



## MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED

Our Company was originally incorporated as Maharashtra Industrial and Technical Consultancy Organisation Limited pursuant to a Certificate of Incorporation dated April 16, 1982 issued by the Registrar of Companies, Bombay, Maharashtra. The name of our Company was changed to MITCON Consultancy Services Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated September 7, 2000 issued by the Registrar of Companies, Pune, Maharashtra. The name of our Company was further changed to MITCON Consultancy & Engineering Services Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated October 15, 2010 issued by the Registrar of Companies, Pune, Maharashtra. For more information on changes in our name and registered office, please refer to the section "History and Other Corporate Matters" on page 116 of this Prospectus.

**Registered Office:** First Floor, Kubera Chambers, Shivajinagar, Pune 411 005, Maharashtra

**Telephone:** +91 20 2553 4322 / 3309; **Facsimile:** +91 20 2553 3206

**Contact Person:** Mr. Madhav Oak, Company Secretary and Compliance Officer

**Telephone:** +91 20 6628 9148; **Facsimile:** +91 20 2553 3206; **E-mail:** [ipo@mitconindia.com](mailto:ipo@mitconindia.com); **Website:** [www.mitconindia.com](http://www.mitconindia.com)

**Our Company is a professionally managed company and does not have an identifiable promoter in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI Regulations")**

**PUBLIC ISSUE OF 41,00,000 EQUITY SHARES OF A FACE VALUE OF ₹ 10 EACH (THE "EQUITY SHARES") OF MITCON CONSULTANCY & ENGINEERING SERVICES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ 61 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 51 PER EQUITY SHARE), AGGREGATING TO ₹ 25,01,00,000 (THE "ISSUE") OF WHICH 2,06,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 38,94,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND NET ISSUE SHALL CONSTITUTE 33.88% AND 32.18% RESPECTIVELY OF THE POST ISSUE PAID UP CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE ISSUE PRICE IS 6.1 TIMES THE FACE VALUE**

**The Issue is being made in accordance with Chapter XB of the SEBI Regulations.** In terms of Rule 19(2)(b)(i) of the Securities Contracts Regulations Rules, 1957, as amended ("SCRR"), this is an issue for at least 25% of the post-Issue paid-up equity share capital. The Issue is being made through the Fixed Price Process wherein 2,06,000 Equity Shares shall be reserved for Market Maker. 19,48,000 Equity Shares will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from them at the Issue Price. For further details, please refer to the section "Issue Procedure" on page 238 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 10 and the Issue Price is 6.1 times of the face value. The Issue Price (has been determined and justified by our Company and the Lead Managers as stated in "Basis for Issue Price" on page 41 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investment in equity and equity related securities involve a high 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 "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The Equity Shares have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the statement of "Risk Factors" on page xiv of this Prospectus.

### ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Issuer and the Issue which is material in the context of this Issue, that the information contained in this Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this 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 of the Company, including those being offered through this Prospectus, are proposed to be listed on the SME Platform of NSE i.e., "EMERGE" and traded in the SME Continuous Normal Market. Our Company has received an 'in-principle' approval from the NSE for the listing of the Equity Shares pursuant to the letter dated September 16, 2013. For the purpose of this Issue, the Designated Stock Exchange shall be NSE.

### IPO GRADING

This Issue has been graded by CRISIL Limited and has been assigned "4/5" (pronounced four out of five), indicating that the fundamentals of our Company are superior compared to other SMEs in India through its report dated September 16, 2013. The IPO grading is assigned on a five point scale from 1 to 5 with an "SME 5/ 5" indicating excellent fundamentals and an "SME 1/5" indicating poor fundamentals. Please refer to the section titled General Information on Page 17 of this Prospectus for more information.

### LEAD MANAGERS TO THE ISSUE

### REGISTRAR TO THE ISSUE



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**Keynote Corporate Services Limited**  
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**Link Intime India Private Limited**  
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Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
Contact Person: Mr. Sanjog Sud  
SEBI Registration No.: INR000004058

### ISSUE PROGRAMME

**ISSUE OPENS ON : TUESDAY, OCTOBER 15, 2013**

**ISSUE CLOSES ON : FRIDAY, OCTOBER 18, 2013**

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise requires, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulations as amended from time to time.*

#### GENERAL TERMS

Term	Description
“The Company”, “our Company” and “the Issuer” / MITCON	MITCON Consultancy & Engineering Services Limited, a company incorporated under the Companies Act, 1956 and having its Registered Office at First Floor, Kubera Chambers, Shivajinagar, Pune 411 005, Maharashtra
“We”, “us”	Unless the context otherwise requires, refers to MITCON Consultancy & Engineering Services Limited, as described in this Prospectus

#### ISSUER RELATED TERMS

Term	Description
Articles / Articles of Association	Articles of Association of our Company, as amended from time to time, unless the context otherwise specifies
Auditor	M/s. Joshi & Sahney, Chartered Accountants, the statutory auditor of our Company
Board / Board of Directors	The board of directors of our Company or a Committee authorized to act on their behalf
Certificate Of Incorporation	The certificate of incorporation of our Company
Compliance Officer	Mr. Madhav Oak
Director(s)	The Director(s) of our Company, unless otherwise specified
Equity Shareholder(s)	Person(s) holding Equity Shares of our Company unless the context otherwise specifies
Equity Shares	Equity Shares of our Company of face value of ₹ 10 each, unless otherwise specified in the context thereof
Key Management Personnel / KMP	Key Management Personnel of our Company as per the SEBI Regulations
Listing Agreement	The equity listing agreement entered into by our Company with the Stock Exchange, including all amendments made thereto from time to time
MD / Managing Director	The Managing Director of our Company, Dr. Pradeep Bavadekar
Memorandum / Memorandum of Association	Memorandum of Association of our Company, as amended
Registered Office	The Registered Office of our Company, located at First Floor, Kubera Chambers, Shivajinagar, Pune 411 005, Maharashtra
ROC / RoC	Registrar of Companies, Pune, Maharashtra

#### CONVENTIONAL TERMS

Term	Description
&	And
Act / Companies Act	Companies Act, 1956, as amended and superceded from time to time
AIF	Alternate Investment Fund
AS	Accounting Standard as issued by the Institute of Chartered Accountants of India
B. Sc.	Bachelor of Science
B.A.	Bachelor of Arts

