, 2013 decided to alter the Other object clause no. No. III C (18) by substituting new object to remove the word Architects. New clause read as follows: ‘7. To trade, deal in and undertake manufacturing of Bricks, Tiles, Pipes, cement lime and building construction requisites and to carry on all or any of the business of builders, contractors, decorators, furnishers and to acquire, hold, mortgage lease, take on lease, exchange or otherwise deal in lands, buildings, house, flats, bungalows, shops here-dita-ments of any tenure or free hold or residential and business purposes.’ |
| June 17, 2013 | Increased in Authorised Capital From 1,62,50,000 equity shares of ₹ 10/- each aggregating to ₹ 16,25,00,000 /- to 2,47,50,000 equity shares of ₹ 10/- each aggregating ₹ 24,75,00,000 /- |

Key Events and Milestones:

The following table sets forth the key events and milestones in the history of our Company, since incorporation:

| FY | Event |
|-----------|--------------------------------------|
| 2009-2010 | Incorporation |
| 2010-2011 | Commenced Trading Activities |
| 2011-2012 | Started Construction Activities |
| 2013-2014 | Conversion to Public Limited Company |

Subsidiaries and Holding Company:

Our Company is not a subsidiary of any company. Further, as on the date of the Draft Prospectus our Company does not have any subsidiary company.

Other declarations and disclosures

Our Company is not a listed entity and its securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, Our Company has not made any Public Issue or Rights Issue (as defined in the SEBI ICDR Regulations in the past. No action has been taken against Our Company by any Stock Exchange or by SEBI.

Our Company is not a sick company within the meaning of the term as defined in the Sick Industrial Companies (Special Provisions) Act, 1985. Our Company is not under winding up nor has it received a notice for striking off its name from the relevant Registrar of Companies.

Fund raising through equity or debt:

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled '*Financial Information*' and '*Capital Structure*' beginning on page number 91 and 32, respectively, of the Draft Prospectus.

Revaluation of assets:

Our Company has not revalued its assets since its incorporation.

Changes in the activities of Our Company having a material effect

Other than the above, there has been no change in the activities being carried out by our Company during the preceding five years from the date of the Draft Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Injunctions or Restraining Orders:

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

Mergers and acquisitions in the history of our Company

There has been no merger or acquisition of businesses or undertakings in the history of our Company.

Defaults or Rescheduling of borrowings with financial institutions/banks:

There have been no Defaults or Rescheduling of borrowings with financial institutions/banks.

Strikes and lock-outs:

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

Time and cost overruns in setting up projects:

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

Shareholders' agreement:

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

Other Agreements:

Our Company does not have any other agreement as on the date of the Draft Prospectus.

Strategic Partners:

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

Financial Partners:

As on the date of the Draft Prospectus, apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than three (3) Directors and not more than twelve (12) Directors on its Board. As on date of the Draft Prospectus, our Board consist of 4 (Four) Directors. Mr. Manoj Kumar is the Whole Time Director of our Company. Further, in compliance with the requirements of Clause 52 of the SME Equity Listing Agreement, our Board consist of 2 (Two) independent Directors.

The Board of Directors of our Company

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

| Sr. No. | Name, Designation, Address, Nationality, Age, Occupation and DIN | Date of Appointment as Director and Term of Office | Other Directorships |
|---------|--|---|---|
| 1. | Manoj Kumar S/o Mr. Kishan Kumar <i>Designation:</i> Whole Time Director <i>(Executive and Non-Independent)</i> <i>Address:</i> T-49, Goushala Marg, Rattan Nagar, New Rohtak Road, Karol Bagh, New Delhi - 110 005. <i>Age:</i> 37 years <i>Occupation:</i> Business <i>DIN:</i> 06590962 | <i>Date of appointment:</i> Appointed as Whole Time Director with effect from June 20, 2013 <i>Term:</i> For a period of 5 years. | <i>Public Limited Companies:</i> <ul style="list-style-type: none"> • SSD Real Estate Developers Private Limited <i>Private Limited Companies:</i> <ul style="list-style-type: none"> • Nil |
| 2. | Arun Kumar Chalukya S/o Mr. Shyam Sunder <i>Designation:</i> Director <i>(Non Executive and Non-Independent)</i> <i>Address:</i> 567, West Guru Angad Nagar, Laxmi Nagar, Delhi – 110092, India <i>Age:</i> 44 years <i>Occupation:</i> Business <i>DIN:</i> 05167558 | <i>Date of appointment:</i> Appointed as Non Executive Director with effect from June 26, 2013 <i>Term:</i> Liable to retire by rotation. | <i>Public Limited Companies:</i> <ul style="list-style-type: none"> • Nil <i>Private Limited Companies:</i> <ul style="list-style-type: none"> • Nil |
| 3. | Aayush Golash S/o Mr. Sushil Golash <i>Designation:</i> Director <i>(Non Executive and Independent)</i> <i>Address:</i> 3/3, J Extension, Gali No. 6, Murti Wali Gali, Laxminagar, Shakarpur Baramad, Shakarpur, New Delhi – 110 092. | <i>Date of appointment:</i> Appointed Director with effect from June 26, 2013 <i>Term:</i> Liable to retire by rotation. | <i>Public Limited Companies:</i> <ul style="list-style-type: none"> • Nil <i>Private Limited Companies:</i> <ul style="list-style-type: none"> • Nil |

| | | | |
|----|--|--|---|
| | Age: 23 years Occupation: Business DIN: 06617481 | | |
| 4. | Vinay Kumar S/o Mr. Ramesh Chand Designation: Director (Executive and Independent) Address: D-50, Block D, Ali Vihar, New Delhi – 110 076 Age: 28 years Occupation: Service DIN: 06617479 | Date of appointment: Appointed Director with effect from June 26, 2013 Term: Liable to retire by rotation. | Public Limited Companies: • Nil Private Limited Companies: • Nil |

Note:

- 1) None of the above mentioned Directors are on the RBI List of willful defaulters as on the date of the Draft Prospectus.
- 2) None of the Promoters, persons forming part of our Promoter Group, our Directors or persons in control of our Company or our Company are debarred by SEBI from accessing the capital market.
- 3) None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Brief Profile of the Directors of our Company

Mr. Manoj Kumar, aged 37 Years, is the Whole Time Director of our Company. He has completed his Bachelors in Arts from Delhi University. He is having an experience of over 10 Years in buying and selling of properties. He looks after the day to day business and operations of our Company

Arun Kumar Chalukya, aged 44 Years, is the Non Executive Director of our Company. He has completed his Bachelors in Commerce from Delhi University. Further, he is having an experience of over 20 Years in the field of real estate development and logistics sector. He was appointed as Non Executive Director of our Company from June 26, 2013.

Mr. Vinay Kumar, aged 23 years, is a non-executive independent Director of our Company. He holds a bachelors' degree Commerce from the Delhi University. He has worked with accounts department of Tata Motors. experience of 5 years in field of finance and accounts. He was appointed as an Independent Director of our Company from June 26, 2013.

Mr. Ayush Golash, aged 23 years, is a non-executive independent Director of our Company. He has completed his Bachelors in Computer Application from Guwahati University. He is having a family business of of Property dealings and real estate development and his experience in this field comes naturally to him. He was appointed as an Independent Director of our Company from June 26, 2013.

Family relationship between Directors

None of our Directors are related to each other within the meaning of Section 6 of the Companies Act, 1956.

Borrowing power of the Board

The borrowing powers of our Board are regulated by the provisions of the Articles of Association of our Company.

Pursuant to a special resolution passed at the Extra Ordinary General Meeting of our shareholders held on June 17, 2013 our Directors were authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to time, pursuant to the provisions of Section 293(1)(d) of the Companies Act, subject to an amount not exceeding ₹ 25 crores.

For further details of the provisions of our Articles of Association regarding borrowing powers, please refer to the chapter titled ‘Main Provisions of the Articles of Association’ beginning on page number 149 of the Draft Prospectus.

Terms and Conditions of Employment of the Directors

i. Whole Time Director

Manoj Kumar

Manoj Kumar is the Whole Time Director of our Company. He was designated as the Whole Time Director for a term of 5 years commencing w.e.f. June 20, 2013 vide an EGM resolution dated June 17, 2013. The remuneration payable to Manoj Kumar towards salary (inclusive of perquisites, performance bonus and allowances) in terms of the EGM resolution shall not exceed ₹ 25,000 per month.

ii. No remuneration is payable to Mr. Arun Kumar Chalukya being Non Executive Director of our Company.

iii. Independent Directors

Our independent Directors are not entitled to any sitting fees for attending meetings of the Board, or of any committee of the Board.

Shareholding of Directors in our Company

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of the Director of our Company. The following table details the shareholding in our Company of our Directors in their personal capacity, as on the date of the Draft Prospectus:

| Sr. No. | Name of the Directors | No. of Equity Shares held | % of pre-issue paid-up Equity Share capital in our Company |
|---------|-------------------------|---------------------------|--|
| 1. | Mr. Manoj Kumar | 10,000 | 0.08% |
| 2. | Mr. Arun Kumar Chalukya | 41,11,458 | 32.25% |

Details of current and past directorship(s) in listed companies whose shares have been / were suspended from being traded on the BSE / NSE and reasons for suspension

None of our Directors is / was a Director in any listed company during the last five years before the date of filing this Draft Prospectus, whose shares have been / were suspended from being traded on the Bombay Stock Exchange Ltd (BSE) and National Stock Exchange (NSE).

Details of current and past directorship(s) in listed companies which have been/ were delisted from the stock exchange(s) and reasons for delisting

None of our Directors are currently or have been on the board of directors of a public listed company whose shares have been or were delisted from being traded on any stock exchange.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Whole Time Director of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association. Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees.

All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and Promoters, pursuant to this Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Director himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations.

Interest in promotion of our Company

Except for Mr. Manoj Kumar, Mr. Arun Kumar Chalukya and Mr. Rajesh Kumar Chauhan, being promoters and to the extent to remuneration received/to be received, none of our Directors have any interest in the promotion of our Company.

Interest in the property of our Company

Our Directors have no interest in any property acquired or proposed to be acquired by our Company in the preceding two years from the date of the Draft Prospectus nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of our Company

Further, save and except as stated otherwise in “*Statement of Transactions with Related Parties*” in the chapter titled “*Financial Information*” beginning on page number 91 of the Draft Prospectus, our Directors do not have any other interests in our Company as on the date of the Draft Prospectus. Our Directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

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

Details of Service Contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

No Director has received or is entitled to any contingent or deferred compensation.

Changes in the Board for the last three years

Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years:

| Name of Director | Date of Appointment | Date of Cessation | Reason for Change |
|-------------------------|---------------------|-------------------|---|
| Vivek Kumar Jain | March 12, 2010 | April 1, 2010 | Resignation |
| Dinesh Pandey | March 12, 2010 | October 1, 2011 | Resignation |
| Nitin Kumar Jain | April 1, 2010 | June 5, 2013 | Resignation |
| Sushil Kumar | May 11, 2010 | June 5, 2013 | Resignation |
| Rajesh Kumar Chauhan | October 1, 2012 | June 26, 2013 | Resignation |
| Mr. Manoj Kumar | June 20, 2013 | | Change in Designation as Whole Time Director |
| Mr. Arun Kumar Chalukya | June 26, 2013 | | Change in Designation to Non Executive Director |
| Mr. Vinay Kumar | June 26, 2013 | | Appointed to Broad Base the Board |
| Mr. Aayush Golash | June 26, 2013 | | Appointed to Broad Base the Board |

Corporate Governance

The provisions of the listing agreements to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI ICDR Regulations in respect of corporate governance become applicable to our Company at the time of seeking in-principle approval of the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 52 of such Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as Audit Committee, Remuneration and Shareholder / Investors Grievance Committee. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. Further, our Company undertakes to take all necessary steps to comply with all the requirements of Clause 52 of the Listing Agreement to be entered into with the Stock Exchanges.

Composition of Board of Directors

The Board of Directors of our Company has an optimum combination of executive and non-executive Directors as envisaged in Clause 52 of the Listing Agreement. Our Board has 4 Directors out of which two are independent directors in accordance with the requirement of Clause 52 of the Listing Agreement.

In terms of Clause 52 of the Listing Agreement, our Company has constituted the following Committees of the Board:

1. Audit Committee
3. Shareholders/Investors Grievance Committee

To enable efficient functioning with regards to the activities relating to this Issue we have constituted an Initial Public Offer (IPO) Committee.

1. Audit Committee

The Audit Committee was reconstituted *vide* Board resolution dated June 26, 2013 pursuant to Section 292A of the Companies Act and clause 52 of the Listing Agreement. As on the date of the Draft Prospectus the Audit Committee consists of the following Directors:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|-----------------------------|-------------------------------------|-----------------------------------|
| Mr. Vinay Kumar | Chairman | Non-executive and Independent |
| Mr. Aayush Golash | Member | Non-Executive and Independent |
| Mr. Arun Kumar Chalukya | Member | Non-Executive and Non Independent |

Our Company Secretary, Ms. Shubhra Aggarwal is the secretary of the Audit Committee.

The terms of reference of our Audit Committee are given below:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to the statutory auditors for any other services rendered by the statutory auditors.
4. Appointment, removal and terms of remuneration of internal auditor.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference, but not restricted to:
 - a. Matters required to be included in the Director's Responsibility Statement' to be included in our Board's report in terms of Clause (2AA) of Section 217 of the Companies Act;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to the financial statements;
 - f. Disclosure of any related party transactions;
 - g. Qualifications in the draft audit report.
6. Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval, including such review as may be required for compliance with provisions of the listing agreement entered into with the Stock Exchanges;
7. Monitoring the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
8. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
9. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
10. Reviewing management letters / letters of internal control weaknesses issued by the statutory auditors;
11. Discussing with internal auditors on any significant findings and follow up thereon.
12. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
13. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.
15. To review the functioning of the 'whistle blower' mechanism, when the same is adopted by our Company and is existing.
16. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
17. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and to carry out any other function statutorily required to be carried out by the Audit Committee as per applicable laws;
18. The Audit Committee shall mandatorily review the following information:
 - a. Management discussion and analysis of financial information and results of operations;
 - b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c. Management letters / letters of internal control weaknesses issued by the statutory auditors;

- d. Internal audit reports relating to internal control weaknesses; and
 - e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
19. Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per Clause 52 of Listing Agreement

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least four times in a year and not more than four months will elapse between two meetings. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

2. Shareholders/ Investors Grievance Committee

The Shareholders/ Investors Grievance Committee has been formed by the Board of Directors at the meeting held on June 26, 2012. As on the date of the Draft Prospectus the Shareholders/ Investors Grievance Committee consists of the following Directors:

| Name of the Director | Designation in the Committee | Nature of Directorship |
|-------------------------|------------------------------|-----------------------------------|
| Mr. Arun Kumar Chalukya | Chairman | Non-executive and Non-Independent |
| Mr. Vinay Kumar | Member | Non-executive and Independent |
| Mr. Aayush Golash | Member | Non-executive and Independent |

Our Company Secretary, Ms. Shubhra Aggarwal is the secretary of the Shareholders/ Investors Grievance Committee.

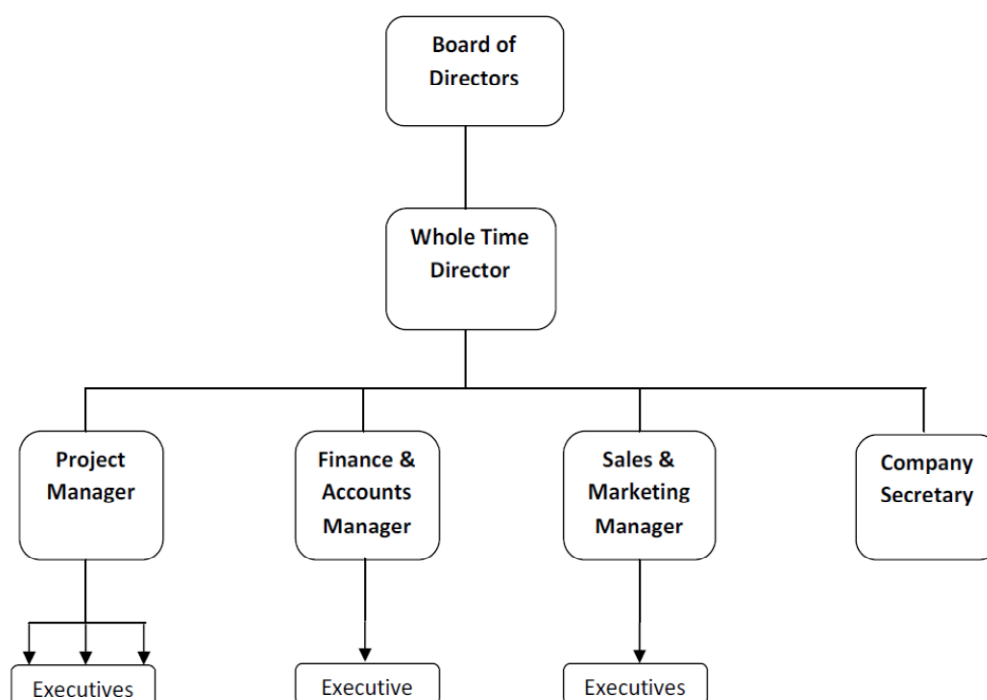
This Committee will address all grievances of Shareholders and Investors in compliance of the provisions of Clause 52 of the Listing Agreements with the Stock Exchanges and its terms of reference include the following:

- Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- Redressal of shareholders and investor complaints in relation to transfer of shares, allotment of shares, non-receipts of the refund orders, right entitlement, non-receipt of Annual Reports and other entitlements, non-receipt of declared dividends etc;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares
- Issue of duplicate / split / consolidated share certificates;
- Allotment and listing of shares;
- Review of cases for refusal of transfer / transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- Ensure proper and timely attendance and redressal of investor queries and grievances.
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of all the above powers.