Term	Description
B.Com.	Bachelor of Commerce
B.E.	Bachelor of Engineering
BAIF	Bharatiya Agro Industries Foundation
BFSI	Banking, Financial Services and Insurance
BIFR	Board of Industrial and Financial Restructuring
Bn	Billion
BOI	Bank of India
BSE	Bombay Stock Exchange
C.S.	Company Secretary
CARE	Credit Analysis & Research Limited
CARE Report	CARE Research Report
CBEC	Central Board of Excise and Customs
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
CIN	Company Identification Number
CIS	Commonwealth of Independent States
CMIE	Centre for Monitoring Indian Economy Private Limited
CPI	Consumer Price Index
CSO	Central Statistics Office (India)
CY	Calendar Year
D.C.A.	Diploma in Computer Application
Depositories Act	The Depositories Act, 1996, as amended
Depository/(ies)	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 1996, as amended
DIN	Director Identification Number
DISM	Diploma in Information and System Management
DP ID	Depository Participant's Identity
DP/ Depository Participant	A depository participant as defined under the Depositories Act, 1996
DRs	Depository Receipts
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing Service
EGM	Extra-Ordinary General Meeting
EPA	Environment Protection Act, 1986, as amended
EPFA	Employees Provident Funds and Miscellaneous Provisions Act, 1952
EPS	Unless otherwise specified, Earnings Per Share, i.e., profit after tax for a fiscal year divided by the weighted average number of Equity Shares outstanding during that fiscal year
ESIA	The Employee's State Insurance Act, 1948
ESIC	Compensation payable under the Employee's State Insurance Act, 1948
etc.	Et cetera
FAQs	Frequently Asked Questions
FCNR	Foreign Currency Non Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor as defined and registered with SEBI under the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
FIPB	Foreign Investment Promotion Board
FPI	Food Processing Industry
FSS Act	Food Safety and Standards Act, 2006
FVCI	Foreign Venture Capital Investor as defined and registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended
FY (s)/ Fiscal(s) / Fiscal Year(s)/	Year ended March 31

Term	Description
Financial Year(s)	
GDP	Gross Domestic Product
GEDA	Gujarat Energy Development Agency
Gen	Generation
GoI / Government / Central Government	Government of India
HNI	High Net worth Individual
HR	Human Resource
HUF	Hindu Undivided Family
I T Rules 1962	Income Tax Rules, 1962
IFRS	International Financial Reporting Standards
IIM	Indian Institute of Management
Income Tax Act / Direct Taxes	The Income Tax Act, 1961, along with rules and regulations thereunder, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
INR	Indian Rupees
IPO	Initial Public Offer
IPRA	Industry Program in Pharma Regulatory Affairs
IRDA	Insurance Regulatory and Development Authority
IREDA	Indian Renewable Energy Development Agency Limited
IST	Indian Standard Time
IT	Information Technology
M. Sc.	Master of Science
M. Tech.	Master of Technology
MART	Maharashtra State Agri and Rural Tourism Co-Op Federation Limited
MBA	Master of Business Administration
MKCL	Maharashtra Knowledge Corporations Limited
MNRE	Ministry of New and Renewable Energy, Government of India
MoEF	Ministry of Environment and Forests, Government of India
MoFPI	Ministry of Food Processing & Industry, Government of India
MoU	Memorandum of Understanding
MSMED Act	Micro, Small and Medium Enterprises Development Act, 2006
N. A.	Not Applicable
NABARD	National Bank for Agriculture and Rural Development
NABET Scheme	National Accreditation Board for Education and Training Scheme
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
No.	Number
NRE	Non-Resident External
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
NRO	Non-Resident Ordinary
NSDC	National Skill Development Corporation
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
NSSO	National Sample Survey Organization
OCB(s) / Overseas Corporate Bodies	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant

Term	Description
	to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E	Price Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after Tax
PBT	Profit Before Tax
PGA	Payment of Gratuity Act
PGDM	Post Graduate Diploma in Management
PGDBM	Post Graduate Diploma in Business Management
Ph. D.	Doctor of Philosophy
PMEAC	Prime Minister's Economic Advisory Council
PR	Public Relations
PSB	Public Sector Banks
R&D	Research and Development
RBI	Reserve Bank of India
RC	Reconstruction Companies
RE	Renewable Energy
RoNW	Return on Networth
RTGS	Real Time Gross Settlement
SC	Securitisation Companies
SCB	Scheduled Commercial Banks
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992, as amended
SEBI Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SERC	Structural Engineering Research Centre
Sr.	Serial
State Government	The government of a state of India
STT	Securities Transaction Tax
Trade Marks Act	Trade Marks Act, 1999
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S./USA/US	United States of America
ULIP	Unit Linked Insurance Plan
USD/US\$/ US Dollar(s)	United States Dollar(s)
VAT	Value Added Tax
VC	Venture Capital
VCC	Venture Capital Companies
VCF(s)	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended
viz.	Videlicet
vs.	Versus

## ISSUE RELATED TERMS

Term	Description
Allot/Allotment/Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue to successful Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to Applicants who are to be Allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Applicant to whom the Equity Shares are Allotted
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus
Application Amount	The amount indicated in the Application Form and payable by an Applicant on submission of an Application Form in the Issue and in the case of ASBA Applicants, the amount mentioned in the ASBA Application Form
Application Form	The form used by an Applicant (including ASBA Applicants) to apply for the Equity Shares in terms of this Prospectus
ASBA / Application Supported by Blocked Amount	An application, whether physical or electronic, used by an Applicant to apply for Equity Shares authorising a SCSB to block the Application Amount in their specified bank account maintained with the SCSB. ASBA is mandatory for Non Retail Applicants participating in the Issue
ASBA Account	An account maintained with the SCSBs and specified in the Application Form for blocking the amount mentioned in the Application Form
ASBA Applicant	Prospective investors in this Issue who intend to apply through ASBA
Banker to the Issue / Escrow collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to an issue with whom the Escrow Account will be opened, in this case being ICICI Bank Limited and Yes Bank Limited
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Applicants under the Issue and which is described in paragraph titled “ <i>Basis of Allotment</i> ” forming a part of section “ <i>Issue Procedure</i> ” on page 238 of this Prospectus
Broker Centre	Broker centres notified by the Stock Exchange, where Applicants can submit the Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the websites of the Stock Exchange
Client ID	Client identification number of the Applicant’s beneficiary account
Controlling Branch(es)	Such branch(es) of the SCSB which coordinates applications under the Issue with the Lead Managers, the Registrar to the Issue and the Stock Exchange and a list of which is available at <a href="http://www.sebi.gov.in/pmd/scsb.html">http://www.sebi.gov.in/pmd/scsb.html</a>
Demographic Details	The demographic details of the Applicants such as their address, occupation and bank account details as maintained by their respective Depository Participants
Designated Branch(es)	Such branches of the SCSBs which shall collect the Application Form used by ASBA Applicants and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.html">http://www.sebi.gov.in/pmd/scsb.html</a>
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants in the Issue
Draft Prospectus	The draft prospectus dated September 11, 2013 issued in accordance with Section 60 of the Companies Act
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to subscribe to the Equity Shares