Policy on Disclosures and Internal Procedure for Prevention of Insider Trading

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of our Company's shares on the Stock Exchanges. Our Company Secretary, Shubhra Aggarwal, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of price sensitive information and in the implementation of the code of conduct under the overall supervision of the Board.

Management Organisation Chart



Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified professionals, who are permanent employees of our Company. Below are the details of the Key Managerial Personnel of our Company:

Mr. Shyam Sunder, aged 58 years, is the Project Manager of our Company. He has done his Diploma in Electrical Engineering from Board of Technical Education, Delhi and a BBA from Annamalai University. Prior to joining our Company in April 2011 he worked as a freelancer on infra-development projects. He currently overlooks end to end execution of the projects undertaken by our Company. He was paid a remuneration of ₹ 2.88 Lacs in the Fiscal 2013 by our Company.

Mr. Atul Kumar, aged 33 years, is the Head – Sales & Marketing of our Company. He has completed his B.Com from Allahabad University. He joined our Company in May 2011. At present, he is responsible for marketing our products as well as projects. He has previously worked in marketing department of Sturdia Developers Pvt. Ltd. He was paid a remuneration of ₹ 1.62 Lacs in the Fiscal 2013 by our Company.

Mr. Monoj Singh, aged 40 years, is the Head – Finance & Accounts of our Company. He is a commerce graduate from LNM Darbhanga University. At present, he is responsible for finalisation of accounts and taxation matters. He has over a decade of experience in handling accounts of real estate companies. Prior to joining our company in May 2011 he has worked with Ocean Infrastructure Limited. He was paid a remuneration of ₹ 2.10 Lacs in the Fiscal 2013 by our Company.

Ms. Shubhra Aggarwal, aged 24 years, is the Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary from the Institute of Company Secretaries of India. She has approximately 2 years of experience in legal and secretarial matters. Prior to joining our Company, she has worked as management Trainee with Sonear Industries Limited and was Company secretary of Citurgia Bio Chemicals Limited. At present, she is responsible for looking after the secretarial matters of our Company. No remuneration was paid to her in the Fiscal 2013 by our Company as she joined our Company in June 2013.

Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.
- There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.
- None of the key managerial personnel, are “related” to the Promoters or Directors of our Company within the meaning of Section 6 of the Companies Act.

Details of Service Contracts of our Key Managerial Personnel

Our key managerial personnel have not entered into any other contractual arrangements with our Company.

Bonus and/ or Profit Sharing Plan for the Key Managerial Personnel

Our Company does not have any bonus and / or profit sharing plan for the key managerial personnel.

Contingent and Deferred Compensation payable to Key Managerial Personnel

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

Shareholding of the Key Managerial Personnel

None of our Key Managerial Personnel are holding any Equity Shares in our Company as on the date of the Draft Prospectus.

Interest of Key Managerial Personnel

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Changes in our Company’s Key Managerial Personnel during the last three years

Following have been the changes in the Key Managerial Personnel during the last three years:

| Sr. No. | Name | Date of Joining | Date of Leaving | Reason |
|---------|----------------------|-----------------|-------------------|-------------|
| 1. | Ms. Shubhra Aggarwal | June 18, 2013 | -- | Appointment |
| 2. | Mr. Monoj Singh | May 1, 2011 | -- | Appointment |
| 3. | Mr. Atul Kumar | May 1, 2011 | -- | Appointment |
| 4. | Mr. Shyam Sunder | April 8, 2011 | -- | Appointment |
| 5. | Mr. Vikas Kumar | April 2, 2010 | March 29, 2011 | Resigned |
| 6. | Mr. Vinod Gupta | August 16, 2010 | February 22, 2011 | Resigned |
| 7. | Mr. Sujit Gupta | May 20, 2010 | April 30, 2011 | Resigned |

Scheme of Employee Stock Options or Employee Stock Purchase

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

Employees

As on June 15, 2013, our Company has 11 employees. For details of the Employees/ Manpower of our Company, please refer to the paragraph titled ‘Manpower’ under the chapter titled ‘Our Business’ beginning on page number 64 of the Draft Prospectus.

Loans to Key Managerial Personnel

There are no loans outstanding against the key managerial personnel as on the date of the Draft Prospectus.

Payment of Benefits to officers of our Company (non-salary related)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Information*” and the chapter titled “*Our Business*” beginning on pages 91 and 64 of the Draft Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of the Draft Prospectus.

Retirement Benefits

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

OUR PROMOTERS AND PROMOTER GROUP

OUR PROMOTERS

The Promoters of our Company are:

Individual Promoter:

1. Mr. Manoj Kumar
2. Mr. Arun Kumar Chalukya
3. Mr. Rajesh Kumar Chauhan

Corporate Promoter:

4. SSD Real Estate Developers Private Limited

Brief profile of our Promoters is as under:



Mr. Manoj Kumar, aged 37 Years, is the Whole Time Director of our Company. He has completed his Bachelors in Arts from University of Delhi. He is having an experience of over 10 Years in buying and selling of properties. He looks after the day to day business and operations of our Company and is responsible of putting into action, the growth plans as prepared by our Board of Directors.

Passport No: N.A.

Driving License: DL-0620090014611

Voters ID: RJN0438234

PAN: AKVPK5680R

Address: T-49, Goushala Marg, Rattan Nagar, New Rohtak Road, Karol Bagh, New Delhi - 110 005.

For further details relating to Manoj Kumar, including terms of appointment as our Whole Time Director and other directorships, please refer to the chapter titled “*Our Management*” beginning on page number 73 of the Draft Prospectus.



Arun Kumar Chalukya, aged 44 Years, is the Non Executive Director of our Company. He has completed his Bachelors in Commerce from Delhi University. Further, he is having an experience of over 20 Years in the field of real estate development and logistics sector. He guides our Company through his experience and is instrumental in preparing our growth strategies.

Passport No: N.A.

Driving License: DL-0719980033593

Voters ID: LLC0896159

PAN: ADGPC0154L

Address: 567, West Guru Angad Nagar, Laxmi Nagar, Delhi – 110092, India



Rajesh Kumar Chauhan aged 45 Years, is the Promoter of our Company. He has completed his Bachelors in Arts from Delhi University. Further, he is having an experience of over 15 Years and has worked in the Automobile Marketing Industry. Currently he is a self employed and involved in real estate dealing He guides our Company through his experience and helps us at strategic level.

Passport No: N.A.

Driving License: P07072008449970

Voters ID: NBJ1224229

PAN: AEUPC8826N

Address: C-5, Block C, New Govind Pura, New Delhi - 110051

Declaration

Our Company hereby confirms that the personal details of our Individual Promoters viz., Permanent Account Number, Passport Number, and Bank Account Number will be submitted to BSE, at the time of filing this Draft Prospectus with them.

CORPORATE PROMOTER**1. SSD Real Estate Developers Private Limited (“SSD”)*****Corporate Information***

SSD was incorporated on June 22, 2006 under the Companies Act, 1956 with the Registrar of Companies, N.C.T. of Delhi & Haryana, Delhi. The Corporate Identification Number of SSD is U70109HR2006PTC036216.

The registered office of SSD is situated at SCF-9, First Floor, Sector 14, Huda Market, Faridabad – 121006, Haryana.

Mr. Nirbhay Shankar Gupta and Mrs. Vinita Gupta are the promoters of SSD. SSD is an unlisted company. There has been no change in the control or management of SSD in the preceding three years prior to the date of this Draft Prospectus.

Current Nature of Activities

SSD has not started commercial operation till date.

Board of Directors

The board of directors of SSD as on date of this Draft Prospectus is as follows:

| Sr. No. | Name | Designation |
|---------|---------------------------|-------------|
| 1. | Mr. Manoj Kumar | Director |
| 2. | Mr. Nirbhay Shankar Gupta | Director |

Shareholding Pattern

The shareholding pattern of SSD as on date of this Draft Prospectus is as follows:

| Sr. No. | Name of Shareholders | Number of Shares | Percentage of share capital (%) |
|--------------|---------------------------|------------------|---------------------------------|
| 1 | Mr. Manoj Kumar | 5,500 | 55 |
| 2 | Mr. Nirbhay Shankar Gupta | 2,500 | 25 |
| 3 | Mrs. Vinita Gupta | 2,000 | 20 |
| Total | | 10,000 | 100.00 |

Audited Financial Information

(₹ in lacs)

| Particulars | For the period ended March 31 | | |
|---|-------------------------------|------|------|
| | 2012 | 2011 | 2010 |
| Authorised Capital | 1.00 | 1.00 | 1.00 |
| Equity Capital | 1.00 | 1.00 | 1.00 |
| Share Application Money Pending Allotment | 0.00 | 0.00 | 0.00 |
| Reserves and Surplus | 0.00 | 0.00 | 0.00 |

| | | | |
|---|-------|-------|-------|
| P&L Dr. Balance | 0.18 | 0.17 | 0.14 |
| Misc. Expenditure to the extent not written off | 0.00 | 0.00 | 0.02 |
| Total Income | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) after tax | -0.01 | -0.03 | -0.03 |
| Earnings per share (Rs.) | -0.10 | -0.34 | -0.34 |
| Net Asset Value Per Share (Rs.) | 8.20 | 8.30 | 8.36 |
| Face Value | 10.00 | 10.00 | 10.00 |

Other disclosures:

SSD has not made any public issues or rights issue in the preceding three years prior to the date of this Draft Prospectus. SSD is not a 'sick company' as defined in SICA nor have winding up proceedings been initiated against SSD.

SSD currently holds 10,000 Equity Shares i.e. 0.08% of the Pre-Issue Equity Share holding in our Company.

Declaration

Our Company confirms that the PAN, bank account number, the company registration number of our Corporate Promoters and the address of the Registrar of Companies where our Corporate Promoters are registered will be submitted to the Stock Exchanges, at the time of the filing of this Draft Red Herring Prospectus with the Stock Exchanges.

Our Promoters and the members of our Promoter Group have not been debarred from accessing the capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. None of our Promoters was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies have been declared as a willful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against him.

INTEREST OF PROMOTERS*Interest in promotion of our Company*

Our Promoters are interested in the promotion of our Company in their capacity as a shareholder of our Company and influencing significant control over the management and policy decisions of our Company.

Interest in the property of our Company

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Draft Prospectus.

Interest as member of our Company

Our Promoters jointly hold 47,00,000 Equity Shares aggregating to 36.86% each of pre-Issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Manoj Kumar and as given in the chapter titled "Our Management" beginning on page number 73 of the Draft Prospectus, our Promoters hold no other interest in our Company.

Interest as a creditor of our Company

As on the date of the Draft Prospectus our Company has not availed any secured loan from the Promoters of our Company.

Interest as Director of our Company

Except as stated in the “*Statement of Related Party Transactions*” beginning on page number 102 of the Draft Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AoA.

Interest in transactions involving acquisition of land

Our Promoters is not currently interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Other Ventures of our Promoters

Save and except as disclosed in the chapters titled ‘*Our Group Entities*’ beginning on page 88 of the Draft Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XV on page number 102 of the section titled “*Financial Information*” beginning on page number 91 of the Draft Prospectus.

Our Promoter Group:

Our Promoters and Promoter Group in terms of Regulation 2(1)(za) and 2(1)(zb) of the SEBI (ICDR) Regulations is as under:

i. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations form part of our Promoter Group:

| Relationship | Manoj Kumar | Arun Kumar Chalukya | Rajesh Kumar Chauhan |
|-------------------------|--------------------|--|--|
| Father | Mr. Kishan Kumar | Mr. Shyam Sunder | Mr. Kamal Singh Chauhan |
| Mother | Mrs. Dallo Devi | Mrs. Bhagwati Devi | Mrs. Bimala Devi |
| Spouse | Mrs. Neeraj Kumari | Mrs. Kamal Chalukya | Mrs. Anita Chauhan |
| Brother | -- | Mr. Vimal Chalukya | -- |
| Brother's wife | -- | Mrs. Neelam Chalukya | -- |
| Sister | -- | Mrs. Kusham Singh | Mrs. Usha Chauhan Mrs. Rena Verma |
| Sister's Husband | -- | Mr. Vijay Singh | Mr. Yoginder Chauhan Mr. Atul Verma |
| Son | Aryan kumar | Mr. Nitin Chalukya | Mr. Abhishek Mr. Hitesh |
| Daughter | -- | Ms. Parul Chalukya Ms. Sweta Chalukya | -- |
| Spouse's father | Mr. Ram Prasad | Late Mr. Jyoti Swaroop | LATE Jyoti Swaroop |
| Spouse's mother | Mrs. Raj Wati | Late Mrs. Nirmala Devi | LATE Nirmala Devi |
| Spouse's brother | Sunil Kumar | Mr. Rajesh Kumar Chauhan | |
| Spouse's sister | -- | Mrs. Anita Chauhan | Mrs.Kamal Chalukya |

ii. Entities forming part of the Promoter Group**i. Companies****ii. Hindu Undivided Family: Nil**

iii. Partnership Firms: Nil

iv. Proprietary Concerns: Nil

Relationship of Promoters with our Directors

Mr. Arun Kumar Chalukya is the Brother in Law of Mr. Rajesh Kumar Chauhan.

Changes in our Promoters

Our Company was initially promoted by Mr. Vivek Kumar Jain and Mr. Dinesh Pandey. Mr. Nitin Kumar Jain and Mr. Sushil Kumar became the Directors of our Company in April and May 2010 respectively and acquired the Equity Shares from erstwhile promoters in October 2011. Our Current Promoters acquired our Company on October 1, 2012.

OUR GROUP ENTITIES

As on the date of the Draft Prospectus, there are no entities that are promoted by our Promoters (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) form part of our Group Entities and thus, are our Group Companies as defined under SEBI ICDR Regulations.

Companies / Firms from which the Promoters have disassociated themselves in last 3 (three) years

Our Promoters were the promoters of following companies:

- **Chalukya Management Consultancy Private Limited**

The above Company was promoted by our Promoters, Arun Kumar Chalukya and Rajesh Kumar Chauhan. However our Promoters disassociated from above company in September 2012 since they wanted to focus on their other business.

Negative Net Worth

None of our Group Entities have negative net worth as on the date of the Draft Prospectus.

Related Party Transactions and sales and purchases between our Company and Group Entities

For details of related party transactions entered into by our Company, please refer to “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XV on page number 102 of the section titled “*Financial Information*” beginning on page number 91 of the Draft Prospectus.

Common Pursuits

The Promoters / any member of Promoter Group do not have interest in any venture that is involved in any activities similar to those conducted by our Company.

Other Confirmations

Business interest of Group Entities in our Company

Except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XV on page number 102 of the section titled “*Financial Information*” beginning on page number 91 of the Draft Prospectus and under the paragraph titled ‘*Other Agreements*’ under the chapter titled ‘*History and Certain Corporate Matters*’ beginning on page number 69 of the Draft Prospectus, none of our Group Entities / Subsidiary / associate companies have business interests in our Company.

Interest in sales and purchases

Except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XV on page number 102 of the section titled “*Financial Information*” beginning on page number 91 of the Draft Prospectus, there have been no sales and purchases between us and our Group Entities, Subsidiary and associate companies, when such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Interest in promotion of Our Company

None of our Group Entities were interested in the promotion of our Company.

Interest in the property of Our Company

Our Group Entities do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of the Draft Prospectus.

Interest in the transaction involving acquisition of land

None of our Group Entities were interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.

Further, our Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or currently pending against them. None of our Group entities has been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

Litigation

For details relating to legal proceedings involving the Promoters and our Group Entities, please refer to the chapter titled ‘*Outstanding Litigations and Material Developments*’ beginning on page number 111 of the Draft Prospectus.

Payment or Benefit to our Group Entities

Except as stated in the “*Statement of Related Party Transactions*”, as Restated appearing as Annexure XV on page number 102 of the section titled “*Financial Information*” beginning on page number 91 of the Draft Prospectus, there has been no payment of benefits to our Group Entities during the two years prior to the filing of the Draft Prospectus.

DIVIDEND POLICY

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the Annual General Meeting. The shareholders of our Company have the right to decrease not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends.

The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has no formal dividend policy. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares. Our Company has not declared any dividends in last 5 fiscal years.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INFORMATION

Auditors Report

RESTATED AUDITORS REPORT AND FINANCIAL INFORMATION OF OUR COMPANY

**The Board of Directors,
VKJ Infradevelopers Limited**
B-25, First Floor,
Dayanand Colony,
Lajpat Nagar,
New Delhi – 110024

Subject: Financial Information of VKJ Infradevelopers Limited

Dear Sir,

We have examined the financial information of VKJ Infradevelopers Limited annexed to this report, initialed by us for identification, which has been prepared in accordance with the requirements of:

- I. Paragraph B, of Part II of Schedule II of the Companies Act, 1956 (the Act”), and the amendments thereof
- II. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement Regulation) 2009 issued by the Securities and Exchange Board of India (“SEBI”) and amendments made thereto from time to time in pursuance of section 11 of the Securities and Exchange Board of India Act, 1992; and
- III. Our engagement with the Company requesting us to examine the financial information referred to above and proposed to be included in the offer document of the Company in connection with its Proposed Issue.
- IV. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of the VKJ Infradevelopers Limited, we, M/s. S.C. Garg & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the ‘Peer Review Board’ of the ICAI.
- V. Audit of the financial statements for the period ended February 28, 2013 and financial years ended 31st March 2012 has been conducted by Company’s Statutory Auditor, M/s Thakur Saroj & Co, Chartered Accountants. Audit of the financial statements for the financial year ended 31st March 2011 has been conducted by Company’s then Statutory Auditor, M/s Pankaj Arun Kumar & Co, Chartered Accountants. Audit of the financial statements for the financial year ended 31st March 2010 has been conducted by Company’s then Statutory Auditor, M/s Deepak S Garg & Associates, Chartered Accountants.

Further, financial statements for the year ended 31st March 2012 and period ended February 28, 2013 have been re-audited by us as required under the SEBI ICDR Regulations. This report, in so far as it relates to the amounts included for the financial years ended 31st March 2011 and 31st March 2010 is based on the audited financial statements of the Company which were audited by the Statutory Auditors and whose Auditors’ report has been relied upon by us for the said periods.

- VI. The Proposed public issue will be for a fresh issue by the company of equity shares of Rs. 10 each, at such premium, by way of fixed price process, as may be decided by the Board of Directors (referred to as ‘the issue’).
- VII. Financial Information of the Company

We have examined:

1. The attached summary statement of Restated Assets & Liabilities of the Company as at March 31,

2010, 2011 and 2012 and as at February 28, 2013 as prepared by the company and approved by the Board of Directors. (Annexure - I).

2. The accompanying summary statement of Restated Profits & Losses of the Company for the financial years ended March 31, 2010, 2011 and 2012 and for the period ended February 28, 2013 as prepared by the Company and approved by the Board of Directors. (Annexure – II)
3. The accompanying summary statement of cash flow of the company for the financial year ended March 31, 2010, 2011 and 2012 and for the period ended February 28, 2013 as prepared by the Company and approved by the Board of Directors (Annexure – III)

These statements reflect the Assets and Liabilities and Profit and Losses for each of the relevant years as extracted from the balance sheet and profit and loss account for those years. These financial statements for all the years have been approved by the Board of Directors of the Company and adopted by the members of the Company for the respective years. The Restated financial statements have been made after making such adjustments and regroupings and after incorporating material amounts and auditor's qualification requiring adjustments as in our opinion are appropriate and are described fully in the Notes appearing in Annexure V to this report.

- VIII. Based on our examination of these summary statements we confirm that the restated financial information has been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations, and after incorporating:
 - a. Adjustments suggested in paragraph 9 of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations,
 - b. The prior period items which are required to be adjusted are properly stated.
 - c. There are no extra-ordinary items that need to be disclosed separately in the accounts.
 - d. The accounting policies applied for each of the years ended March 31, 2010, 2011 and 2012 and for the period ended February 28, 2013 is materially consistent with the existing Accounting Standards. (Annexure IV) except stated otherwise in Annexure-XIX
 - e. The Restated profits have been arrived at after charging all expenses including depreciation and after making such adjustments and regrouping as in our opinion are appropriate in the year to which they are related as described in restated Financial Statement.
 - f. There was no qualification in the audit reports issued by the statutory auditors for the respective years which would require adjustment in these Restated Financial Statements
 - g. Other Financial information

We have also examined the following financial information relating to the Company prepared by the management and approved by the Board of Directors for the purpose of inclusion in the Offer Document :-

- i. Statement of Other Income as appearing in Annexure VI to this report.
 - ii. Statement of Accounting & Other Ratios as appearing in Annexure VII to this report.
 - iii. Statement of Capitalization of the company as appearing in Annexure VIII to this report.
 - iv. Statement of Tax Shelters as appearing in Annexure IX to this report.
 - v. Statement of Secured Loans as appearing in Annexure X to this report.
 - vi. Statement of Unsecured Loans as appearing in Annexure XI to this report.
 - vii. Statement of Sundry Debtors as appearing in Annexure XII to this report.
 - viii. Statement of Loans and Advances as appearing in Annexure XIII to this report.
 - ix. Statement of Contingent Liabilities & Capital Commitments as appearing in Annexure XIV to this report.
 - x. Statement of Related Party Transaction as appearing in Annexure XV to this report.
 - xi. Statement of Dividend paid as appearing in Annexure XVI to this report
 - xii. Statement of Investments as appearing Annexure XVII to this report.
 - xiii. Details of Qualification in Auditors Report as Appearing in Annexure XVIII to this report
 - xiv. Details of Changes in significant Policies as Appearing in Annexure XIX to this report
- IX. In our opinion, the above financial information of the Company read with Significant Accounting Policies & Notes to Accounts attached in Annexure IV & V to this report, after making adjustments and regrouping as considered appropriate has been prepared in accordance with Part II of the Schedule II of the Act and the SEBI (ICDR) Regulations issued by SEBI, as amended from time to time subject to and read with other notes.

- X. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or other statutory auditor, nor should this report be construed as a new opinion on any of the financial statements referred therein.
- XI. This report is intended solely for your information and for inclusion in the Offer document in connection with the issue of Equity shares of the Company and is not be used, referred to or distributed for any other purpose without our written consent.

Thanking you

For M/s S.C. Garg & Associates
Chartered Accountants

M. No.: 085615
FRN : 006873N

Place : New Delhi
Date : 06.June.2013

Annexure - I**Statement of Assets and Liabilities (As Restated)***(₹ in Lacs)*

| Particulars | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|--|-----------------|-----------------|-----------------|-----------------|
| Non-Current Assets | | | | |
| a) Fixed Assets | | | | |
| Tangible Assets | 12.23 | 2.22 | 2.73 | 0.00 |
| Capital Work -in-Progress | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Fixed Assets (a) | 12.23 | 2.22 | 2.73 | 0.00 |
| b) Non Current Investments | 859.05 | 896.00 | 140.00 | 0.00 |
| c) Long Term Loans and Advances | 219.13 | 97.81 | 103.68 | 0.00 |
| d) Deferred Tax Asset | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Non Current Assets | 1,090.41 | 996.03 | 246.41 | 0.00 |
| Current assets | | | | |
| Current Investments | 0.00 | 0.00 | 0.00 | 0.00 |
| Inventories | 0.00 | 0.00 | 0.00 | 0.00 |
| Trade Receivables | 53.02 | 0.00 | 0.00 | 0.00 |
| Cash and Cash Equivalents balances | 0.82 | 3.72 | 9.13 | 1.00 |
| Short Term Loans and advances | 20.25 | 0.00 | 0.69 | 0.00 |
| Other Current Assets | 1.52 | 3.17 | 0.00 | 0.00 |
| Total Current Assets | 75.61 | 6.89 | 9.82 | 1.00 |
| Total Assets | 1,166.02 | 1,002.92 | 256.23 | 1.00 |
| Non Current Liabilities | | | | |
| Long Term Borrowings | 0.00 | 452.92 | 0.00 | 0.00 |
| Long term provisions | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Long Term Liabilities | 0.00 | 0.00 | 13.52 | |
| Deferred Tax Liability | 0.44 | 0.13 | 0.09 | 0.00 |
| Total Non Current Liabilities | 0.44 | 453.05 | 13.61 | 0.00 |
| Current Liabilities | | | | |
| Short Term Borrowings | 172.53 | 0.00 | 0.00 | 0.00 |
| Trade Payables | 22.78 | 0.00 | 0.00 | 0.00 |
| Other Current Liabilities | 424.38 | 7.35 | 134.12 | 0.65 |
| Short Term Provisions | 1.87 | 2.36 | 0.69 | 0.00 |
| Total Current Liabilities | 621.56 | 9.71 | 134.81 | 0.65 |
| Net worth | 544.02 | 540.15 | 107.81 | 0.35 |
| Represented by | | | | |
| Share capital | | | | |
| -Equity Share Capital | 522.98 | 20.11 | 11.57 | 1.00 |
| -Preference Share Capital | 0.00 | 0.00 | 0.00 | 0.00 |
| Total(a) | 522.98 | 20.11 | 11.57 | 1.00 |
| Reserves and surplus | | | | |
| P&L Account | 10.09 | 6.23 | 1.11 | -0.65 |
| Less: Revaluation Reserve | 0.00 | 0.00 | 0.00 | 0.00 |
| Share Premium | 10.95 | 513.81 | 95.13 | 0.00 |
| Total(b) | 21.04 | 520.04 | 96.24 | -0.65 |
| Less: Miscellaneous Expenditure (To the extent not written off) | 0.00 | 0.00 | 0.00 | 0.00 |
| Total(c) | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Worth (a+b-c) | 544.02 | 540.15 | 107.81 | 0.35 |

Annexure - II**Summary Statement of Profit and Loss, As Restated***(₹ in Lacs)*

| Particulars | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-----------------|-----------------|-----------------|-----------------|
| Income | | | | |
| Revenue from Operations | 254.36 | 169.23 | 90.20 | 0.00 |
| Other Income | 5.60 | 3.25 | 0.73 | 0.00 |
| Total Revenue | 259.96 | 172.48 | 90.93 | 0.00 |
| | | | | |
| Expenditure | | | | |
| Cost of Materials Consumed | 240.01 | 154.30 | 78.00 | 0.00 |
| Employee Benefit Expenses | 8.40 | 7.20 | 8.10 | 0.00 |
| Other Administrative Expenses | 5.15 | 2.95 | 1.99 | 0.65 |
| Total (B) | 253.56 | 164.45 | 88.09 | 0.65 |
| Profit Before Interest, Depreciation and Tax | 6.40 | 8.03 | 2.84 | -0.65 |
| Depreciation | 0.37 | 0.52 | 0.29 | 0.00 |
| Profit Before Interest and Tax | 6.03 | 7.51 | 2.55 | -0.65 |
| Financial Charges | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit before Taxation | 6.03 | 7.51 | 2.55 | -0.65 |
| Provision for Taxation | 1.86 | 2.36 | 0.69 | 0.00 |
| Provision for Deferred Tax | 0.31 | 0.04 | 0.09 | |
| Provision for FBT | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 2.17 | 2.40 | 0.79 | 0.00 |
| Profit After Tax but Before Extra ordinary Items | 3.86 | 5.11 | 1.76 | -0.65 |
| Prior Period Items | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Profit after adjustments | 3.86 | 5.11 | 1.76 | -0.65 |
| Net Profit Transferred to Balance Sheet | 3.86 | 5.11 | 1.76 | -0.65 |

Annexure - III**Summary Statement of Cash Flow:***(₹ in Lacs)*

| PARTICULARS | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-----------------|-----------------|-----------------|-----------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit Before Tax | 6.03 | 7.51 | 2.55 | -0.65 |
| <i>Adjusted for :</i> | | | | |
| Depreciation | 0.37 | 0.52 | 0.29 | 0.00 |
| Interest Income | 5.60 | 3.25 | 0.73 | 0.00 |
| | | | | |
| Operating profit before working capital changes | 0.80 | 4.78 | 2.11 | -0.65 |
| <i>Adjusted for :</i> | | | | |
| Decrease /(Increase) in Inventories | 0.00 | 0.00 | 0.00 | 0.00 |
| Decrease / (Increase) in trade receivable | -53.02 | 0.00 | 0.00 | 0.00 |
| (Increase) / Decrease in Other Current Assets | 1.65 | -2.48 | -0.69 | 0.00 |
| Increase / (Decrease) in Trade Payables | 22.78 | 0.00 | 0.00 | 0.00 |
| Increase / (Decrease) in other current liabilities | 417.03 | -126.77 | 133.47 | 0.65 |
| Increase / (Decrease) in Other Long Term Liabilities | 0.00 | -13.52 | 13.52 | 0.00 |
| | | | | |
| Cash generated from operations | 389.24 | -137.99 | 148.41 | 0.00 |
| Income Tax Paid (net of refunds) | 2.36 | 0.69 | 0.00 | 0.00 |
| NET CASH GENERATED FROM OPERATION | 386.88 | -138.68 | 148.41 | 0.00 |
| | | | | |
| B. CASH FLOW FROM INVESTING ACTIVITES | | | | |
| Purchase of Fixed Assets | -10.38 | 0.00 | -3.02 | 0.00 |
| Proceeds from loans & advances (long term & short term) | -141.57 | 5.87 | -103.68 | 0.00 |
| (Purchase) / Sale of non-current investment | 36.95 | -756.00 | -140.00 | 0.00 |
| (Increase) in Misc. Expenses | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest received | 5.60 | 3.25 | 0.73 | 0.00 |
| Net cash (used) in investing activities | -109.40 | -746.88 | -245.97 | 0.00 |
| | | | | |
| C. CASH FLOW FROM FINANCING ACTIVITES | | | | |
| Proceeds from share issued | 502.87 | 8.54 | 10.57 | 1.00 |
| Share Premium | -502.86 | 418.68 | 95.13 | |
| (Repayments) / proceeds of long term borrowings | -452.92 | 452.92 | 0.00 | 0.00 |
| (Repayments) / proceeds of short term borrowings | 172.53 | 0.00 | 0.00 | 0.00 |
| | | | | |
| Net cash generated/(used) in financing activities | -280.38 | 880.14 | 105.70 | 1.00 |
| | | | | |
| Net Increase / (Decrease) in cash and cash equivalents | -2.90 | -5.42 | 8.13 | 1.00 |
| Cash and cash equivalents at the beginning of the year | 3.72 | 9.13 | 1.00 | 0.00 |
| Cash and cash equivalents at the end of the year | 0.82 | 3.72 | 9.13 | 1.00 |

Note: The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard -3 'Cash Flow Statement'. Previous year's figures have been regrouped / rearranged /recasted wherever necessary to make them comparable with those of current year.

Annexure - IV**1) SIGNIFICANT ACCOUNTING POLICIES -****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:

As none of the employees have completed the minimum length of service as provided in Payment of Gratuity Act, 1972, no provision for gratuity is required to be made.

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.

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. 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.
5. Provision for tax has been made on the book profits as per provision under the Income Tax Act 1961.
6. As per Accounting Standard (AS) 17 on “Segment Reporting” Segment information has not been provided as the Company has only one reportable segment.
7. The Company does not possess information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made on the books of accounts.
8. Other figures of the previous years have been regrouped / reclassified and / or rearranged wherever necessary.
9. There are no contingent liabilities for the periods covered under audit.
10. The balance of Sundry Creditors, Sundry Debtors, Loans Advances, are subject to confirmation and reconciliation.

Annexure - VI**Statement of Other income***(₹ in Lacs)*

| Particulars | As at | | | |
|-------------------|-------------|-------------|-------------|-------------|
| | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Interest Received | 5.60 | 3.25 | 0.73 | 0.00 |
| Others | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 5.60 | 3.25 | 0.73 | 0.00 |

Annexure - VII**Statement of Accounting And Other Ratios***(₹ in Lacs)*

| Particulars | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|---|-----------|----------|----------|----------|
| Net Profit as restated (₹ in Lacs) | 3.86 | 5.11 | 1.76 | -0.65 |
| Net Worth (₹ in Lacs) | 544.02 | 540.15 | 107.81 | 0.35 |
| Return on Net worth (%) | 0.71% | 0.95% | 1.64% | -185.71% |
| Equity Share at the end of year (in Nos.) | 52,29,770 | 2,01,145 | 1,15,700 | 10,000 |
| (Face Value ₹ 10) | 10.00 | 10.00 | 10.00 | 10.00 |
| Weighted No of Equity Shares | 52,29,770 | 1,16,168 | 10,290 | 548 |
| Weighted No of Equity Shares (Considering Bonus Issue) | 52,29,770 | 5144793 | 2902790 | 250548 |
| Basic Earnings per Share without Considering Bonus Issue | 0.07 | 4.40 | 17.14 | -118.61 |
| Basic Earnings per Share Considering Bonus Issue | 0.07 | 0.10 | 0.06 | -0.26 |
| Net Asset Value/Book Value per Equity share (Based on no of share at the end of year) | 10.40 | 268.54 | 93.18 | 3.50 |

Note:-

1. Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year
2. Return on Net worth (%) = Restated Profit after taxation / Net worth x 100
3. Net asset value/Book value per share (₹) = Net worth / No. of equity shares
4. The Company does not have any revaluation reserves or extra-ordinary items.

Annexure - VIII**Capitalization Statement:***(₹ In Lacs)*

| Particulars | Pre Issue | Post Issue |
|---------------------------|------------------|-------------|
| | As at 28.02.2013 | |
| Debt : | | |
| Short term debt | 0.00 | 0.00 |
| Long term debt | 0.00 | 0.00 |
| Total Debt | 0.00 | 0.00 |
| Shareholders Funds | | |
| Equity Share Capital | 522.98 | 1,784.98 |

| | | |
|-------------------------------------|---------------|-----------------|
| Reserves and Surplus | 21.04 | 789.04 |
| Less: Revaluation Reserves | | |
| Less: Misc. Expenditure | | |
| Total Shareholders' Funds | 544.02 | 2,574.02 |
| | | |
| Long Term Debt/ Shareholders' Funds | 0.00 | 0.00 |
| | | |
| Total Debt / Shareholders Fund | 0.00 | 0.00 |

Annexure - IX**STATEMENT OF TAX SHELTER***(₹ In Lacs)*

| Particulars | As At | | | |
|---|----------|----------|----------|----------|
| | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Profit Before Tax | 6.03 | 7.51 | 2.55 | -0.65 |
| Tax rate | | | | |
| -- Normal Tax rate | 30.90% | 30.90% | 30.90% | 30.90% |
| -- Minimum Alternative Tax rate | 19.06% | 19.06% | 18.54% | 15.45% |
| | | | | |
| Notional Tax at normal rates | 1.86 | 2.32 | 0.79 | -0.20 |
| Tax at Special Rate | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Tax (A) | 1.86 | 2.32 | 0.79 | -0.20 |
| Permanent differences | 0.00 | 0.00 | 0.00 | 0.00 |
| Total (B) | 0.00 | 0.00 | 0.00 | 0.00 |
| | | | | |
| Timing Differences | | | | |
| Depreciation as per Books | 0.37 | 0.52 | 0.29 | 0.00 |
| Depreciation as per Income Tax | 0.96 | 0.39 | 0.60 | 0.00 |
| Difference between tax depreciation and book depreciation | 0.59 | -0.13 | 0.31 | 0.00 |
| Other adjustments | | | | |
| Foreign income included in the statement | | | | |
| Total (C) | 0.59 | -0.13 | 0.31 | 0.00 |
| Net Adjustments (B+C) | 0.59 | -0.13 | 0.31 | 0.00 |
| Tax expense/(savings) thereon (D) | 0.18 | -0.04 | 0.10 | 0.00 |
| Total Taxation (E = A+D) | 2.05 | 2.28 | 0.88 | -0.20 |
| Tax payable as per MAT | 1.15 | 1.43 | 0.47 | -0.10 |
| Tax expense recognised | 1.86 | 2.36 | 0.69 | 0.00 |

Annexure - X**Statement of Secured Loans**

The Company has not availed any Secured Loans.