Term	Description
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants
Escrow Account	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Applicant (excluding the ASBA Applicants) will issue cheques or drafts in respect of the Application Amount
Escrow Agreement	Agreement to be entered into by our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Bank(s) and the Refund Banks for collection of the Application Amounts and where applicable, refunds of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and conditions thereof
First Applicant	The Applicant whose name appears first in the Application Form
Issue	The public issue of 41,00,000 Equity Shares for cash at a price of ₹ 61 per Equity Share aggregating up to ₹ 25,01,00,000
Issue Agreement	The agreement entered into on September 10, 2013 between our Company and the Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Closing Date	October 18, 2013
Issue Opening Date	October 15, 2013
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which Applicants can submit their applications, including any revisions thereof
Issue Price	The price at which Equity Shares will be issued, transferred and Allotted in terms of the Prospectus
Issue Proceeds	The proceeds of the Issue that are available to our Company
Lead Managers	The lead managers to the Issue, in this case being IDBI Capital Market Services Limited ( <b>IDBI Capital</b> ) and Keynote Corporate Services Limited ( <b>Keynote</b> )
Main Board	A recognized stock exchange having nationwide trading terminals, other than SME Exchange as defined under Regulation 106N of the SEBI Regulations; in this Issue being NSE
Market Maker	Keynote Capitals Limited will act as the market maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI Regulations
Market Maker Reservation Portion	2,06,000 Equity Shares of face value of ₹ 10 each, reserved for the Market Maker
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further information about use of Net Proceeds and the Issue expenses, please refer to the section “ <i>Objects of the Issue</i> ” on page 34 of this Prospectus.
Non Institutional Applicants	All Applicants that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount more than ₹ 2,00,000 (but not including NRIs other than eligible NRIs)
Non – Resident	A person resident outside India, as defined under FEMA and includes an NRI
Non Retail Applicants	Individual Applicants other than Retail Individual Applicants, including QIBs and Non Institutional Applicants, irrespective of the number of Equity Shares applied for.



<b>Term</b>	<b>Description</b>
Non Retail Portion	The portion of the Issue being available for allocation on a proportionate basis to Non Retail Applicant(s)
Prospectus	This Prospectus filed with the RoC in accordance with Section 60 of the Companies Act
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account on the Designated Date
Qualified Foreign Investors / QFIs	<p>Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI</p> <p>Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies</p>
Qualified Institutional Buyers / QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Application Amount (excluding to the ASBA Applicant) shall be made
Refund Banker	Yes Bank Limited
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS, as applicable
Registrar/Registrar to the Issue	Registrar to the Issue, in this case being Link Intime India Private Limited
Retail Individual Applicant(s)	Individual Applicants (including HUFs applying through their Karta, Eligible NRIs and Resident Retail Individual Applicants) who have not applied for Equity Shares for an amount more than ₹ 2,00,000 in the Issue
Retail Portion	The portion of the Issue consisting of 19,48,000 Equity Shares, available for allocation on a proportionate basis to Retail Individual Applicant(s)
Self Certified Syndicate Bank or SCSB	The Banks which are registered with SEBI under SEBI (Bankers to an Issue) Regulations, 1994 and offers services of ASBA, including blocking of bank account and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a>
SME Continuous Market	The regular trading hours of Equity Shares on the SME Platform of the NSE
SME Exchange	A trading platform of a recognised stock exchange having nationwide trading terminals permitted by the SEBI to list the specified securities issued in accordance with Chapter XB of SEBI Regulations; in this Issue being the SME Platform
SME Platform	The SME Platform of NSE i.e. "EMERGE" which was approved by SEBI as an SME Exchange on October 14, 2011 for listing of equity shares offered under Chapter XB of the SEBI Regulations
Stock Exchange / Designated Stock Exchange	NSE / SME Platform of the NSE i.e. "EMERGE"
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
TRS	The transaction registration slip or document issued by a Banker to the Issue or the SCSB (only on demand), as the case may be, to the Applicant as proof of registration of the application

<b>Term</b>	<b>Description</b>
Underwriters	IDBI Capital Market Services Limited, Keynote Corporate Services Limited, Prabhudas Lilladher Private Limited, Ladderup Corporate Advisory Private Limited and Indian Overseas Bank
Underwriting Agreement	The agreement among the Underwriter and our Company to be entered into on or after the Pricing Date
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Pune are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Equity Shares on the Stock Exchange, “Working Days” shall mean all days excluding Sundays and bank holidays in Pune in accordance with the SEBI circular No. CIR/CFD/DIL/3/2010 dated April 22, 2010

## **INDUSTRY RELATED TERMS**

<b>Term</b>	<b>Description</b>
AAR	Average Annual Growth
AAS	Atomic Absorption Spectrophotometer
AD	Accelerated Depreciation
APC	American Power Conversion
B&P	Biotechnology and Pharmaceutical
B2B	Business-to-Business
B2C	Business-to-Customer
CAGR	Compound Annual Growth Rate
CAR	Capital Adequacy Ratio
CASA	Current and Savings Accounts
CC	Climate Change
CDM	Clean Development Mechanism
CDR	Corporate Debt Restructuring
CER	Certified Emission Reduction
CFO	Chief Financial Officer
CIL	Coal India Limited
CMS	CMS Computers Limited
CRM	Customer Relationship Management
CRR	Cash Reserve Ratio
DEPB	Duty Entitlement Pass Book
DPCO	Drug Price Control Order
DPR	Detailed Project Report
DSM	Demand Side Management
DTP	Desktop Publishing
ECS Division	Energy and Carbon Services Division
EESL	Energy Efficiency Services Limited
EIA	Environmental Impact Assessment
EIL	Engineers India Limited
EMES Division	Environment Management and Engineering Services Division
EMS	Environmental Management System
EPC	Engineering Procurement and Construction
EPCG	Export Promotion Capital Goods
EPCM	Project Implementation Services
ERPA	Emission Reduction Purchase Agreement
ESCO	Energy Service Company
FIFO	First In First Out
GB	Gigabytes