Annexure - XI**Statement of Unsecured Loans:***(₹ in Lacs)*

| Particulars | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
|-----------------|---------------|---------------|-------------|-------------|
| Unsecured Loans | 172.53 | 452.92 | 0.00 | 0.00 |
| Total | 172.53 | 452.92 | 0.00 | 0.00 |

There are no related parties in unsecured loans.

Annexure - XII**Statement of Sundry Debtors:***(₹ in Lacs)*

| Particulars | As at | | | |
|---|--------------|-------------|-------------|-------------|
| | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Debts due for the period exceeding 6 months | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Debts | 53.02 | 0.00 | 0.00 | 0.00 |
| Total | 53.02 | 0.00 | 0.00 | 0.00 |

There are no related parties in debtors.

Annexure - XIII**Statement of Loans & Advances:***(₹ in Lacs)*

| Particulars | As at | | | |
|---|---------------|--------------|---------------|-------------|
| | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| <i>Long Term Loans & Advances</i> | 219.13 | 97.81 | 103.68 | 0.00 |
| | | | | |
| Total | 219.13 | 97.81 | 103.68 | 0.00 |
| Short Term | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| | | | | |
| Advances recoverable in Cash or in Kind | 20.25 | 0.00 | 0.00 | 0.00 |
| TDS | 1.52 | 3.17 | 0.69 | 0.00 |
| Total | 21.77 | 3.17 | 0.69 | 0.00 |

Note: - There are no loans & advances related to the directors or promoters of the Company.

Annexure - XIV**Statement of Contingent Liabilities**

There are no contingent liabilities for the periods covered under audit.

Annexure - XV**Related party disclosure in accordance with AS - 18**

The Company has not entered into any related party transactions for the periods covered under audit, except for subscription of equity capital by our Promoters.

Annexure - XVI**Statement of Dividend paid:**

No Dividend Paid Till Date

Annexure - XVII**Schedule of Investments***(₹ In Lacs)*

| Particulars | As at | | | |
|---------------------------------|---------------|---------------|-------------|-------------|
| | 28.02.13 | 31.03.12 | 31.03.11 | 31.03.10 |
| Non Current Investments: | | | | |
| Investment (Unquoted) | 859.05 | 896.00 | 140.00 | 0.00 |
| Total | 859.05 | 896.00 | 0.00 | 0.00 |

Annexure - XVIII

There were no qualifications in the Auditors' report for the year ended on March 31, 2010, 2011, 2012, and for period ended February 28, 2013.

Annexure - XIX

Changes in the Significant Accounting Policies.

There were no changes in the Significant Accounting Policies for the periods covered under audit.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled “Risk Factors” beginning on page 11, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

Business Overview

Our Company was incorporated as ‘VKJ Infradevelopers Private Limited’ a private limited company under the Companies Act, 1956 pursuant to Certificate of Incorporation dated March 12, 2010 bearing registration number 200014 issued by the Registrar of Companies, Delhi. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to ‘VKJ Infradevelopers Limited’ pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated May 29, 2013 issued by the Registrar of Companies, Delhi.

Our Company initially started its operations by way trading into construction related materials, primarily soils and sands. The main civil works we are engaged in consists of land and site development, land filling, fencing walls etc. Currently, we are engaged in the business of Land Development, Civil Construction and trading in construction materials, primarily soils and sands. Currently we are based in Delhi.

Our products and Services

Our Company is in the business of providing civil construction, land & site development services and trading of construction materials. Given below are the ongoing and completed projects by our Company:

Currently, we have executed / executing following projects:

- Currently we are doing land leveling works from the last few years with ISP Construction Private Limited.
- We are also doing soil and sands trading.
- At present we are looking for some land for future projects in Delhi, Noida, and NCR region. We are also negotiating with other Construction Companies/ Developers to finalise joint venture projects with them.

Significant developments subsequent to the last Balance Sheet Date:

Our Company has raised ₹ 755 Lacs by issuing 20,000 Equity Shares to Promoters and 75,00,000 Equity Shares to Other Strategic Investors. We intend to utilise the above amount on the expansion of our Company including the following:

- a. Expansion Business and funding the projects
- b. Brand Building exercise
- c. Strengthen the Management Team
- d. Other Corporate Purposes

Significant developments subsequent to the last financial year:

After the date of last financial year i.e. March 31, 2012, the Directors of our Company confirm that, there have not been any significant material developments.

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the Audited Financial Results of our Company for the years ended March 31, 2010, 2011, 2012 and 11 months period ended February 28, 2013.

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

Competition

Our Company faces significant competition from other brokerage houses operating in the markets in India in which it operates. Some of these firms have greater resources and/or a more widely recognised brand than we have, which may give them a competitive advantage. Our ability to grow revenues will depend on demand for our products and services in preference to those of its competitors.

Growth in the Indian economy

General economic conditions in India have a significant impact on our results of operations. The Indian economy has grown rapidly over the past decade and is expected to continue to grow in the future. We believe growth in the overall economy has driven, and will drive, the underlying demand for investment products and services both in terms of the availability of capital for investment and the availability of such products and services.

Stock market trends

A significant portion of our revenues is derived from equity broking. Revenues, level of operations and, consequently, profitability are dependent on favourable capital market conditions and other factors that affect the volume of stock trading in India. In recent years, the Indian and world securities markets have fluctuated considerably and the volumes have declined.

Regulatory developments

Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities including the SEBI, RBI, CDSL, NSDL and the exchanges. It is therefore subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

Discussion on Results of Operation:

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the years ended 31st March, 2010, 2011, 2012 and 11 months period ended February 28, 2013.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies*, "Annexure IV" beginning under Chapter titled "Auditors' Report and Financial Information of our Company" beginning on page 91 of the Draft Prospectus.

RESULTS OF OUR OPERATION

For the 11 Months Ended February 28, 2013

| (₹ Lacs) | | |
|----------------------------|---------------|-------------------|
| Particulars | Amount | % to Total Income |
| Revenue from Operations | 254.36 | |
| Other Income | 5.60 | |
| Total Income | 259.96 | |
| | | |
| Cost of Materials Consumed | 240.01 | 92.33% |

| | | |
|---|---------------|---------------|
| Employee benefit expenses | 8.40 | 3.23% |
| Other expenses | 4.89 | 1.88% |
| Total Expenditure | 253.30 | 97.44% |
| Profit Before Interest, Depreciation and Tax | 6.66 | 2.56% |
| Depreciation | 0.37 | 0.14% |
| Profit Before Interest and Tax | 6.29 | 2.42% |
| Financial/Bank Charges | 0.26 | 0.10% |
| Profit before Taxation | 6.03 | 2.32% |
| Provision for Taxation | 2.17 | 0.83% |
| Profit After Tax but Before Extra ordinary Items | 3.86 | 1.48% |

Revenue from Operations

We recorded gross revenue of ₹ 254.36 Lacs which includes trading income and income from land and site development.

We had other income of ₹ 5.60 Lacs which consists of interest income.

Operating Expenses

The total operating expenditure aggregated to ₹ 253.30 Lacs which was 97.44% of the total income.

Cost of Materials Consumed stood at ₹ 240.01 Lacs, which was 94.75% of the total operating expenses and 92.33% of the total income.

Employee benefit expenses stood at ₹ 8.40 Lacs which was 3.32% of the total operating expenses and 3.23% of the total income.

Other Expenses stood at ₹ 4.890 Lacs which was 1.93% of the total operating expenses and 1.88% of the total income.

Depreciation

We incurred Depreciation cost of ₹ 0.37 Lacs, which is 014% of our total income.

Financial/Bank Charges

Our company incurred financial charges of ₹ 0.26 Lacs for the 11 months period ended February 28, 2013.

Profits

Our PBIDT stood at ₹ 6.66 Lacs for the 11 months period ended February 28, 2013 with the PBIDT margin of 2.56%. We recorded PBT of ₹ 6.03 Lacs and PBT margin stood at 2.32%. We recorded Net Profit of ₹ 3.86 Lacs. Our Net Profit Margin stood at 1.48%.

Results of Operations for the FY 2011 and 2012

| (₹ Lacs) | | |
|----------------------------------|---------------|--------------|
| Particulars | 31-Mar-12 | 31-Mar-11 |
| Income | | |
| Revenue from operations | 169.23 | 90.20 |
| Increase/Decrease (%) | 87.62% | |
| Other Income | 3.25 | 0.73 |
| Total Income | 172.48 | 90.93 |
| Increase/Decrease (%) | 89.68% | |
| Expenditure | | |
| | | |
| Employee Benefit Expenses | 154.30 | 78.00 |
| Increase/Decrease (%) | 97.82% | |

| | | |
|---------------------------------------|---------------|--------------|
| % to Total Income | 89.46% | 85.78% |
| Employee Benefit Expenses | 7.20 | 8.10 |
| Increase/Decrease (%) | -11.11% | |
| % to Total Income | 4.17% | 8.91% |
| Other Expenses | 2.90 | 1.88 |
| Increase/Decrease (%) | 54.26% | 189.23% |
| % to Total Income | 1.68% | 2.07% |
| Total Expenditure | 164.40 | 87.98 |
| Increase/Decrease (%) | 86.86% | 13435.38% |
| % to Total Income | 95.32% | 96.76% |
| PBIDT | 8.08 | 2.95 |
| Increase/Decrease (%) | 173.90% | -553.85% |
| % to Total Income | 4.68% | 3.24% |
| Depreciation | 0.52 | 0.29 |
| Increase/Decrease (%) | 79.31% | |
| % to Total Income | 0.30% | 0.32% |
| Profit Before Interest and Tax | 7.56 | 2.66 |
| Increase/Decrease (%) | 184.21% | -509.23% |
| % to Total Income | 4.38% | 2.93% |
| Financial /Bank Charges | 0.05 | 0.11 |
| Increase/Decrease (%) | -54.55% | |
| % to Total Income | 0.03% | 0.12% |
| Profit before Taxation | 7.51 | 2.55 |
| Increase/Decrease (%) | 194.51% | -492.31% |
| % to Total Income | 4.35% | 2.80% |
| Tax Effect | 2.40 | 0.79 |
| Increase/Decrease (%) | 204.90% | |
| % to Total Income | 1.39% | 0.86% |
| Profit After Tax | 5.11 | 1.76 |
| Increase/Decrease (%) | 189.88% | -371.38% |
| % to Total Income | 2.96% | 1.94% |

COMPARISON OF FY 2012 WITH FY 2011:

Total Operating Income

The Total operating income for the FY 2012 is ₹ 169.23 Lacs as compared to ₹ 90.20 Lacs during the FY 2011 showing increase of 87.62%. Our operating income consists of trading income during FY 2011. Our operating income during FY 2012 consists of trading income and revenue from land and site development activities.

Total Income

The Total income for the FY 2012 is ₹ 172.48 Lacs as compared to ₹ 90.93 Lacs during the FY 2011. Other income for FY 2012 was ₹ 3.25 Lacs as compared to ₹ 0.73 Lacs during the FY 2011.

Expenditure:

Cost of Materials Consumed

Cost of Materials Consumed increased to ₹ 154.30 Lacs for FY 2012 from ₹ 78.00 Lacs for FY 2011 showing a increase of 97.82%. The increase in cost of materials is in line with increase in operating revenues. The Cost of Materials Consumed was 89.46% of total income during FY 2012 as against that of 85.78% during FY 2011.

Employee Benefit Expenses

Employee Benefit Expenses decreased from ₹ 8.10 Lacs for FY 2011 to ₹ 7.20 Lacs for FY 2012. This decrease was mainly due to decrease in salaries and wages. Employee Benefit Expenses stood at 8.91% and 4.17% of Total income for FY 2011 and FY 2012 respectively.

Other Expenses

Other Expenses increased from ₹ 1.88 Lacs for FY 2011 to ₹ 2.90 Lacs for FY 2012 showing a increase of 54.26%. This increase was mainly due to increase in repairs & maintenance, conveyance and office rent amongst others. Other Expenses stood at 2.07% and 1.68% of Total income for FY 2011 and FY 2012 respectively.

Profit before Depreciation, Interest and Tax (PBDIT)

PBDIT increased from ₹ 2.95 Lacs for FY 2011 to ₹ 8.08 Lacs for FY 2012, mainly on account of increase in volume of sales and operating income. During FY 2012, our Company recorded PBDIT of 4.68% of the Total income as against 3.24% during FY 2011. The increase in PBDIT margin was mainly due to increase total income.

Depreciation

Depreciation on fixed assets was 0.30% of Total income during FY 2012 as compared to 0.32% during FY 2011. The total depreciation during FY 2011 was ₹ 0.29 Lacs and during FY 2012 it was ₹ 0.52 Lacs.

Financial/Bank Charges

There is no interest expenditure since our Company is having interest free unsecured borrowings. Financial Charges include bank charges which increased from ₹ 0.11 Lacs for FY 2011 to ₹ 0.05 Lacs during the FY 2012.

Profit after Tax and restatement adjustment (PAT)

PAT for the FY 2012 stood at ₹ 5.11 Lacs as against the profit of ₹ 1.76 Lacs in FY 2011. This increase was mainly due to increase revenue from operations. During FY 2012, our Company recorded PAT margin of 2.96% as against loss margin of 1.96% for FY 2011.

Net Cash Flows and Outflows

The following table presents our consolidated cash flow data for the periods indicated:

| | (₹ in lacs) | | |
|--|--------------------------------------|----------------|----------------|
| | Period ended February 28, 2013 | Fiscal 2012 | Fiscal 2011 |
| Net cash generated from/(used in) operating activities | 386.88 | -138.68 | 148.41 |
| Net cash generated from/(used in) investing activities | -109.40 | -746.88 | -245.97 |
| Net cash generated from/(used in) financing activities | -280.38 | 880.14 | 105.70 |
| Net increase/(decrease) in cash and cash equivalents | -2.90 | -5.42 | 8.13 |

Net cash from or used in operating activities includes flows and outflows from changes in operating assets and liabilities, trade and other receivables and trade payables.

Net cash used in investing activities includes funds paid in connection with our capital expenditures and net cash inflows and outflows from other investments.

Net cash used in financing activities includes inflows and outflows from borrowings and interest and finance charges paid.

Related Party Transactions

For further information please refer “Annexure XV” beginning on page 102 under Chapter titled “Auditors’ Report and Financial Information of our Company” beginning on page 91 of the Draft Prospectus.

Financial Market Risks

We are exposed to financial market risks from changes in borrowing costs, interest rates and inflation.

Interest Rate Risk

Our Company is not currently exposed any major interest rate risks. However, any future borrowings may result into the same.

Effect of Inflation

We are affected by inflation as it has an impact on the operating cost, staff costs etc. In line with changing inflation rates, we rework our margins so as to absorb the inflationary impact.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

To our knowledge there have been no unusual or infrequent events or transactions that have taken place during the last three years.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in ‘*Factors Affecting our Results of Operations*’ and the uncertainties described in the section entitled ‘*Risk Factors*’ beginning on page 11 of the Draft Prospectus. To our knowledge, except as we have described in the Draft Prospectus, there are no known factors which we expect to bring about significant economic changes.

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.

Apart from the risks as disclosed under Section titled “Risk Factors” beginning on page 11 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in revenues are by and large linked to increases in volume of business.

6. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the industry *please refer to Chapter titled “Industry Overview” beginning on page 59 of the Draft Prospectus.*

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product and segment.

8. The extent to which business is seasonal.

Our Company’s business is generally slow during monsoons. Both construction activities and demand for construction materials are slow during monsoons.

9. Any significant dependence on a single or few suppliers or customers.

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. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them.

10. Competitive conditions.

Competitive conditions are as described under the *Chapters titled “Industry Overview” and “Business Overview” beginning on pages 59 and 64, respectively of the Draft Prospectus.*

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

I. Litigations involving our Company

A. *Against our Company*

NIL

Income Tax related matters

NIL

B. *By our Company*

NIL

II. Litigations involving our Directors / Promoters

A. *Against our Directors / Promoters*

Nil

B. *By our Directors / Promoters*

Nil

III. Litigations involving our Group Entities

A. *Against our Group Entities : Nil*

B. *By our Group Entities: Nil*

IV. Other litigations involving any other entities which may have a material adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule XIII of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

V. Potential Litigations

There are no potential litigations against our Company, our Promoters, our Directors, our Subsidiary or our Group Entities that we are currently aware of or in connection with which, we have received notice.

VI. Details of the past penalties imposed on our Company / Directors

As on the date of the Draft Prospectus, no penalties have been imposed on our Company or any of our Directors.

VII. Amounts owed to small scale undertakings or any other creditors

There are no outstanding dues above ₹ 1,00,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days, except in the ordinary course of business.

VIII. Material developments occurring after last balance sheet date, that is, February 28, 2013

Except as disclosed in the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations of our Company*” beginning on page number 104 of the Draft Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in the Draft Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or its ability to pay its material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively “Authorisations”) listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of the Draft Prospectus.

It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled “Key Regulations and Policies” beginning on page number 68 of the Draft Prospectus.

A. Corporate / General Authorisations

| Sr. No. | Authorisation granted | Issuing Authority | Registration No./Reference No./License No. | Applicable Act/ Regulation | Date of Issue | Valid upto |
|---------|--|-------------------------------|--|----------------------------|----------------|-----------------------|
| 1. | Certificate of Incorporation in the name of ‘VKJ Infradevelopers Private Limited’ | Registrar of Companies, Delhi | 200014 | Companies Act, 1956 | March 12, 2010 | Valid until cancelled |
| 2. | Fresh certificate of incorporation consequent upon change of name to ‘VKJ Infradevelopers Limited’ on conversion to public limited company | Registrar of Companies, Delhi | U45400DL2010PLC200014 | Companies Act, 1956 | May 29, 2013 | Valid until cancelled |

B. Issue Related Authorisations

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on June 26, 2013, authorised the Issue subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, such other authorities as may be necessary.
2. The shareholders of our Company have authorised the Issue, pursuant to a special resolution under Section 81(1A) of the Companies Act, passed at their EGM held on June 28, 2013.
3. Our Company has obtained approval dated [●] from the BSE.

C. Tax Related Authorisations

| Sr. No. | Authorization granted | Issuing Authority | Registration No./Reference No./License No. | Date of Issue | Validity |
|---------|------------------------------------|----------------------------|--|---------------|--------------------------|
| 1. | Permanent Account Number | Income Tax Department, GoI | AADCV3407E | -- | Valid until cancellation |
| 2. | Tax Deduction Account Number (TAN) | Income Tax Department, GoI | DELVI2508G | -- | Valid until cancellation |

D. Approvals applied for but not yet received/Renewals made in the usual course of business: NIL

1. Our Company had made an application and is in the process of getting Service Tax Code under Service Tax Rules, 1994.
- E. *Material licenses / approvals for which our Company is yet to apply / Statutory Approvals/Licenses required for the proposed expansion:* NIL

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on June 26, 2013, subject to the approval of shareholders of our Company through a special resolution to be passed pursuant to Section 81 (1A) of the Companies Act. The shareholders of our Company have authorised the Issue by a special resolution passed pursuant to Section 81(1A) of the Companies Act at the EGM of our Company held on June 28, 2013.

We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “*Government and Other Approvals*” beginning on page number 113 of the Draft Prospectus.

We have received approval from BSE *vide* their letter dated [•] to use the name of BSE in the Draft Prospectus for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, none of our Directors are associated with any entities which are engaged in securities market related business and are registered with SEBI for the same.

Prohibition by RBI or Governmental authority

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been detained as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no such proceedings are pending against our Company or them.

ELIGIBILITY FOR THIS 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 XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post-issue face value capital is more than ten Crore Rupees and upto twenty five crore ruprees and we may hence 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).

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 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to “General Information – Underwriting” on page 29 of the 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) of 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 the section titled “General Information – Details of the Market Making Arrangements for this Issue” on page 30 of the 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.

BSE ELIGIBILITY NORMS:

1. Net Tangible assets of at least ₹ 1 crore as per the latest audited financial results

Our Company has Net Tangible Assets of ₹ 1 crore as per the latest financial results. Our Net Tangible Assets for the year ended March 31, 2012 and February 28, 2013 are disclosed as under:

| (₹ lacs) | | |
|--|---------------|---------------|
| Particulars | 28-Feb-13 | 31-Mar-12 |
| Fixed Assets (Net) | 12.23 | 2.22 |
| Intangible Assets | 0.00 | 0.00 |
| Current Assets, Loans & Advances | 75.61 | 6.89 |
| Investments | 859.05 | 896.00 |
| Less: Current Liabilities & provisions | 621.56 | 9.71 |
| Net Tangible Assets* | 325.33 | 895.40 |

2. Net worth (excluding revaluation reserves) of at least ₹ 1 crore as per the latest audited financial results

Our Company satisfies the above criteria. Our Net Worth as per the restated financial statements is as under:

| (₹ lacs) | | |
|------------------|---------------|---------------|
| Particulars | 28-Feb-13 | 31-Mar-12 |
| Net Worth | 544.02 | 540.15 |

3. Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 3 Crores.

Our Company has distributable profits in terms of sec. 205 of Companies Act, 1956, as detailed below:

| (₹ lacs) | | | |
|-------------------------------|-----------|-----------|-----------|
| Particulars | 31-Mar-12 | 31-Mar-11 | 31-Mar-10 |
| Net Profit as per P&L Account | 5.11 | 1.76 | -0.65 |

4. *Other Requirements*

The post-issue paid up capital of the company shall be at least ₹1 crore.

Our Company currently has a paid up capital in excess of ₹ 1 crore, and the Post Issue Capital shall be ₹ 17.85 crores.

The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar for facilitating trading in dematerialized mode. Also the Equity Shares allotted through this Issue will be in dematerialized mode.

Companies shall mandatorily have a website.

Our Company has a live and operational website: www.vkjinfra.com

5. *Certificate from the applicant company / promoting companies stating the following:*

- a. *The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).*

Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).

- b. *There is no winding up petition against the company that has been accepted by a court.*

There is no winding up petition against our Company that has been accepted by a court.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE OFFER DOCUMENT TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT PROSPECTUS, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JULY 5, 2013 WHICH READS AS FOLLOWS:

WE, THE LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE**

FINALISATION OF THE OFFER DOCUMENT PERTAINING TO THE SAID ISSUE.

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - a) **THE OFFER DOCUMENT FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
 - b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT, AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - c) **THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE OFFER DOCUMENT.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE OFFER DOCUMENT.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OF THE**

COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE OFFER DOCUMENT. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION. – *NOTED FOR COMPLIANCE*
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE OFFER DOCUMENT THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE - NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN ₹ 1,000 LACS, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, THE ALLOTMENT WILL BE MADE ONLY IN DEMAT FORM.
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 OFFER DOCUMENT:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/MIRSD/1/2012 DATED JANUARY 10, 2012.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY LEAD MANAGER IN DUE

DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISOR TO SUBREGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. – *NOT APPLICABLE*
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, HAVE BEEN MADE.

THE FILING OF THE DRAFT PROSPECTUS 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 MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Prospectus with the Registrar of Companies, Maharashtra at Mumbai, in terms of Section 56, Section 60 and Section 60(B) of the Companies Act.

Disclaimer Statement from our Company and the Lead Manager

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Draft Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website, www.vkjinfra.com, would be doing so at his or her own risk.

Caution

The Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue Management entered into among the Lead Manager and our Company dated July 2, 2013, the Underwriting Agreement dated July 4, 2013 entered into among the Underwriters and our Company and the Market Making Agreement dated July 2, 2013 entered into among the Lead Manager and our Company.

Our Company and the Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers, etc.

The Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and associates of our Company in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares. Our Company and the Lead Manager 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.

Price Information and the track record of the past Issues handled by the Lead Manager

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to 'Annexure A' to the Draft Prospectus and the website of the Lead Manager at www.inventuregrowth.com

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 4A of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 lacs, pension funds with minimum corpus of ₹ 2,500 lacs and the National Investment Fund, and permitted non-residents including FIIs, Eligible NRIs, QFIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company the Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Prospectus has been filed with BSE for its observations and BSE shall give its observations in due course. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and the Draft Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a

transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Disclaimer Clause of the Bombay Stock Exchange Limited

As required, a copy of the Draft Prospectus shall be submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of the Draft Prospectus, shall be included in the Prospectus prior to the RoC filing.

Filing

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in term of Regulation 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the Corporate Finance Department at their Eastern Regional Office situated at: 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001. 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 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

Listing

The Equity Shares issued through the Draft Prospectus are proposed to be listed on the SME platform of BSE Limited. In-principle approval for listing of the Equity Shares of our Company from BSE has been received *vide* its letter dated [●]. BSE will be the Designated Stock Exchange with which the basis of allotment will be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares is not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% p.a. 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.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“Any person who:

- a. makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*
- b. otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.”*

Consents

We have obtained consents in writing of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, Peer Review Auditors, the Lead Manager, the legal counsel to the Issue, the Registrar to the Issue. We will obtain consents in writing of the Market Maker(s), Refund Bank(s) and the Banker(s) to the Issue / Escrow Collection Bank(s) to act in their respective capacities. These consents will be filed along with a copy of the Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act. Further, such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

Expert Opinion

Except for (a) Auditors' reports on the restated financial statements by the peer review auditors M/s S.C. Garg

& Associates, Chartered Accountants; and (b) Statement of Tax Benefits by the statutory auditors, M/s Thakur Saroj & Co., Chartered Accountants (a copy of the said report and statement of tax benefits has been included in the Draft Prospectus), we have not obtained any other expert opinions.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ 60.00 lacs. The expenses of the Issue include, among others, underwriting and Issue management fees, Market Making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated issue expenses are as under:

| (₹ in lacs) | | |
|--------------|--|--------------------|
| Sr. No. | Particulars | Amount (₹ in Lacs) |
| 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. | 45.00 |
| 2. | Printing & Stationery and Postage Expenses | 5.00 |
| 3. | Marketing and Advertisement Expenses | 5.00 |
| 4. | Regulatory fees and other expenses | 5.00 |
| Total | | 60.00 |

Details of Fees Payable

Fees Payable to the Lead Manager

The total fees payable to the Lead Manager will be as per the Memorandum of Understanding dated [●], 2013 executed between our Company and the Lead Manager, the copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Agreement signed by our Company and the Registrar to the Issue dated April 19, 2013, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided by the Company to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post/ speed post/ under certificate of posting.

Fees Payable to Others

The total fees payable to the Legal Advisor, Auditor, Credit Rating Agency and Advertiser, *etc.* will be as per the terms of their respective engagement letters.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

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.

Previous Rights and Public Issues during the Last Five Years

We have not made any previous rights and/or public issues during the last five years, and are an “Unlisted Issuer” in terms of the SEBI ICDR Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations.

Previous Issues of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage on Previous Issues

Since this is the initial public offer of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our inception.

Particulars in regard to our Company and other listed companies under the same management within the meaning of Section 370 (1B) of the Companies Act which made any capital issue during the last three years:

None of our Group Entities have made any capital issue during the last three years.

Performance vis-à-vis objects

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Therefore, data regarding promise versus performance is not applicable to us.

None of the Group Entities has made public issue of equity shares during the period of ten years immediately preceding the date of filing draft offer document with the BSE.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

As on the date of the Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

Option to Subscribe

Equity Shares being offered through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data for our Equity Shares

Our Company is an “Unlisted Issuer” in terms of the SEBI ICDR Regulations, and this Issue is an “Initial Public Offering” in terms of the SEBI ICDR Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Bidders shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Issue for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these

complaints as expeditiously as possible.

We have constituted the Shareholders/ Investors Grievance Committee of the Board *vide* resolution passed at the Board Meeting held on October 26, 2012. For further details, please refer to the chapter titled “*Our Management*” beginning on page number 73 of the Draft Prospectus.

Our Company has appointed Ms. Shubhra Aggarwal as the Company Secretary and Compliance Officer and he may be contacted at the following address. :

VKJ Infradevelopers Limited

B-25, First Floor,

Dayanand Colony,

Lajpat Nagar,

New Delhi – 110024, India

Tel: +91 11 3231 9722

Fax: +91 11 3231 9722

Website: www.vkjinfra.com

E-mail: vkjinfradevelop@yahoo.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, *etc.*

Changes in Auditors during the last three financial years

There have been no changes in the statutory auditors of our Company in the past three years, except that M/s Deepak S Garg & Associates, Chartered Accountants were appointed the statutory auditors of our Company during FY 2011. M/s Pankaj Arun Kumar & Co, Chartered Accountants were the statutory auditors of our Company during FY 2011. Our Current Auditors M/s Thakur Saroj & Co, Chartered Accountants were appointed w.e.f. Financial Year 2011-12. There were changes in the statutory auditors since the retiring auditors have expressed their inability to continue as the statutory auditor due to their respective preoccupations.

Capitalisation of Reserves or Profits

Save and except as stated in the chapter titled “*Capital Structure*” beginning on page number 32 of the Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

Revaluation of assets

Our Company has not revalued its assets since incorporation.

SECTION VII - ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 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 issued in the Issue shall be subject to the provisions of the Companies Act and the Memorandum and Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to the section titled “Main Provisions of Articles of Association” beginning on page number 149 of the 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 dividend, if declared, to our Shareholders as per the provisions of the Companies Act and our Articles of Association.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 25 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 for Issue Price” beginning on page 49 of the Draft Prospectus. At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section titled “*Main Provisions of Articles of Association*” beginning on page number 149 of the Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

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

The trading of the Equity Shares will happen in the minimum contract size of 6,000 Equity Shares and the same may be modified by 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 6,000 Equity Share subject to a minimum allotment of 6,000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 6,000 Equity Share subject to a minimum allotment of 6,000 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.

Jurisdiction

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

Joint Holders

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

Nomination Facility to Investor

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

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

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

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

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

Minimum Subscription

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

If our Company does not receive the 100% subscription of the offer through the Offer Document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest as prescribed under Section 73 of the Companies Act.

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.

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.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of 6,000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. 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 Platform of BSE.

Application by Eligible NRIs, FIIs registered with SEBI, VCFs registered with SEBI and QFIs

It is to be understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extant policy of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FIIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter "*Capital Structure*" beginning on page number 32 of the Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details please refer to the section titled "*Main Provisions of the Articles of Association*" beginning on page number 149 of the Draft Prospectus.

Option to receive Equity Shares in Dematerialized Form

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

Migration to Main Board

Our Company may migrate to the main board of BSE from the SME Platform 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, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Platform for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please see “General Information – Details of the Market Making Arrangements for this Issue” beginning on page 30 of the Draft Prospectus.

New Financial Instruments

The Issuer Company is not issuing any new financial instruments through this Issue.

Issue Program:

Bidding / Issue Period:

| | | |
|-----------------|--|---|
| ISSUE OPENS ON | | ● |
| ISSUE CLOSES ON | | ● |

Applications and 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. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

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 exceed ₹ 10 crores, shall 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 126 and 132 of this Prospectus.

| Particulars | Net Issue to Public [^] | Market Maker reservation portion |
|---|--|--|
| Number of Equity Shares* | 48,36,000 Equity Shares | 2,64,000 Equity Shares |
| Percentage of Issue Size available for allocation | 94.82% of the Issue Size | 5.18% of the Issue Size |
| | 27.09% of the Post Issue Paid up Capital | 1.48% of the Post Issue Paid up Capital |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of 6,000 Equity Shares and Further allotment in multiples of 6,000 Equity Shares each. For further details please refer to the section titled “ <i>Issue Procedure–Basis of Allotment</i> ” on page 137 of the Draft Prospectus. | Firm Allotment |
| Mode of Application | For QIB and NII Applicants the application must be made compulsorily through ASBA mode. Retail Individual Applicants may apply through the ASBA or the Physical Form. | Through ASBA mode |
| Minimum Application Size | <u>For QIB and NII:</u> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Value exceeds ₹ 2,00,000 <u>For Retail Individuals:</u> 6,000 Equity Shares | 2,64,000 Equity Shares |
| Maximum Bid | <u>For QIB and NII:</u> Such number of Equity Shares in multiples of 6,000 Equity Shares such that the Application Size does not exceed 48,36,000 Equity Shares <u>For Retail Individuals:</u> 6,000 Equity Shares so that the Application Value does not exceed ₹ 2,00,000 | 2,64,000 Equity Shares |
| Mode of Allotment | Compulsorily in dematerialized mode | Compulsorily in dematerialized mode |
| Trading Lot | 6,000 Equity Shares | 6,000 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 | Entire Application Amount shall be payable at the time of submission of Application Form. In case of ASBA Applicants, the SCSBs shall be authorized to block such funds in the | |

| Particulars | Net Issue to Public [^] | Market Maker reservation portion |
|-------------|--|----------------------------------|
| | bank account of the Applicant that are specified in the ASBA Application Form. | |

[^]50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are reserved for applications whose value is above ₹ 2,00,000.

Withdrawal of the Issue

In accordance with the SEBI ICDR Regulations, our Company, in consultation with Lead Manager, reserves the right not to proceed with this Issue at any time after the Issue Opening Date, but before our Board meeting for Allotment, without assigning reasons thereof. If our Company withdraws the Issue after the Issue Closing Date, we will give reason thereof within two days by way of a public notice which shall be published in the same newspapers where the pre-Issue advertisements were published.

Further, the Stock Exchanges shall be informed promptly in this regard and the Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Applicants within one Working Day from the date of receipt of such notification. In case 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 offer document with the stock exchange where the Equity Shares may be proposed to be listed.

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.

Issue Programme

| | |
|-----------------|-----|
| ISSUE OPENS ON | [•] |
| ISSUE CLOSES ON | [•] |

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 Centers 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 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 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 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.