Term	Description
GBI	Generation Based Incentives
GC	Gas Chromatography
GHG	Greenhouse Gases
GIR	General Index Registration Number
GSPC	Gujarat State Petroleum Corporation
GW	Giga Watts
HACCP	Hazard Analysis and Critical Control Points
HDD	Hard Disk Drive
IC Division	Infrastructure Consulting Division
IFSC	Indian Financial System Code
IMF	International Monetary Fund
ISO	International Organization for Standardization
IPI	Indian Pharmaceutical Industry
ITC	Industrial Training Centre
ITI	Industrial Training Institutes
JI	Joint Implementation
KLPD	Kilo Litre Per Day
KVA	Kilovolt Ampere
LIC	Life Insurance Corporation
LLC	Local Lead Center
LSK	Lumpsum Turnkey
M&V	Monitoring and Verification
Mbps	Megabytes per second
MEDA	Maharashtra Energy Development Agency
MEP	Mechanical Electric Plumbing
MICR	Magnetic Ink Character Recognition
MIS	Management Information System
MMPL	Mott Mac Donald Private Limited
MS – CIT	Maharashtra State - Certificate in Information Technology
MSME	Micro, Small and Medium Enterprise
MSSIDC	Maharashtra Small Scale Industries Development Corporation Limited.
MSW	Municipal Solid Waste
MW	Mega Watts
MY	Marketing Year
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
NIFTEM	National Institute for Food Technology Entrepreneurship and Management
NMCP	National Manufacturing Competitiveness Council
NOC	No Objection Certificate
NPA	Non-Performing Assets
OHSAS	Occupational Health and Safety Management Systems
OTS	One Time Settlement
PCRA	Petroleum Conservation Research Association
PMC	Project Management Consultancy
PPP	Public Private Partnership
QCI	Quality Council of India
QS	Quality System
RAM	Random Access Memory
RCC	Reinforced Cement Concrete
RoE	Return on Equity
SAFE	Securitization and Financial Restructuring
SARFAESI Act	Securitization and Reconstruction of Financial Assets and Enforcement of

Term	Description
	Security Interest Act, 2002, as amended
SFAC	Small Farmers' Agri-Business Consortium
SITP	Scheme for Integrated Textile Parks
SLR	Statutory Liquidity Ratio
SME	Small or Medium Enterprise
SOP	Statement of Purpose
SWM	Solid Waste Management
T&A	Textile and Apparel
TB	Terabyte
TCD	Tonnes Crushed per Day
TCO	Technical Consultancy Organisation
TEFR	Techno - Economic Feasibility Report
TEV	Techno Economic Viability
TRU	Tax Research Unit
TS	Technical Specification
TUFS	Technology Up-gradation Fund Scheme
USB	Universal Serial Bus
VTPs	Vocational Training Programmes
WHO	World Health Organisation
WLC	Ward Lead Center
WPI	Wholesale Price Index
WtE	Waste-to-energy
WTO	World Trade Organisation
YoY	Year Over Year

The words and expression used but not defined in this Prospectus will have the same meaning as assigned to such terms under the Companies Act, SEBI Act, SCRA, Depositories Act and the rules and regulations made there under.

Notwithstanding the foregoing, terms in “*Main Provisions of Articles of Association*”, “*Statement of Tax Benefits*” and “*Financial Statements*” on pages 266, 43 and 144 respectively of this Prospectus, shall have the meanings given to such terms in these respective sections.

## PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Financial Data

Unless stated otherwise, the financial data in this Prospectus is derived from the audited financial statements of our Company, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations and Indian GAAP which are set out in the section “*Financial Statements*” on page 144 of this Prospectus.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. This Prospectus does not contain a reconciliation of our financial statements to IFRS or U.S. GAAP nor does it include any information in relation to the differences between Indian GAAP, IFRS and U.S. GAAP.

Accordingly, the degree to which the Indian GAAP financial statements included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices, Indian GAAP and the Companies Act. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP and the Companies Act on the financial disclosures presented in this Prospectus should accordingly be limited. Our Company urges you to consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving difference between Indian GAAP and IFRS, please refer to the section “*Risk Factors*” on page xiv of this Prospectus.

Any percentage amounts, as set forth in the sections “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages xiv, 97 and 187 respectively of this Prospectus and elsewhere in this Prospectus, unless otherwise indicated, have been calculated on the basis of the restated financial statements of our Company.

The Fiscal Year of our Company commences on April 1 of each year and ends on March 31 of the following year. All references to a particular Fiscal Year are to the 12 month period ending March 31 of that year.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

### Currency and units of Presentation

All references to “Rupees”, “₹”, “Rs.” or “INR” are to Indian Rupees, the official currency of the Republic of India. All references to “US\$”, “USD” or “US Dollars” are to United States Dollars, the official currency of the United States of America.

In this Prospectus, our Company has presented certain numerical information in “lacs” and “Crore” units. One lac represents 1,00,000 and one Crore represents 1,00,00,000.

### Exchange Rates

This Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI Regulations. Unless, otherwise stated, our Company has used a conversion rate of ₹ 66.57 for one USD, being the RBI reference rates as of August 30, 2013, in this Prospectus. Such conversions should not be considered as a representation that such US Dollar amounts have been, could have been or could be converted into Rupees at any particular rate, the rates stated above or at all.

### Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from industry publications and government data. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in this Prospectus is reliable, neither our Company nor the Lead Managers have independently verified such information or

ascertained the underlying economic assumptions contained therein. The data used from these sources may have been reclassified by us for purposes of presentation. The extent to which the market and industry data used in this 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, as methodologies and assumptions may vary widely among different market and industry sources.

## FORWARD LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases like ‘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, that are ‘forward looking statements’. Similarly, the statements that describe our objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which our Company has businesses and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- General economic and business conditions in India;
- Our ability to manage our growth and scalability effectively;
- Our ability to provide better services than our competition;
- Our ability to maintain and enhance awareness of our brand;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Unprecedented and challenging global economic conditions; and
- Changes in political and social conditions in India.

For further discussion of factors that could cause our actual results to differ, please refer to the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page xiv, 97 and 187 respectively of this Prospectus.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company nor the Lead Managers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Managers will ensure that investors in India are informed of material developments until such time as the grant of trading permission by the Stock Exchange for the Equity Shares allotted pursuant to the Issue.

## SECTION II –RISK FACTORS

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares.*

*The risks described below are not the only ones relevant to the country, the industry in which our Company operates in India, our Company or our Equity Shares. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have a material adverse effect on our business, results of operations and financial condition. If any of the following risks, or other risks that are not currently known or are deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of an investment in this Issue.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including merits and risks involved.*

*This 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 certain factors, including considerations described below and in “Forward Looking Statements” on page xiii of this Prospectus.*

*To obtain a better understanding of our business, you should read this section in conjunction with other sections of this Prospectus, including “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 97, 187 and 144, respectively, together with all other financial information contained in this Prospectus. Unless otherwise stated, the financial data in this section is derived from and should be read in conjunction with our audited restated financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations.*

### I. INTERNAL RISK FACTORS

#### A. Risks Relating to Our Business and Our Industry

- There are outstanding legal proceedings involving our Company which, if determined adversely, could have a material adverse effect on our business, financial condition and results of operations.***

There are four outstanding legal proceedings against our Company and a show cause cum demand notice dated April 16, 2013 was issued to our Company by the Commissioner of Central Excise and Service Tax. Our Company has also filed 11 legal proceedings against some of our debtors. These proceedings are pending at different levels of adjudication before various courts, enquiry officers and arbitrators. Brief details of such outstanding litigation as of the date of this Prospectus are as follows:

#### *Litigation against our Company*

<b>Nature of Litigation</b>	<b>Number of Outstanding Litigation</b>	<b>Amount involved (in ₹lacs)</b>
Arbitration	1	93.49
Labour	1	1.64
Service Tax Appeal	1	91.17
Civil	1	0.00
Service Tax Notice (as detailed in Risk Factor 2 below)	1	146.40

#### *Litigation by our Company*



<b>Nature of Litigation</b>	<b>Number of Outstanding Litigation</b>	<b>Amount involved (in ₹lacs)</b>
Civil	7	22.34
Criminal	4	7.28

An adverse outcome in any of the above mentioned proceedings could have a negative effect on the ability of our Directors and employees, who are involved in the above proceedings, to serve our Company, which may have a material adverse effect on our business, prospects, financial condition and results of operations. Such an adverse outcome may also have an adverse effect on our reputation and may affect our future business. We cannot assure you that these proceedings will be decided in favour of our Company, or our Directors and employees involved therein.