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. 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 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 6,000 Equity Shares 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 6,000 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 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 6,000 equity shares the allotment will be made as follows:
 - a) Each successful applicant shall be allotted 6,000 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 6,000 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 6,000 equity shares subject to a minimum allotment of 6,000 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 6,000 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 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 minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retail individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

However, if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'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 ₹ 25 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: “VKJ – Public Issue - R”.
 - In case of Non Resident Retail Applicants applying on repatriation basis: “VKJ – 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

- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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 6,000;
- Category not ticked;
- Multiple Applications as defined in this 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 [●], 2013 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 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 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT (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 Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of allotment

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 utilised out of the issue referred to in subitem(1) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised; and
- 3) details of all unutilised monies out of the issue of specified securities referred to in sub-item (1) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised 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 DEMATERIALISED 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 [●] between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. [●]

- 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 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.

Interest in Case of Delay in Despatch of Allotment Letters or Refund Orders/instruction to Self Certified Syndicate Banks by the Registrar in Case of Public Issues

The issuer agrees that as far as possible allotment of securities offered to the public shall be made within fifteen days of the closure of public issue. The issuer further agrees that it shall pay interest at the rate of fifteen per cent. per annum if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within fifteen days from the date of the closure of the issue. However applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through circular 2 of 2011 with effect from October 1, 2011 (“FDI Policy”). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

In terms of the Consolidated FDI policy (effective from April 10, 2012), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in the Company is permitted.

Subscription by foreign investors (NRIs/FIIs)

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

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

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

The Authorised capital of our Company is ₹ 24,75,00,000 divided into ₹ 2,47,50,000 Equity Shares of ₹ 10 each.

ARTICLES OF ASSOCIATION

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

CAPITAL

2. The Authorised Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

INCREASE OF CAPITAL BY THE COMPANY AND HOW CARRIED INTO EFFECT

3. The Company in General Meeting may by Ordinary Resolution, from time to time increase the capital by creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increase capital shall be issued upon such terms and conditions and with such rights and privileges attached 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, 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 and 88 of the Act, whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act.

4. The shares in the capital shall be distinguished by its appropriate number, provided that nothing in this section shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

5. Subject to the provisions of Section 81 of the Act and these Articles, the shares in the capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

6. In addition to and without derogating from the powers for the purpose conferred on the Board under Article 5 & 8 the Company in General Meeting may subject to the Provisions of Section 81 of the Act, determine that any share (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 proportions and on such terms and conditions and either at a premium or at par or (subject to compliance with the provisions of Section 79 of the Act) 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 any class of shares of the Company either at a premium or at par or (subject to the compliance with the provisions of Section 79 of the Act) at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provisions, whatsoever for the issue, allotment or disposal of any shares.

INCREASE OF CAPITAL

7. The Company in General Meeting may from time to time increase its share capital by the creation of further shares, such increase to be of such aggregate amount and to be divided into shares of such respective amount as the resolution shall prescribe. Subject to the provisions of the Act, the further shares 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 Board shall determine.

FURTHER ISSUE OF SHARES

- 8.
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 either out of the unissued capital or out of the increased share capital then:
 - a) Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
 - b) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
 - c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

 - d) After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.
 2. Notwithstanding anything contained in sub-clause (1) thereof, 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.
 - a) If a special resolution to that effect is passed by the Company in General Meeting, or
 - 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 the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposer by members, so entitled and voting and 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.
 3. Nothing in sub-clause c of (1) hereof shall be deemed:
 - a. To extend the time within which the Offer should be accepted; or
 - b. To authorize 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 had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

 4. To convert such debentures or loans into shares in the Company; or
 5. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;
- b. In the case of debentures or loans or other than debentures issued 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 debentures or raising of the loans.

POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES

8A. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, 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 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 or right to call for or buy 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, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

POWER OF GENERAL MEETING TO AUTHORISE BOARD TO OFFER SHARES/OPTIONS TO EMPLOYEES

8B. Without prejudice to the generality of the powers of the General Meeting under Article 8A or in any other Article of these Articles

of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted / granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/Other writing, as may be set out before it, for the aforesaid purpose.

In addition to the powers contained in this Article, the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme / Plan / other writing approved under the aforesaid Article.

APPLICATION OF PREMIUM RECEIVED ON SHARES

8C

1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called “the security premium account” and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.

2. The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company.

- a. In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed on any issue of Shares or debentures of the Company; or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

8D

(i) Without prejudice to the generality of the powers of the Board under any other Article of these Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

(ii) In addition to the powers of the Board under Article 8D(i), the Board may also allot the Shares referred to in Article 8D(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company’s employees (including by way of options, as referred to in Article 8D(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 8D(i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

9. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

10. On the issue of redeemable preference shares under the provisions of Article 9 hereof, the following provisions shall take effect.

- a. No such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.
- b. No such shares shall be redeemed unless they are fully paid.
- c. The premium, if any, payable on redemption shall be provided for out of the profits of the Company or out of the Company’s share Premium Account, before the shares are redeemed; and
- d. Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called Capital Redemption Reserve Account, a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Act relating to the reduction of the share capital of a Company shall, except as provided under Section of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

11. Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTION OF PURPOSE BUY COMPANY OF ITS OWN SHARES

12.

(1). The Company shall not have the power to buy its own shares, unless the consequent reduction of capital is effected and sanction in accordance with Article 13 and in accordance with Sections 100 to 104 or Section 402 or other applicable provisions (if any) of the Act.

This Article is not to delegate any power which the Company would have if it were omitted.

(2). Except to the context permitted by Section 77 or other applicable provisions (if any) of the Act, the Company shall not give whether directly or indirectly and whether by means of a loan, guarantee, the provisions of security or otherwise any financial assistance for the purchase of or in connection with the purchase or subscription made or to be made by any person of or for any shares in the Company.

(3). Nothing in this Article shall affect the right of the Company to redeem any redeemable preference shares issued under these Articles or under Section 80 or other relevant provisions (if any) of the Act.

12A. Notwithstanding anything contained in these Articles and in accordance with the provisions of the Sections 77A, 77AA and 77B of the Companies Act, 1956 the Company may, when and if thought fit by the Board of Directors, buy back, acquire or hold its own shares or other specified securities (as may be notified by the Central Government from time to time under section 77A of the Act) whether or not they are redeemable and on such terms and conditions and up to such limits as may be prescribed by law from time to time provided that nothing herein contained shall be deemed to affect the provisions of section 100 to 104 and 402 of the Act, in so far as and to the extent they are applicable.

REDUCTION OF CAPITAL

13. The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

14. The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- a. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
- c. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

SALE OF FRACTIONAL SHARES

15. If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person the transfer and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

MODIFICATION OF RIGHTS

16. Whenever the capital, by reason of the issue of preference shares or otherwise, 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 Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

17. The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

18. The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

18A.

a. “Power to Company to dematerialize and rematerialize”

“Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

b. Dematerialization of Securities

Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

c. “Intimation to Depository”

“Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

d. “Option for Investors”

“Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

e.. “The Company the recognize under Depositories Act, Interest in the Securities other than that of Registered holder.”

“The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

“Securities in Depositories and Beneficial Owners”

“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 it on behalf of the beneficial owners.”

g. “Rights of depositories and Beneficial Owners.”

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 purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

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.

c. Every person holding securities of the Company and whose name if entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities 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.”

h. Depository to furnish information

Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may e specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

19. “REGISTER AND INDEX OF MEMBERS”

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

20. SHARES TO BE NUMBERED PROGRESSIVELY

The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

21. DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

22. APPLICATION OF PREMIUM

1. Where the Company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called Share Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding sub-clause (1) hereof, be applied by the Company;

- a. in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- b. In writing off the preliminary expenses of the Company;
- c. In writing off the expenses of or the commission paid or discount allowed on any issue of shares or debenture of the Company or
- d. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

23. INSTALLMENTS OF SHARES

If by the terms of issue of any shares or otherwise, the whole or any part of the amount or issue price thereof shall be payable by installments at a fixed time, every such installments shall when due, be paid to the Company by the person who, for the time being and from time to time, is the registered holder of the shares of his legal representatives.

24. ACCEPTANCE OF SHARES

Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

25. DEPOSITS AND CALLS TO BE DEBT PAYABLE IMMEDIATELY

The money (if any) which the Board of Directors shall, on the allotment of any shares being made by it, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by it, shall immediately on the insertion of the name of the allottee in the Register of Members as the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.

26. LIABILITY OF MEMBERS

Every member or his heir, executors or administrators shall pay to the Company the proportion 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 of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

27. LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

28A. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES

Every members 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 to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

28B. ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer,

then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

29. JOINT ALLOTTEES OF HOLDERS

Any two or more joint allottees or holders of shares shall, for the purpose of Article-28, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

30. RENEWAL OF SHARES CERTIFICATES

A certificate of share may be renewed or a duplicate issued in accordance with the provisions of the Act and the Companies (Issue or Share Certificates) Rules, 1960 and any modification thereof.

31. THE FIRST NAMED OF JOINT HOLDERS DEEMED SOLE HOLDER

If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to these Articles.

32. COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

1. The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

2. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

33. WHO MAY HOLD SHARES

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind or in the name of any firm or partnership.

33A. The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as “the Employees”) as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

33B. SWEAT EQUITY

Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

33 C. DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES

1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such

particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

33D. FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78,80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

33E. ISSUE OF SHARES WITHOUT VOTING RIGHTS

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

33F. SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY

Notwithstanding anything to the contrary contained in the Articles,

1. Section 83 of the Act shall not apply to the Shares held with a Depository;
2. Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

33G. LIABILITY OF MEMEBRS

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

33H. TRUST RECOGNIZED

A. Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

B. Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

UNDERWRITING AND BROKERAGE

34. COMMISSION MAY BE PAID

The Company may, subject to the provisions of Section 76 and other applicable provisions, if any, of the Act 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. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

35. BROKERAGE MAY BE PAID

The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

35A. COMMISSION TO BE INCLUDED IN THE ANNUAL RETURN

Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

36. INTEREST OUT OF CAPITAL

Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings 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 contained in 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 the plant.

CALLS

37. DIRECTORS MAY MAKE CALLS

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a

fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

38. CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

39. NOTICE OF CALLS

One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

40. CALLS TO DATE FROM RESOLUTION

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

41. DIRECTORS MAY EXTEND TIME

The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

42. CALL TO CARRY INTEREST AFTER DUE DATE

If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

43. PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, 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 sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

44. PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

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 he 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.

FORFEITURE, SURRENDER AND LIEN

45. IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission 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.

46. FORM OF NOTICE

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

47. IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

3. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture.

48. NOTICE OF FORFEITURE

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

49. FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose off the same in such manner as it thinks fit.

50. POWER TO ANNUAL FORFEITURE

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

51. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

52. EFFECT OF FORFEITURE

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

53. PROCEEDS HOW TO BE APPLIED

The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

54A. DECLARATION OF FORFEITURE

- a. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- b. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- d. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.
- e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

54B. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

55. TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed off and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to the contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

56. PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

57. THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

58. BOARD MAY ACCEPT SURRENDER OF SHARES

The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

59. COMPANY'S LIEN ON SHARE/DEBENTURES

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

60. ENFORCING LIEN BY SALE

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for seven days after the date of such notice.

61. APPLICATION OF PROCEEDS OF SALE

The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

62. VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

63. BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

Where an shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

64. MONEY DUE FROM THE COMPANY MAY BE SET OFF AGAINST MONEY DUE TO THE COMPANY

Any money due from the Company to a member may without the consent and notwithstanding the objection of such member, be applied by the Company in or towards the payment of any money due from him to the Company for calls or otherwise.

64A. SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

TRANSFER AND TRANSMISSION OF SHARES**65. REGISTER OF TRANSFER**

The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

66. EXECUTION OF TRANSFER

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

67. INSTRUMENT OF TRANSFER

The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

67A. (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company,

the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67A, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

a. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or

b. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

68. NO TRANSFER TO A PERSON OF UNSOUND MIND

No transfer shall be made to a minor or a person of unsound mind.

69. TRANSFER OF SHARES

1. An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.

2. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

3. For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

4. DIRECTORS MAY REFUSE TO REGISTER TRANSFER

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 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 person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

5. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be.

6. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

7. NO FEE ON TRANSFER OR TRANSMISSION

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.

70. TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

71. WHEN TRANSFER TO BE RETAINED

All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than six years as it may determine.

72. TRANSFER BOOKS WHEN ENCLOSED

The Board may after giving not less than seven days previous notice by advertisement as required by Section 154 of the Act, close the

Register or Members or the Register of Debenture Holders for any period or periods not exceeding in the aggregate, 45(forty five) days in each year but not exceeding 30 days at any one time.

73. DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

74. TITLE TO SHARES OF DECEASED HOLDER

Subject to Article 74 the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained letters of administration or succession certificate.

75. TRANSMISSION OF SHARE

Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board 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 of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

76. BOARD MAY REFUSE TO TRANSMIT

The Board shall, subject to the provisions of Article 68 hereof, have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

77. BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

78. TRANSFER BY LEGAL REPRESENTATION

A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

79. CERTIFICATE OF TRANSFER

The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures.

80. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission 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 any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable 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 books 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 shall so think fit.

A. NOMINATION

(i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“OPTION OF NOMINEE

i. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, 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, as the case may be

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

80B. TRUST NOT RECOGNISED

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

80C. TRANSFER OF SECURITIES

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 depository.

80D. NOTICE OF APPLICATION WHEN TO BE GIVEN

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

80E. REFUSAL TO REGISTER NOMINEE

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

80F. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

JOINT HOLDERS**81. BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS**

Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

82. JOINT HOLDERS

Where more than one person is registered as the holder of any share, the person first named in the Register of Members as one of the joint holders of a share shall be deemed the sole holder for matters connected with the Company subject to the following and other provisions contained in these articles;

JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

a. The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

TITLE OF SURVIVORS

b. On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

EFFECTUAL RECEIPTS

c. Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

d. Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in Article 28 from the Company and document served on or sent to such person shall be deemed service on all the joint holders).

VOTES OF JOINT HOLDERS

e. Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

SHARE WARRANTS

82A.

(i) Power to issue Share Warrants.

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

(ii) Deposit of Share Warrants.

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

(iii) Privileges and Disabilities of the holders of Share Warrants.

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

(iv) Issue of New Share Warrants Coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARES INTO STOCK

83. Shares may be converted into stock

The Board may, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

84. Rights of Stock-holders

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

MEETING OF MEMBERS

85.

Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse

between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

86. The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

Distinction between Annual General Meeting and Extra-ordinary General Meeting

87. The General Meeting referred to in Article 86 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

Calling of Extra-ordinary General Meeting

88. The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

Length of notice for calling meeting

89.

(1) A General Meeting of the Company may be called giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- (i) in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolution to be moved at the meeting and not on the others, those members shall be taken into the account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of services of notices and person on whom it is to be served

90. (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to 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 so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

Special business

91. All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of the dividend, (iii) the appointment of Directors in place of those retiring and (iv) the appointment of and the remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

Explanatory Statement to be annexed to notice

92. Where any items of business to be transacted at any meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of meeting an explanatory statement setting out all material facts concerning each item of business including in particular the nature and extend of the interest, if any, therein, of every Director and of the Manager and specifying 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.

PROVIDED that where any such item of special business at the meeting of the Company related to or affects any other company, the extent of shareholding interest in that other company of every Director of the Company, shall also be set out in the statement, if the extent of such shareholding interest is not less than 20 per cent of the paid up share capital of that other company.

Meeting not competent to discuss or transact any business not mentioned in notice

93. No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

Quorum

94. Five members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present not more than one of them shall be counted for determining the quorum. Several executors of administrators of a deceased person in whose sole name a share stands shall, for the purpose of this Article, be deemed joint holders thereof. 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. The President of India, or the Governor of a State being member of the Company shall be deemed to be personally present if he is represented in accordance with Section 187A of the Act.

Presence of quorum

95. No business shall be transacted at any General Meeting unless the requisite quorum shall be present at the commencement of the business.

If Quorum not present, meeting to be dissolved and when to be adjourned

96. If within half an hour from the time appointed for holding the meeting a quorum is not present, the meeting, if called upon the requisition of members shall stand dissolved but in any other case, it shall stand adjourned to the same day in the next week, at the same time and place or if that day is a public holiday, or to such other day, time and place as the Board may determine.

97. If at the adjourned meeting, a quorum is not present within half an hour from the time appointed for holding the meeting the members present shall be a quorum and may transact the business for which the meeting was called.

Resolution passed at adjourned meeting

98. Where a resolution shall, for all purposes be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.

Power of adjourn General Meeting

99. (1) The Chairman of the General Meeting may adjourn the same from time to time and from place to place, but not business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

Chairman of General Meeting

100. The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person if elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

Business confined to election of Chairman while chair vacant

101. No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

Resolution must be proposed and seconded

102. No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

Postal Ballot

102A The Company may pass such resolution by postal ballot in the manner prescribed by Section 192A of the Act and such other applicable provisions of the Act and any future amendments or re-enactment thereof. Notwithstanding anything contained in the provisions of the Act, the Company shall in the case of a resolution relating to such business, as the Central Government may, by notification, declare to be conducted only by postal ballot, get such resolution passed by means of postal ballot instead of transacting

such business in a general meeting of the Company.

How question to be decided at meetings

103. At any General Meeting, a resolution put to the vote of the meeting, shall be, decided on a show of hands unless the poll is demanded as provided in these Articles.

Declaration of Chairman to be conclusive

104. A declaration by the Chairman that on a show of hands, a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

Demand for poll

105. (1) Before or on the declaration of the result of the voting on any resolution on a show hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say:

by any member or members present in person or by proxy and holding shares in the Company:

I. which confer a power to vote on the resolution not being less than one-tenth to the total voting power in respect of the resolution or
II. on which an aggregate sum of not less than fifty thousand has been paid up.