In addition to the aforesaid, one of our Directors, Mr. A. T. Kusre, appears on the defaulters list of the RBI. His name appears in respect of his being the nominee director of three companies, viz. Beta Naphthol Limited, Essar Oil Limited and Nortech India Limited. He had resigned as a director from all these companies with effect from January 31, 1997, April 6, 2002 and February 12, 1997 respectively.

For further details of outstanding litigation against our Company and Directors, please refer to the section “*Outstanding Litigation, Defaults and Material Developments*” on page 204 of this Prospectus.

**2. *Our Company is disputing a service tax demand from the tax authorities.***

Our Company has received a show cause cum demand notice dated April 16, 2013 from the Commissioner of Central Excise Pune – III, calling upon our Company to show cause as to why an amount of ₹ 1,46,40,244 should not be recovered from our Company for the period from July 1, 2011 to March 31, 2012. Our Company has disputed such claim before the service tax authorities. An adverse outcome in this proceeding could have an adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that this proceeding will be decided in favour of our Company.

For further details of outstanding litigation against our Company and Directors, please refer to the section “*Outstanding Litigation, Defaults and Material Developments*” on page 204 of this Prospectus.

**3. *Our ability to attract, train and retain executives and other qualified employees is critical to our business, results of operations and future growth.***

Our business and future growth is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, especially personnel with experience in our industry. In particular, our Managing Director, Dr. Pradeep Bavadekar and our senior management are critical to the overall management of our Company. Their inputs and experience are also valuable for the development of our products and services, our work culture and the strategic direction taken by our Company. Further, our consultancy business depends upon our employees for its successful execution. Our key management has been with our Company for approximately one to 30 years; however any of them may choose to terminate their employment with us at any time. We cannot assure you that we will be able to retain these employees or find equally qualified and experienced replacements in a timely manner, or at all. The specialized skills we require, especially for our divisions like Power Division, ECS Division and our EMES Division, can be difficult and time-consuming to acquire and/or develop and, as a result, such skilled personnel are often in short supply. Further, we depend on the management skills, guidance and industry contacts of our Key Management Personnel for our current operations, development of business strategy and for monitoring its successful implementation and meeting future challenges. We may require a long period of time to hire and train replaced personnel when skilled personnel terminate their employment with our Company. Our ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees, our business and prospects for growth could be adversely affected.

**4. *We have in the last 12 months issued Equity Shares at a price which may be lower than the Issue Price.***

During the last one year, we have issued Equity Shares at a price that was lower than the Issue Price on account of a bonus issue on June 7, 2013 in the ratio of 15 Equity Shares for every one Equity Share. For further details, please refer to the section “*Capital Structure*” on page 25 of this Prospectus.

**5. *Competition could affect our profitability which could have a material adverse effect on our business, financial condition and results of operations.***

Our businesses face intense and increasing competition from both local and national competitors that seek to provide consultancy services, as well as training courses. Our present and future competitors may range from large and established companies to emerging startups. Our competitors may have one or more of the following advantages compared to us namely larger sales and marketing networks, greater knowledge of the target markets, more extensive research and development and technical capabilities, greater pricing flexibility, greater financial and other resources, advanced technology, longer operating histories and/or strong branding and reputation. These advantages may assist them in attracting clients. If our competitors leverage on these qualities to provide comparable or better services and we are unable to respond successfully to such competitive pressures, our clients and students could significantly decline, which would have a material adverse effect on our business, financial condition and results of operations. In order to retain our clients and students, we may have to provide our services and courses at reduced fees, which may affect our profitability. For further details on our competitors, please refer to the section “*Our Business – Competition*” on page 97 of this Prospectus.

**6. *If we are unable to obtain and maintain required approvals and licenses in a timely manner, our business and operations may be adversely affected.***

We have applied for but have not obtained registrations in relation to five trademarks of our Company. Additionally, we may, from time to time, require certain approvals, licenses, registrations and permissions for undertaking our business for which we may be required to make applications in the future. If we fail to obtain any of these approvals or licenses, or renewals thereof in a timely manner, or at all, or comply with conditions applicable to such approvals and licenses, we may not be able to carry on our operations in the EMES Division, ECS Division and B&P Division, or we may not have protectable interests in our intellectual property. For further details, please refer to the section “*Government, Statutory and Business Approvals*” on page 210 of this Prospectus.

**7. *Certain statutory and regulatory filings made by our Company and corporate records are not available.***

Copies of some of the regulatory filings made by our Company in relation to satisfaction of charges for loans availed prior to 1995 are not available with our Company. Accordingly, we will be unable to submit these records to any regulatory or other authority, in the event we are requested or required to do so, which may adversely affect our business and operations from compliance perspective.

**8. *We have entered into and may in future continue to enter into related party transactions and we cannot assure you that we could not have achieved more favorable terms with unrelated parties.***

We have entered into transactions with MITCON Foundation, a charitable trust promoted by our Company. We have given a corporate guarantee to Bank of Baroda and incurred expenses on behalf of MITCON Foundation. Further, an amount of ₹ 2,12.73 lacs is receivable from MITCON Foundation against sale of land vide three sale deeds dated January 20, 2005, May 5, 2005 and September 5, 2005 respectively. However, our Company has given an undertaking to Bank of Baroda that the said receivable shall not be recovered by our Company until the term loan availed by MITCON Foundation from Bank of Baroda is repaid in full. However, in the opinion of the management, this receivable is good and fully recoverable. For more information regarding our related party transactions, please refer to the section “*Related Party Transactions*” on page 142 of this Prospectus. These transactions may involve conflicts of interests which may be detrimental to our Company. We cannot assure you that such transactions could not have been

made on more favourable terms with unrelated parties. There can be no assurance that such transactions or any future related party transactions, either individually or in the aggregate, will not have an adverse effect on our business, results of operations, financial condition and prospects, including as a result of potential conflicts of interest or otherwise.