(2) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

Time of taking Poll

106. Any poll duly demanded on the question of adjournment shall be taken forthwith, a poll demanded on any other question shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairman of the meeting may direct.

Scrutineers at Poll

107. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the votes given on the poll and to report thereon to him, the Chairman shall have power, at any time, before the result of the poll is declared to remove a scrutineer from office and to fill vacancies of the office of scrutineer arising from such removal or from any other cause of the two scrutineers so to be appointed, one shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and is willing to be appointed.

Business may proceed notwithstanding demand for Poll

108. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

Chairman's casting vote

109. In the case of equality of votes, the Chairman shall, both on a show of hands and on a poll, have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

Manner of taking poll and result thereof

110. (a) Subject to the provisions of the Act the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.

(b) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.

110A. Requisitionists' meeting

(1) Subject to the provisions of Section 188 of the Act, the Directors shall on the requisition in writing of such number of Members as is hereinafter specified and (unless the General Meeting otherwise resolves) at the expense of the requisitionists:-

(a) Give to the Members of the Company entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting.

(b) Circulate to the Members entitled to have notice of any General Meeting sent to them, any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or any business to be dealt with at that Meeting.

(2) The number of Members necessary for a requisition under clause (1) hereof shall be (a) Such number of Members as represent not less than one-twentieth of the total voting power of all the Members having at the date of the resolution a right to vote on the resolution or business to which the requisition relates; or

(b) not less than one hundred Members having the rights aforesaid and holding Shares in the Company on which there has been paid up an aggregate sum of not less than Rupees one lac in all.

(3) Notice of any such resolution shall be given and any such statement shall be circulated, to Members of the Company entitled to have notice of the Meeting sent to them by serving a copy of the resolution or statement to each Member in any manner permitted by the Act for service of notice of the Meeting and notice of any such resolution shall be given to any other Member of the Company by giving notice of the general effect of the resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be served, or notice of the effect of the resolution shall be given, as the case may be in the same manner, and so far as practicable, at the same time as notice of the Meeting and where it is not practicable for it to be served or given at the time it shall be served or given as soon as practicable thereafter.

(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:

(a) A copy of the requisition signed by, the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the Registered Office of the Company.

(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.

- (ii) the case of any other requisition, not less than two weeks before the Meeting, and
- (b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.
- PROVIDED THAT if after a copy of the requisition requiring notice of a resolution has been deposited at the Registered Office of the Company, and an Annual General Meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purposes also thereof.
- (5) The Company shall also not be bound under this Article to circulate any statement, if on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
- (6) Notwithstanding anything in these Articles, the business which may be dealt with at Annual General Meeting shall include any resolution for which notice is given in accordance with this Article, and for the purposes of this clause, notice shall be deemed to have been so given, notwithstanding the accidental omission in giving it to one or more Members.

110B. Extra-ordinary General Meeting by Board and by Requisition.

- (a) The Directors may whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company.
- (b) If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra-Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.

110C. Contents of requisition, and number of requisitionists required and the conduct of Meeting

- (1) In case of requisition the following provisions shall have effect:
- (a) The requisition shall set out the matter for the purpose of which the Meeting is to be called and shall be signed by the requisitionists and shall be deposited at the Registered Office of the Company.
- (b) The requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) The number of Members entitled to requisition a Meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-tenth of such of the paid-up share capital of the Company as that date carried the right of voting in regard to that matter.
- (d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clauses are fulfilled.
- (e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for consideration of those matters on a day not later than forty-five days from the date of the date deposit of the requisition, the Meeting may be called:
- (i) By the requisitionists themselves; or
- (ii) by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one tenth of the paid-up share capital of the Company as is referred to in sub clauses (c) of clause (1) which ever is less, PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a Meeting at which a resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the Meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
- (2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:
- (a) shall be called in the same manner as, nearly as possible, as that in which meeting is to be called by the Board; but
- (b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in sub-clause (b) shall be deemed to prevent a Meeting duly commenced before the expiry of the period of three months aforesaid, from adjourning to some days after the expiry of that period.
- (3) Where two or more Persons hold any Shares in the Company jointly; a requisition or a notice calling a Meeting signed by one or some only of them shall, for the purpose of this Article, have the same force and effect as if it has been signed by all of them.
- (4) Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board to duly to call a Meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default.

VOTES OF MEMBERS

111. Votes may be given by proxy or attorney

Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 187 of the Act and Article 113.

112. Votes of members

Subject to the provision of the Act and these Articles, every member not disqualified by Article 116 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of 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 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

113. Right of member to use his votes differently

On a poll being 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 uses.

114. Representation of Body Corporate

A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

115. Restriction on exercise of voting right by members who have not paid calls

No member shall exercise any voting right 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/or has exercised its right of lien.

116. No voting by proxy on show of hands

No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

117. How member non-compos mentis and minor may vote

If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

118. Instrument of proxy

The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

119. Instrument of proxy to be deposited at office

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

120. When vote by proxy valid though authority revoked

vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

121. Form of proxy

Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form set out in Schedule IX of the Act.

122. Time for objection to vote

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

123. Chairman of any Meeting to be the judge of validity of any vote

The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

123A. Votes of Members of unsound mind

A Member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

123B. Member paying money in advance not be entitled to vote in respect thereof.

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of moneys so paid by him until the same would but for such payment become presently payable.

DIRECTORS

124. 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.

Increase in number of Directors to require Government sanction

125. The Company shall not increase the number of its Directors beyond the maximum fixed by these Articles.

126. The following shall be the first Directors of the Company:

Vivek Kumar Jain
Dinesh Pandey

Power of Directors to appoint additional Directors and to fill casual vacancies

127. Subject to the provision of Sections 260, 263, 264 and 284 (6) of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint any other person as a Director either to fill casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed. Any additional Director so appointed shall hold the office upto the next Annual General Meeting.

128. Nominee Directors

Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution or any person or persons (hereinafter referred to as the appointer) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company or business takeover agreements, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have, if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement or contract and that such Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised or enjoyed by the other Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors, as may be agreed by the Company with the appointer. The Company may provide by an agreement specific right to nominee Directors for insisting their concurrence to any of the decision of the Board and if no consent from the nominee Directors is received such a decision of Board would not be taken or if taken shall not be binding on Company, as if not validly taken.

129. Debenture Directors

If it is provided by the trust deed securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the Company then in the case of any and every such issue of debentures, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

130. Qualification of Directors

A Director need not hold any qualification shares.

131. Remuneration of Directors

(1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(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.

by way of monthly, quarterly or annual payment with the approval of the Central Government: or
by way of commission if the Company by a special resolution authorises such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 1956 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Travelling Expenses incurred by a Director not a bonafide resident or by Director going out on Company's Business

132. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or 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 reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

133. Directors may act notwithstanding any vacancy

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

134. Disclosure of interest of Directors

(1) Every Director of the Company who is in any way, whether directly or indirectly concerned or interested in any contract or arrangement 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 of Directors.

(2) (a) In case of a proposed contract or arrangement the disclosure required to be made by a Director under clause (1) shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration or if a Director was not at the date of that meeting, concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested.

(b) In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement.

(3) (a) For the purpose of clauses (1) and (2) hereof, a general notice given to the Board by a Director to the effect that he is a Director or a 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 sufficient disclosure of concern or interest in relation to any contract or arrangement so made.

(b) 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 in the last month of the financial year in which would it otherwise have expired.

(c) No such general notice and no renewal thereof shall be effective unless either 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.

(d) Nothing in this Article shall apply to any contract or arrangement entered into or to be entered into between two companies when any of the Directors of the Company or two of them together holds or hold not more than two per cent of the paid up share capital in the other company.

Interested Director not to participate or vote on Board's proceedings

135. No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose 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 Directors may vote on 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 surety for the Company.

Board's sanction to be required for certain contracts in which particular Director is interested

136. A Director of the Company or his relative, a firm in which such Director or relative is partner, any other partner in such firm or a private company of which the Director is a member of Director shall not enter into any contract with the Company, except to the extent and subject to the provisions of Section 297 of the Act.

136A. Special Director

In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaboration" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

136B. Alternate Director

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him 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. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

136C. Limit on number of retaining Directors

The provisions of Articles 146, 147, 148 and 149 are subject to the provisions of of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

136D. Directors' sitting fees

The fees payable to a Director for attending each Board meeting shall be such

Sum as may be fixed by the Board of Directors not exceeding such as may be

Prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid Such higher fees as the Company in General Meeting shall from time to time Determine.

136E. Directors and Managing Director may contract with Company

Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered Into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

136F. Disqualification of the Director

A person shall not be capable of being appointed Director of the Company if:-

he has been found to be of unsound mind by a Court of competent

jurisdiction and the finding is in force;

he is an undischarged insolvent;

he has applied to be adjudged an insolvent and his application is pending;

he has been convicted by a Court of any offence involving moral turpitude sentenced in respect thereof to imprisonment for not less than six months and a period of five months and a period of five years has not elapsed form the date of expiry of the sentences;

he has not paid any call in respect of shares of the Company held by him whether alone or jointly with others and six months have lapsed from the last day fixed for the payment of the call;

an order disqualifying him for appointment as Director has been passed by a Court in pursuance of Section 203 of the Act and is in force; unless the leave of the Court has been obtained for his appointment in pursuance of that Section.

136G. Director may be director of companies promoted by the Company

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 benefit received as director or Shareholder of such company except in so far Section 309(6) or Section 314 of the Act may be applicable.

136H. Appointment of Sole Selling Agents

The appointment, re-appointment and extension of the sole selling agent, shall be regulated in accordance with the provisions of Section 294 of the act and any rules or Notifications issued by the competent authority in accordance with that section and the Directors and/or the Company in General Meeting may make the appointment, re-appointment or Section and such rules or notifications, if any, as may be applicable.

The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.

RETIREMENT AND ROTATION OF DIRECTORS

137. Retirement of Directors by rotation

At every Annual General Meeting, 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, then the number to one third shall retire from office. The Debenture Directors and Nominee Directors, if any, shall not be subject to retirement under clause and shall not be taken into account in determining the retirement by rotation or the number of Directors to retire.

The Directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who 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.

At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy by appointing the retiring Director who shall be eligible for reappointment or some other person thereto.

If the place of the retiring Director is not filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. 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 deemed to have been re-appointed at the adjourned meeting unless.

at the meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the vote and lost; the retiring Director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

he is not qualified or is disqualified for; a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any of the provisions of the Act.

Appointment of Director to be vote individually

138.

No motion at any General Meeting of the Company shall be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has been first agreed to by the meeting without any vote being given against it.

A resolution moved in contravention of clause (1) shall be void whether or not objection was taken at the time of its being so moved; provided that where a resolution so moved is passed, no provision for the automatic re-appointment shall apply.

For the purpose of this clause, a motion for approving a person's appointment or for nominating a person for appointment shall be treated as motion for his appointment.

139.

A person who is not a retiring Director shall, subject to the provisions of the Act, be eligible for appointment to the office of Director at any General Meeting if 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 candidature for the office of Director or the intention or such member to propose him as a candidate for that office as the case may be, "along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if the person succeeds in getting elected as a Director.

The Company shall inform its member of the candidature of a person for the office of Director or the intention of a member to propose such person as a candidate for that office, by serving individual notice on the members not less than seven days before the meeting.

Provided that it shall not be necessary for the Company to serve individual notices upon the members as aforesaid if the Company advertises such candidature or intention not less than seven days before the meeting in at least two newspapers circulating in the place where the Registered Office of the Company is located, of which one is published in the English language and the other in the Gujarati language.

Every person proposed as a Candidate for the office of Director shall sign and file with the Company his consent to act as a Director.

Resignation of Director

140. A Director may at any time give notice in writing of his intention to resign by addressing it to the Board of Directors of the Company and delivering such notice to the Secretary or leaving the same at the Registered Office of the Company and thereupon his office shall be vacated.

141. Register of Directors and notification of changes to registrar

The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary containing the particulars as required by Section 303 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager and Secretary or any of the particulars contained in the register as required by Section 303 of the Act.

141A. Appointment of Technical or Executive Directors

a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

REMOVAL OF DIRECTORS

Removal of Directors

142. (1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 128 or a Debenture Director appointed under Article 129 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.

(a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and
(b) send a copy of the representation to every member of the Company to whom notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be readout at the meeting' provided that copies of the representation need not be sent out and the representation

need not be read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 127 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 127 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

(7) Nothing in this Article shall be taken:

as depriving a person removed there under of any compensation or damages payable to him in respect of any appointment terminating with that as Director; or

as derogating from any power to remove a Director which may exist apart from this Article
Eligibility for re-election.

143. A retiring Director shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS

144.(a) The Board of Directors may meet together for the dispatch of business, adjourn or otherwise regulate its meetings and proceedings as it may think fit.

(b) A meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

(c) The Chairman, if any, of the Board of Directors may at any time and the Managing Director, if any or the Secretary on the requisition of a Director shall summon a meeting of the Board.

(d) Notice of every meeting of the Board of Directors of the Company 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.

Quorum

145 (a) Subject to the provisions of Section 287 of the Act, the quorum for a meeting of the Board shall be one third of the total strength of the Board (any fraction contained in the one-third being rounded off as one) or two Directors whichever is higher, provided that where at any meeting the number of interested Directors exceed or is equal to two thirds of the total strength, the number of the remaining Directors, that is to say, the number of the Directors who are not interested and are present at the meeting, being not less than two, shall be quorum during such time.

(b) for the purpose of clause (a) -

Total Strength means that total strength of the Board of Directors of the Company as determined in pursuance of the Act, after deducing therefrom the number of Directors, if any, whose places may be vacant at the time; and

Interested Director means any Director whose presence can not by reason of Article 137 hereof or any other provision in the Act, count for the purpose of forming a quorum at a meeting of the Board at the time of discussion or vote on any matter.

Decision of Questions

146. Subject to the provisions of Section 316, 372, 386 of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

Board may appoint Chairman, Co-Chairman and Vice Chairman

147. The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within ten minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

Power of Board Meeting

148. A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.

149. Subject to the restrictions contained in Section 292 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge any such committee of the Board so formed, shall in the exercise of the power so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

Meeting of the Committee how to be Governed

150. The meeting and proceedings of any such Committee of the Board consisting of two or more persons 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 last preceding Article.

Act of Board or Committee valid notwithstanding defective Appointment

151. 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 Directors or Committee or person acting as aforesaid or that they or any of them were or was disqualified or had vacated office or that the appointment or any of them had been terminated by virtue of any provisions contained in the Act 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 office or his appointment had not been terminated. Provided that nothing in this Article shall be deemed to give validity to acts done by Director after his appointment has been shown to the Company to be invalid or to have terminated.

152. (1) No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors or to all the members of the committee, than in India (not being less in number than the quorum fixed for a meeting of the Board or a Committee thereof as the case may be) and to all other Directors or members at their usual address in India or by a majority of such of them as are entitled to vote on the resolution.

(2) A resolution passed by circular without a meeting of the Board or a Committee of the Board shall, subject to the provisions of sub-clause (1) hereof and the acts, be as valid and effectual as resolution duly passed at meeting of the Board or of the Committee duly called and held.

153. General powers of the Board

(1) Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the act or any other act or by the Memorandum of Association of the Company or these Articles or otherwise to be exercised or done by the Company in General Meeting.

Provided further than exercising any power or doing any such act or thing, the Board shall be subject to provisions contained in this behalf in act or in any other act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting.

(2) No regulation 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.

153A. Certain powers to be exercised by the Board only at Meetings.

(1) Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at the meeting of the Board;

the power to make calls, on shareholders in respect of money unpaid on their Shares,
the power to issue Debentures,
the power to borrow moneys otherwise than on Debentures,
the power to invest the funds of the Company, and
the power to make loans

Provided that the Board may, by resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:

(2) Every resolution delegating the power referred to in sub-clause (1) (c) above shall specify the total amount outstanding at any one time, upto which moneys may be borrowed by the delegate.

(3) Every resolution delegating the power referred to in sub-clause (1) (d) above shall specify the total amount upto which the funds of the Company may be invested, and the nature of the investments which may be made by the delegate.

(4) Every resolution delegating the power referred to in sub-clause (1) (e) above shall specify the total amount upto which loans may be made and the maximum amount of loans which may be made for each such purpose in individual cases.

154. 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 regulation made by the company in General Meeting but no regulation 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.

Sell, lease or otherwise dispose off 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.

Remit, or give time for the repayment of, any debt due by the Director.

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 undertakings and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.

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 reserves not set apart for any specific purpose as specified in Section 292 of the Act, shall subject to these Articles, be exercised only at meeting of the Board unless the same be delegated to the extent therein stated or

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 fifty thousand rupees or five per cent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever greater.

Power to Borrow

155. Subject to the provisions of Sections 292 and 293 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

155A. All the provisions applicable to nomination facility available to shareholder(s) and debentureholder(s) enumerated in Article 67A of these Articles shall equally apply to depositholder(s).

155B. The payment or repayment of moneys borrowed

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

155C. Bonds, Debentures, etc. to be subject to control of Directors

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and condition and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Condition on which money may be borrowed

156. The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

157. Terms of issue of Debentures

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

157A. Debentures with voting rights not be issued.

The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.

The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.

Payments of certain debts out of assets subject to floating charge in priority to claims under the charge may be made in accordance with the provisions of Section 123 of the Act.

Certain charges (which expression includes mortgage) mentioned in Section 125 of the Act, shall be void against the Liquidator or creditor unless registered as provided in Section 125 of the Act.