**9. *Our insurance coverage may be inadequate to satisfy future claims against us.***

We maintain insurance which we believe is typical in our industry in India and in amounts which we believe to be commercially appropriate for a variety of risks, including windmill insurance, money insurance, group medical insurance, workman compensation insurance, energy instrument insurance, asset insurance and personal accident insurance. However, such insurance may not be adequate to cover all our losses or liabilities that may arise from our operations. Our insurance policies contain exclusions and or all limitations on coverage, as a result of which, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies. Additionally, there may be various other risks and losses, specially arising out of our business agreements, for which we are not insured because such risks are either uninsurable or not insurable on commercially acceptable terms. Furthermore, there can be no assurance that in the future we will be able maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable.

The occurrence of an event for which we are not insured, where the loss is in excess of insured limits or where we are unable to successfully assert insurance claims from losses, could result in uninsured liabilities. Further, despite such uninsured losses we may remain obligated for any future financial indebtedness or other obligations related to our business. Any such uninsured losses or liabilities could result in an adverse effect on our business operations, financial conditions and results of operations.

**10. *We may not receive the consideration for sale of land. Our inability to recover this amount may have an adverse effect on our business, results of operations and financial condition.***

We had sold the land located at Village Balewadi, Taluka Haveli, District Pune to MITCON Foundation, a related entity, in accordance with three sale deeds dated January 20, 2005, May 5, 2005 and September 5, 2005 respectively. An aggregate amount of ₹ 2,12.73 lacs is receivable from MITCON Foundation against this sale of land. However, our Company has given an undertaking to Bank of Baroda that the said receivable shall not be recovered by our Company until the term loan availed by MITCON Foundation from Bank of Baroda is repaid in full. Although in the opinion of the management, this receivable is good and fully recoverable, we cannot assure you that MITCON Foundation will not default in its repayment to Bank of Baroda and that we will receive the full consideration amount from MITCON Foundation. The failure to recover such amount will have an adverse effect on our business, results of operations and financial condition, including as a result of potential conflicts of interest or otherwise.

**11. *Our contingent liabilities not provided for could adversely affect our financial condition.***

As of April 30, 2013, we had the following contingent liabilities that had not been provided for:

- *Corporate Guarantee:* We have given a corporate guarantee to Bank of Baroda on behalf of MITCON Foundation, a related party, for an amount of ₹ 788.20 lacs (Loan outstanding against this guarantee as on April 30, 2013 is INR 28.27 lacs); and
- *Guarantees:* Certain banks have given guarantees to our customers on our behalf, for an aggregate amount of ₹ 105.41 lacs.
- Show cause cum demand notice dated April 16, 2013 received from Commissioner of Central Excise, Pune - III, pertaining to the period July 1, 2011 to March 31, 2012 aggregating to INR 146.40 lacs. This claim is disputed by the Company and is being contested before the service tax authorities.

Our total contingent liability is ₹ 1,041.01 lacs as at April 30, 2013.

Please refer to the section “*Financial Statements*” on page 144 of this Prospectus for more information.

Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the future.

**12. *We do not own the properties on which some of our offices and centers are located.***

We do not own some of our branch offices from which we operate. We currently occupy these premises under lease and leave and license arrangements with third parties. The lease/license periods and rental amounts/license fee for our offices vary on the basis of their locations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure. We cannot assure that the new arrangements will be on commercially acceptable terms. As part of our Objects for this Issue, we also propose to acquire properties in a few major cities. For details, please refer to the section “*Objects of the Issue*” on page 34 of this Prospectus. If we are required to move our business operations during this period or prior to the acquisition of the new offices, we may suffer a severe disruption in our business operations and materially and adversely affecting our brand, business, financial condition and results of operations. Please refer to the section “*Our Business*” on page 97 of this Prospectus for more details of the properties leased by us.

**13. *Our plan to establish new offices may not be successfully implemented.***

We plan to use the Net Proceeds and a part of our Company’s internal accruals for acquiring and establishing new offices to facilitate the growth of our business. However, we are yet to identify the exact locations where our new offices will be established. We cannot assure you that we will be able to identify suitable locations on reasonable or commercially acceptable terms or establish new offices within the anticipated time and costs.

**14. *We may be liable for the non-performance or breach of our collaboration partners.***

We selectively enter into collaborative arrangements in our training business, including the certificate courses conducted by us. Sometimes we also enter into collaborative arrangements with other individuals / entities to meet certain technical requirements. In the past, we had entered into a memorandum of understanding with an individual in relation to operations of our SAFE Division. Upon expiry of the arrangement, we were sued by such individual for a percentage of the profits made by the division. We are currently disputing his claims before an arbitration tribunal. However, we may continue to enter into similar arrangements in the future for our businesses, which may affect our reputation and businesses. In addition, a failure by a partner to comply with applicable laws, rules or regulations could negatively impact our business and, in the case of our training courses, could result in fines, penalties or closure of such business segment. A breach or inability of our collaboration partner to continue with a project, due to financial, legal or other difficulties or inability of our collaboration partner to provide the necessary technical expertise, could result in us being required to bear increased and, at times, sole responsibility for the completion of the project and a greater share of the financial risk of the project. In the event that a claim, arbitration award or judgment is awarded, we may be responsible to the client for the entire claim, irrespective of whether or not we are indemnified by our collaboration partner.

**15. *The contracts in our order book may be adjusted, cancelled or suspended by our clients and, therefore, our order book is not necessarily indicative of our future revenues or earnings.***

As of April 30, 2013, our order book for our consultancy services business was approximately ₹ 1,084.55 lacs. There can be no assurance that our order book will actually be realized as revenues or, if realized, will result in profits. In accordance with industry practice, most of our contracts are subject to cancellation, termination or suspension at the discretion of the client at any stage of the contract. In addition, the

contracts in our order book are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. Our order book includes expected revenues for contracts that are based on estimates. Projects can remain in order book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in order book being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. Any delay, cancellation or payment default could adversely affect our cash flow position, revenues and/or profitability.

**16. *Our revenue and earnings are largely dependent on the award of new contracts which we do not directly control.***

A substantial portion of our revenue is generated from large scale project awards, generally obtained through a bidding process. The timing of when project awards will be made is unpredictable and outside of our control. We operate in highly competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a wide variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or accept unfavourable terms and conditions in a contract that we might not deem fit or acceptable. Because a significant portion of our revenue is generated from such large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under such awarded contracts. As a result, we are subject to the risk of losing new awards to competitors or the risk that revenue may not be derived from awarded projects as quickly as anticipated.

**17. *We are dependent upon third parties to complete many of our contracts.***

A significant part of the work performed under our contracts, particularly contracts in relation to providing consultancy services to the energy, infrastructure, banking and securitization sectors, is performed by third parties we hire. In many instances, we are responsible for any failure by a third party to comply with applicable laws, rules and regulations and performance under the contract. In our other consultancy division assignments, although to a limited extent, we may similarly need to rely on third party consultants or other service providers. If we are unable to hire qualified associates, our ability to successfully complete a project could be impaired. If the amount we are required to pay for such third parties exceeds what we have estimated, especially in a fixed-price or lump-sum type contract, we may suffer losses on these contracts. If such a third party fails to provide services as required under a negotiated contract for any reason, we may be required to source these services on a delayed basis or at a higher price than anticipated, which could impact contract profitability. These risks may be intensified during an economic downturn if our hired third parties experience financial difficulties or find it difficult to obtain sufficient financing to fund their operations or access to bonding and are not able to provide the services necessary for our business. Finally, a failure by a third party to comply with applicable laws, rules or regulations or to obtain the necessary approvals or provide services as per our contract could negatively impact our business and may result in fines, penalties, suspension or even debarment.

**18. *We may experience reduced profits or losses under or, in some cases, cancellations or deferrals of, contracts if costs increase above estimates.***

We conduct our business under various types of contractual arrangements where costs are estimated in advance. A significant proportion of our engineering consultancy contracts are fixed-price or lump sum contracts, where we bear a significant portion of the risk for cost overruns. Under these types of contracts, contract prices are established in part on cost and scheduling estimates which are based on a number of assumptions. For these contracts, the assumptions include assumptions relating to future economic conditions, prices and availability of labor, equipment and materials. If these estimates prove inaccurate, or circumstances change such as unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws, weather delays or our third party associates' inability to perform, cost

overruns may occur and we could experience reduced profits or in some cases, a loss for such projects. These risks tend to be exacerbated for longer-term contracts since there is increased risk that the circumstances under which we based our original bid could change with a resulting increase in costs.

In many of these contracts, we may not be able to obtain compensation for additional work performed or expenses incurred and if a project is delayed, we may be required to pay penalties for such delays. Even under our cost-reimbursable contracts, where we do not bear the risk of cost-overruns, costs can exceed client expectations, resulting in deferrals or even cancellations of the contract. Unanticipated costs or delays in performing part of a fixed price contract can have compounding effects by increasing costs of performing other parts of the contract. These variations and the risks generally inherent to the industry we operate in may result in our profits being different from those originally estimated and may result in our experiencing reduced profitability or losses on projects. Depending on the size of a project, these variations from estimated contract performance could have a significant effect on our results of operations. In addition, most contracts that we enter into are subject to certain completion schedule requirements with penalty or invocation of performance guarantees provided by our Company in the event schedules are not met as a result of circumstances within our control. Required payment of penalty and invocation of performance guarantees could have an effect on our results of operations.

**19. *If we are responsible for timely completion or performance standards of a project, we could incur additional cost or loss in revenue in connection with such obligations.***

Under the terms of certain of our contracts, we are responsible for completing a project by the scheduled completion date. Under certain contracts, we may also be responsible for the performance standards of such project. We may also assume a project's technical risk, which means that we may have to satisfy certain technical requirements of a project despite the fact that at the time of project award, we may not have previously developed or applied the system or technology in question. If we subsequently fail to complete the project as scheduled, or if the project subsequently fails to meet the requisite performance standards, we may be held responsible for cost impacts to the client resulting from any delay or the cost to cause the project to achieve the performance standards, generally in the form of contractually agreed-upon penalty or indemnity. To the extent that these events occur, the total cost of the project could exceed our original estimates and we could experience reduced profits or, in some cases, a loss for that project. In addition, under some of our engineering consultancy contracts, in the event of a failure by us in meeting the requisite completion schedule, we may be required to forego part of our contract revenue or provide a discount to the client.

**20. *A significant part of our business transactions are with government entities or agencies, which may expose us to risk, including additional regulatory scrutiny, delayed receipt of collectibles and pricing pressure.***

Our business has certain projects with entities which are directly or indirectly owned or controlled by either the Government of India or relevant State Governments. We have also received grants from various Government ministries for specific projects. We may be subject to additional regulatory or other scrutiny associated with commercial transactions and projects under the grants with government owned or controlled entities and agencies. In addition, there may be delays associated with collection of receivables from government owned or controlled entities, which could significantly affect our liquidity and results of operations.

Contracts with government agencies are subject to various uncertainties, restrictions and regulations including oversight audits by various government authorities and profit and cost controls. Government contracts are also exposed to uncertainties associated with funding. As a result, our government clients may terminate our contracts for convenience or decide not to renew our contracts with little or no prior notice. Since government contracts represent a significant majority of our revenues, the loss of such contracts could have a material adverse impact on our business, financial condition and results of operations.

In addition, since government contracts are subject to specific regulations and a variety of other socio-economic requirements, we must comply with such requirements. We must also comply with various other

government regulations and requirements as well as various statutes related to environmental protection, recordkeeping and accounting. These regulations and requirements affect how we transact business with our clients and, in some instances, impose additional costs on our business operations.

We are also subject to government audits, investigations and proceedings. For example, government agencies routinely review and audit government contractors to determine whether allowable costs are in accordance with applicable regulations. These audits can result in adjustments to the amount of contract costs we believe are reimbursable by the agencies and the amount of our overhead costs allocated to the agencies. If we violate a rule or regulation, fail to comply with a contractual or other requirement or do not satisfy an audit, a variety of penalties can be imposed including monetary damages and criminal and civil penalties. In addition, any or all of our government contracts could be terminated, we could be suspended or debarred from all government contract work, or payment of our costs could be disallowed. The occurrence of any of these actions could harm our reputation and could have a material adverse impact on our business, financial condition and results of operations.

**21. *If we experience delays and/or defaults in client payments, we may be unable to recover all expenditures.***

Because of the nature of our contracts, we sometimes commit resources to projects prior to receiving payments from the client in amounts sufficient to cover expenditures as they are incurred. In difficult economic times, some of our clients may find it increasingly difficult to pay invoices for our services timely, increasing the risk that our accounts receivables could become uncollectible and ultimately be written off. Delays in client payments may require us to make a working capital investment, which could impact our cash flows and liquidity. If a client fails to pay invoices on a timely basis or defaults in making its payments on a project in which we have devoted significant resources, there could be an adverse effect on our results of operations or liquidity.

**22. *Any significant future indebtedness and any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

Although as of the date of this Prospectus, we have no outstanding indebtedness, we may incur debt in the future. Any significant indebtedness in the future could have important consequences on our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate requirements. In addition, fluctuations in market interest rates may affect the cost of our borrowings. Any conditions and restrictions imposed by such financing agreements could restrict our ability to conduct our business and operations in the manner we desire. In addition, failure to meet any conditions or obtain consents required under such financing arrangements could have significant consequences on our business and operations.