A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.

Unless the conditions of issue thereof otherwise provide, the Company shall (subject to the provisions of Section 113 of the Act) within three months after the allotment of it debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debenture-stock allotted or transferred.

The Company shall comply with the provision of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.

The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.

158. Execution of indemnity

If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

159. Certain powers of the Board

Without prejudice to the general powers conferred by Articles 155 and the other powers conferred by these Articles and Section 191 of the Act, so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.

Subject to Sections 292 and 297 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized 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 Board may believe or may be advised to be reasonably satisfactory.

At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.

To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage of charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.

To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.

To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

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 or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.

To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.

To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be thought fit.

Subject to the provisions of Sections 291, 292, 293, 295, 370, 373 and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.

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 for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, 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 a part of working expenses of the Company.

To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.

To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any 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.

Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its 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 is required to be invested, upon such investments

(other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part thereof for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends 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 general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset 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 that 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 of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

To pay and charge to the capital account of the Company any commission or interest lawfully payable thereout under the provisions of Sections 76 and 208 of the Act, and of the provision contained in these presents.

From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.

To redeem redeemable preference shares.

Subject to Section 294 and 297 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

MANAGING DIRECTORS

160. Board may appoint Managing Director or Whole time Director

Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any of the Act, the Board of Directors may from time to time appoint one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company on a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

161. Remuneration of Managing Directors or whole time Director

The remuneration of a Managing Director or whole time Director shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Sections 198 and 309 of the Act.

162. Directors may confer power on Managing Director

Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

163. Managing Director not to exercise certain powers

The Managing Director or Managing Directors shall not exercise the powers to:

make calls on share holders in respect of money unpaid on the share of the Company.

issue of debentures and

except delegated by the Board under Section 292 of the Act, invest the funds of the Company or make loans or borrow moneys.

164. Certain persons not to be appointed as Managing Directors

The Company shall not appoint or employ or continue the employment of any persons as its Managing Director or Whole-time Director who:

is an undischarged, insolvent or has at time been adjudged an insolvent;

suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or

is or has at any time being, convicted by a Court of an offence involving moral turpitude.

164A. Special to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

164B. Prohibition of simultaneous appointment of different categories of managerial personnel

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:-

- a) Managing Director and
- b) Manager.

THE SECRETARY

165. The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 383A of the Act.

166. The Seal, its Custody and use

The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least one Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in his presence.

167. Foreign Seal

The Company may, subject to the provisions of Section 50 of the Act, have for use in any territory, district or place not situate in the Union of India, an official seal which shall be a facsimile of the Common Seal of the Company with the addition on its face of the name of the territory, district or place where it is to be used.

168. Provisions applicable to Foreign Seal

The following provisions shall apply on the Company having a foreign seal under the preceding Article:

The Company shall, by a document under its Common Seal, authorise any person appointed for the purpose in that territory, district or place, to affix the official seal to any deed or other document to which the Company is a party in that territory, district or place.

The authority of any agent under the preceding clause shall, as between the Company and any person dealing with the agent, continue during the period if any, mentioned in the document conferring the authority or if no period is herein mentioned, until notice of the revocation or determine of the agent's authority has been given to the person dealing with him.

The person affixing any such official seal shall certify on the deed or document to which such a seal is affixed, the date on which and the place at which, such seal affixed.

A deed or other document to which an official seal is duly affixed shall bind the Company as if it had been sealed with the common seal of the Company.

MINUTES

169.

The Company shall cause minutes of all proceedings of every General meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

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 books shall be dated and signed.

in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.

In the case of minutes of proceedings of a General Meeting, by the chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

170. Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 172 above, shall be evidence of the proceedings recorded therein.

171. Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of article 173 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be Valid.

172.

(1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

(2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred to in clause (8) above on payment of Thirty paise for every one hundred words or fractional part thereof required to be copied.

(3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

(4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.

(5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.

(6) In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:

the names of the Directors present at the meeting; and
in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting or not concurring in the resolution.

(7) Nothing contained in clauses (1) to (6) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:

- (a) is or could reasonably be regarded as defamatory of any person;
- (b) is irrelevant or immaterial to the proceedings or
- (c) is detrimental to the interests of the Company.

The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

DIVIDENDS

173. The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

173A. Division of profits

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

173B. Dividend to joint holders

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

174. Amounts paid in advance of calls not to be treated as paid up capital

No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of Article 176 as paid up on the share.

175. Apportionment of Dividends

All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

176. Declaration of Dividends

The Company in General Meeting may, subject to the provisions of Section 205 of the Act, declared a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

177. Restriction on amount of dividend

No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

178. Dividend out of profits only and not to carry interest

- (1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 205 of the Act. What is to be deemed net profits
- (2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

179. Interim Dividends

The Board of Directors may from time to time pay the members such interim dividends as in its judgement the position of the Company justifies.

180. Debts may be deducted

The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

181. Dividend and call together

Any General Meeting declaring an dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may, if so arranged between the Company and the member, be set off against the call.

182. Effect of transfer

Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with

the provision of Section 206A of the Act.

183. Retention in certain cases

The Board may retain the dividends payable upon share in respect of which any person is under Article 76 entitled to become a member of which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

184. No member to receive interest or dividend whilst indebted to the Company and Company's right to reimbursement thereof

No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares 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 shareholder all sums or money so due from him to the Company.

185. Payment by post

Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

186. Dividend to be paid within Thirty days

The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions can not be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

187. Unpaid or Unclaimed Dividend

Where the Company has declared a dividend but which has not been paid or claimed within 30 from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall, within 7 days of the date from expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "eDynamics Solutions Limited Unpaid Dividend Account" and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed.

Any money transferred to the unpaid dividend account of the Company which remain unpaid or unclaimed for a period of Seven years from the date of such transfer, shall be transferred by the Company to the Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

188. Capitalization of reserves

(a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b)

Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal

amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets 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 amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

188A. Set-off of calls against dividends

Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the Members of such amount as the Meeting fixes but so that the call on each Member shall not exceed the dividend payable to him, and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the Company and the Members, be set off against the calls.

188B. Fractional certificates

(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;

- (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
- (b) Generally do all acts and things required to give effect thereto.

(2) The Board shall have full power:

- (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
- (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.

(3) Any agreement made under such authority shall be effective and binding on all such Members.

(4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

188C. Dividend in Cash.

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

188D. Board to give effect.

The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

ACCOUNTS

189. Books of Accounts to be kept

The Company shall cause to be kept proper books of account with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which receipts and expenditure take place;
- (b) all sales and liabilities of the Company; and
- (c) the assets and liabilities of the Company.

190. Books where to be kept and inspection

(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of

the Company or its transactions with respect to:

- (a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place
- (b) all sales and purchases of goods by the Company
- (c) the assets and liabilities of the Company and
- (d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides 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.
- (2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

191. Inspection by members

The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

192. Statement of Accounts to be laid in General Meeting

The Board of 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, Profits & Loss Accounts and reports as are required by these Sections.

193. Balance Sheet and Profit and Loss Account to be sent to each member

A copy of Balance Sheet (including the profit and loss account, the auditors report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet) which is to be laid before a Company in general meeting shall, not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of General Meetings of the Company and to all persons other than such members or trustees, being persons so entitled, provided that this Article shall not require a copy of the documents aforesaid to be sent:

to a member or holder of debentures of the Company who is not entitled to have notices of General Meeting of the Company to be sent to him and whose address the Company is unaware:

to more that one of the joint-holders of the any shares or debentures, some of whom are entitled to have such notices sent to them;
in the case of joint holders of any shares or debentures, some of whom entitled to have such notices sent, to those who are not so entitled; or

the Board of Directors may, in their absolute discretion, if they deem fit, instead send statement containing the salient features of such documents in the prescribed form to every member of the Company and to every trustee for the holders of any debentures issued by the Company in accordance with the provision contained in Section 219 of the Act.

194. Accounts to be Audited

(1) Once at least in every year they accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

194A. Appointment of Auditors.

(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.

(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

he is not qualified for re-appointment;

he has given to the Company notice in writing of his unwillingness to be re-appointed;

a resolution has been passed at that Meeting appointing some body instead of him or providing expressly that he shall not be re-appointed; or

where notice has been given of an intended resolution to appoint some person or persons in the place of retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons as the case may be, the resolution cannot be proceeded with.

(4) Where at any Annual General meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.

(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

195. Power of Board to modify Final Accounts

Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

195A. Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219

The Company shall comply with the requirements of Section 219 of the Act.

The copies of every balance sheet including the Profit & Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period 21 days before the Annual General Meeting.

A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.

195B. Accounts when audited and approved to be conclusive except as to errors discovered within 3 months

Every account when audited and approved by a General Meeting shall be conclusive except as regards any errors discovered therein within the next three months after the approval thereof. Whenever any such error is discovered within that period, the account shall be corrected, and amendments effected by the Directors in pursuance of this Article shall be placed before the Members in General Meeting for their consideration and approval and, on such approval, shall be conclusive.

DOCUMENTS AND NOTICE

196. Services of documents on member by Company

(1) A document or notice may be served by the Company on any member thereof either personally or by sending it by post to him to his registered address or he has no registered address in India, to the address if any, within India supplied by him to the Company for the giving of notice to him.

(2) Where a document or notice is sent by post:

(a) Service thereof shall be deemed to be effected by properly addressing prepaying and posting a letter containing the document or the notice provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under the certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member; and

(b) Such service shall be deemed to have been effected:

in case of a meeting at the expiration of forty eight hours after the letter containing the same is posted; and
in any other case, at the time at which the letter would be delivered in the ordinary course of post.

(3) A document or notice may be served by the Company on the joint holders of a share by serving it on the holder named first in the Register of Members in respect of the share.

(4) A document or notice may be served by the Company on the persons entitled to a share in consequence of death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignees of the insolvent, by any like description, at the address if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

(5) A certificate in writing signed by the manager, secretary or other officer or employee of the Company that the notice was properly addressed, prepaid and posted shall be conclusive evidence thereof.

(6) The signature to any document or notice so given by the Company may be written or printed or lithographed.

197. Service of documents on Company

A document may be served on the Company or an officer thereof by sending it to the Company or the officer at the Registered Office of the Company by post under a certificate of posting or by registered post or by leaving it at its Registered Office.

197A. "Service of documents on the Company"

Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks.

198. Authentication of documents and proceedings

Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company may be signed by a Director, Managing Director, Manager, Secretary or other authorised officer of the Company and need not be under the Common seal of the Company.

REGISTERS AND DOCUMENTS

198A. Registers and documents to be maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act

Register of mortgages and charges as required by Section 143 of the Act and copies of instruments creating any charge requiring registration according to Section 136 of the Act.

Register and index of Member and debenture holders as required by Section 150, 151 and 152 of the Act.

Foreign register, if so though fit, as required by Section 157 of the Act

Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.

Register of Directors and Secretaries etc. as required by Section 303 of the Act.

Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.

Register of investments made by the Company in Shares and Debentures of bodies corporate in the same group as required by Section 372(2) of the Act.

Copies of annual returns prepared under Section 159 of the Act together

with the copies of certificates and documents required to be annexed thereto under Section 161 of the Act.

Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.

198B. Inspection of Registers

The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

INDEMNITY

Company may indemnify

199. Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company or as an auditor or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay, out of the funds of the Company, all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered in to or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.

200. Subject to the provisions of Sections 201 of the Act; no Director, Manager or other officer of the Company shall be liable for the acts, receipts or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight, on his part or for any other loss, damage or, misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

WINDING UP

201. Distribution of Assets

If the Company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

201A. Distribution in specie or kind

(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given

preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

201B. Right of shareholders in case of sale

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

201C. Directors and others right to indemnity

Subject to the provisions of Section 201 of the Act, every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expense, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

201D. Director, officer not responsible for acts of others

Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

202 SECRECY

No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

203. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual 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 so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

Knowledge implied

204. Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at B-25, First Floor, Dayanand Colony, Lajpat Nagar, New Delhi – 110024, India, from date of filing the Draft Prospectus with RoC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

Material Contracts

1. Memorandum of understanding dated July 2, 2013 between our Company and the Lead Manager.
2. Memorandum of Understanding dated April 19, 2013, between our Company and the Registrar to the Issue.
3. Underwriting Agreement dated July 4, 2013 between our Company, the Lead Manager, Market Maker and Underwriters.
4. Market Making Agreement dated July 2, 2013 between our Company, Lead Manager and Market Maker.
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated [●], 2013.
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated [●], 2013.
7. Escrow Agreement dated [●] between our Company, the Lead Manager, Escrow Collection Bank and the Registrar to the Issue.

Material Documents

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation.
2. Resolution of the Board dated June 26, 2013 authorizing the Issue.
3. Special Resolution of the shareholders passed at the Extra Ordinary General Meeting dated June 28, 2013 authorizing the Issue.
4. Statement of Tax Benefits dated June 5, 2013 issued by our Statutory Auditors, Thakur Saroj & Co., Chartered Accountants.
5. Report of the Peer Review Auditors, S.C. Garg & Associates, Chartered Accountants dated June 6, 2013, on the Restated Financial Statements for the Financial Year ended as on March 31, 2012, 2011, 2010 and for the eleven months ended February 28, 2013 of our Company.
6. Copy of Certificate from the Statutory Auditor, Thakur Saroj & Co., Chartered Accountants dated June 29, 2013, regarding the source and deployment of funds as on June 20, 2013.
7. Copies of Annual reports of the Company for the years ended March 31, 2012, 2011, 2010 and Audited Financials for the eleven months ended February 28, 2013 of our Company.
8. Consents of Directors, Company Secretary and Compliance Officer, Statutory Auditors, Legal Advisor to the Issue, the Lead Manager, Registrar to the Issue, Underwriters, Market Maker, Bankers to the Issue/Escrow Collection Banks, Refund Banker to the Issue, to act in their respective capacities.
9. Initial listing applications dated [●] filed with the BSE.

10. Copy of approval from BSE *vide* letter dated [●], to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
11. Due Diligence Certificate dated July 5, 2013 from the Lead Manager.
12. Resolution of the shareholders passed at their extra ordinary general meeting dated June 17, 2013 for fixing the term of appointment and the remuneration of our Whole Time Director, Mr. Manoj Kumar.

Any of the contracts or documents mentioned in the Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, the undersigned, hereby certify that, all the relevant provisions of the Companies Act, 1956, and the guidelines issued by the Government of India or the guidelines and regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations or guidelines issued, as the case may be. We further certify that all the disclosures and statements made in the Draft Prospectus are true, fair, accurate and correct.

Signed by all the Directors of VKJ Infradevelopers Limited

| Name and designation | Signature |
|----------------------|-----------|
|----------------------|-----------|

Manoj Kumar
Whole Time Director

Arun Kumar Chalukya
Director

Aayush Golash
Independent Director

Vinay Kumar
Independent Director

Signed by the Head - Finance & Accounts

Mr. Monoj Singh

Place: **New Delhi**

Date: July 5, 2013

TABLE 1: FORMAT FOR DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED

| <i>Sr No</i> | <i>Issue Name</i> | <i>Issue Size ₹ (Cr.)</i> | <i>Issue price (₹)</i> | <i>Listing date</i> | <i>Opening price on listing date</i> | <i>Closing price on listing date</i> | <i>% Change in Price on listing date (Closing) vs. Issue Price</i> | <i>Benchmark index on listing date (Closing)</i> | <i>Closing price as on 10th calendar day from listing day</i> | <i>Benchmark index as on 10th calendar days from listing day (Closing)</i> | <i>Closing price as on 20th calendar day from listing day</i> | <i>Benchmark index as on 20th calendar days from listing day (Closing)</i> | <i>Closing price as on 30th calendar day from listing day</i> | <i>Benchmark index as on 30th calendar days from listing day (Closing)</i> |
|--------------|---------------------------|-----------------------------------|----------------------------|---------------------|--------------------------------------|--------------------------------------|--|--|--|---|--|---|--|---|
| 1 | Bronze Infra-Tech Limited | 8.56 | 15 | November 7, 2012 | 16.70 | 16.30 | 8.67 | 18902.41 | 15.65 | 18339.00 | 16.80 | 18842.08 | 16.05 | 19424.10 |
| 2 | GCM Securities Limited | 12.18 | 20 | April 5, 2013 | 65.00 | 68.25 | 241.25 | 18450.23 | 82.85 | 18744.93 | 82.85 | 19406.85 | 119.25 | 19673.64 |

Source: All share price data is from "www.bseindia.com".

Note:

1. The BSE Sensex is considered as the Benchmark Index.
2. Price on BSE is considered for all of the above calculations
3. In case 10th/20th/30th day is not a trading day, closing price on BSE of the next trading day has been considered

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| <i>Financial Year</i> | <i>Total no. of IPOs</i> | <i>Total Funds Raised (Rs. Cr.)</i> | <i>Nos. of IPOs trading at discount on listing date</i> | | | <i>Nos. of IPOs trading at premium on listing date</i> | | | <i>Nos. of IPOs trading at discount as on 30th calendar day from listing day</i> | | | <i>Nos. of IPOs trading at premium as on 30th calendar day from listing day</i> | | |
|-----------------------|--------------------------|-------------------------------------|---|-----------------------|----------------------|--|-----------------------|----------------------|---|-----------------------|----------------------|--|-----------------------|----------------------|
| | | | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> | <i>Over 50%</i> | <i>Between 25-50%</i> | <i>Less than 25%</i> |
| 2012-13 | 2 | 20.74 | -- | -- | -- | -- | -- | 2 | -- | -- | -- | -- | -- | 2 |