**23. *Our Company's funding requirements and deployment of the Net Proceeds of the Issue are based on management estimates and have not been independently appraised.***

Our funding requirements, as stated in “*Objects of the Issue*” on page 34 of this Prospectus, are based on internal management estimates and have not been independently verified. Our Company has not entered into any definitive agreements to utilize any portion of the net proceeds of the Issue. We may be required to revise our expenditure and fund requirements, as stated in “*Objects of the Issue*” on page 34 of this Prospectus due to such factors as variations in the cost structure, changes in estimates and external factors, which may not be within the control of our management. In addition, the estimated dates of completion of the objects as described herein are based on management’s current expectations and are subject to delay and change due to various factors such as delays caused by market conditions, changes in government policies or initiatives, changes in budgetary allocation or insufficiency of funds.

In case of increase in the fund requirement at a later stage, we may have to arrange for financing from other sources. We may not be able to arrange for such financing on terms acceptable to us or at all. In the event, we are unable to arrange for such financing on acceptable terms, our financial condition and profitability may be adversely affected.

In case of decline in fund requirements at a later stage, such excess proceeds of the Issue will be deployed as approved by the Board of Directors and the shareholders of our Company at that point in time. In the event, for whatsoever reason, our Company is unable to execute its plans as detailed in “Objects of the Issue” on page 34 of this Prospectus, our Company could have unallocated Net Proceeds.

**24. *System disruptions and vulnerability from security risks to our technology infrastructure could impact our operations.***

We believe that the performance and reliability of our technology infrastructure is critical to some of our businesses. Any system error or failure, or a sudden and significant increase in bandwidth usage, could result in the unavailability of systems to us. Our computer networks may also be vulnerable to unauthorized access, computer hackers, computer viruses and other security problems. A user who circumvents security measures could misappropriate proprietary information or cause interruptions or malfunctions in operations. As a result, we may be required to expend significant resources to protect against this threat. Although we continually monitor the security of our technology infrastructure, we cannot assure you that these efforts will protect our computer networks against the threat of security breaches. Such breaches and system disruptions may have an adverse effect on our businesses, results of operations, financial condition and prospects.

**25. *If we are unable to pursue our growth strategy and expand our operations, our business prospects, financial condition and results of operations may be materially and adversely affected.***

As part of the Objects of the Issue and part of our growth strategy, we plan to open new offices and expand our operations across the country. We will be exposed to various challenges, including those relating to identifying and acquiring suitable locations for our new offices, hiring additional employees, competition, regulatory regimes, different cultures and customer preferences, business practices and customs. We will also be required to obtain certain approvals to carry on business in new sectors and new locations and there can be no assurance that we will be successful in obtaining such approvals. Further, we expect our expansion plans to place significant demands on our managerial, operational and financial resources. Further training and management of our employees to accommodate and adapt the new business environment will be required and new employees recruited will require training and induction. In addition, as we enter new markets, we face competition from local and national consultancy firms, who may have an established local presence and may be more familiar with local clients’ preferences and business practices.

We have limited prior experience in managing operations of the branch offices and may not be successful in developing and implementing effective policies and strategies. Also, there may be unforeseen operating difficulties and expenditures associated with our operations, which may require considerable management time and resources.

Our inability to effectively manage expanded operations or pursue growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

**26. *Our business and revenues are impacted by changes in the demand for consultancy services.***

We cater to a wide spectrum of sectors that is largely dependent on availability of resources like power, energy, biotechnology and pharmaceuticals. These sectors are very sensitive to customer demand. Any variation in the market at the product end leads to fluctuation at the production or generation level. This affects the expansion of the existing enterprises, slows down the rate of new entrants and as a whole makes the industry dormant. Such dormancy and inactivity affects our Company’s consultancy business group which sources its revenue from activities like consultation and training to new entrants. In the current scenario, although due to frequent change in regulatory and financial regime of our government, there is a growth and opportunity in consultancy sector has increased, factors as mentioned above always pose a risk of downfall and may materially and adversely affect our revenue.



27. ***Our MITCON e-School which provides IT training might face additional burden due to change in regulatory regime and shortage of skilled and professional trainers might impact the quality of service.***

MITCON e-School which constitutes our IT training division was started in the year 2000. The concept of e-school in India is still developing and there might be regulatory and policy changes effected by the government. These changes may add additional compliance obligation on our Company which will involve expenditure in financial, managerial and technical sphere. Additionally, we operate the e-school with an experienced team of professionals but we might not be able to regularly develop industry oriented courses and update curriculum as per the industry requirement. Further, there is a shortage of skilled and trained IT teaching professionals. Lack of man power therefore, might affect the quality service. We may not have sufficient experience to address these risks, including our ability to provide educational services successfully along with quality control.

28. ***Any damage to the trust and confidence that our Company's clients have in us, which is largely dependent on our reputation and brand recognition, may adversely affect our business, financial performance and results of operations.***

Our Company's business is largely dependent on our brand recognition and reputation. Our regime of services entails us to continuously provide quality in service to be able to retain clients. This not only fosters confidence and faith in our clients but also spreads our name for quality assured work. However, if we fail to adhere to quality or timelines or complete the assigned work, or if the project subsequently fails to meet the requisite performance standards, we will lose faith and trust of our clients. Our Banking and Finance, Infrastructure Consulting Group, Environment Management and Engineering Services sectors are dependent on getting work from the clients on a regular basis. Breach of trust or degradation in quality of services will hamper our Company's market hold. This may be leveraged by our competitors who provide comparable or better services and respond successfully to such competitive pressures.

In the past, we have had cases filed against our Company, whereby misconduct and non-payment to our employees has been alleged against our Company. Although such matters have either been withdrawn by the complainant or disposed of by the appropriate courts for lack of merit, such matters and attempt to publish news against our Company may cause damage to our brand name and materially affect the market hold.

Such failures or degradation in brand reputation will lead to loss of clients and students, which would have a material adverse effect on our business, financial condition and results of operations.

29. ***We have made investment in liquid mutual funds and bank fixed deposits, the returns on which would be adversely impacted by changes in the interest rates and volatility in the financial markets.***

We have made and intend to continue making investments in mutual funds and bank fixed deposits. Such investments as on March 31, 2013 were ₹ 1,882 lacs, which accounted for 29% of our total assets as of March 31, 2013 and our income from investments was ₹ 131.67 lacs for the Fiscal 2013 which accounted for 2.7% of our total income during such periods. Changes in interest rates and volatility in the financial markets may adversely affect our income from such investments and the market value of our securities portfolio.

30. ***MITCON Foundation also provides training services and may be deemed to be a competitor of our Company. The trustees of the MITCON Foundation are the Directors of our Company. This may lead to conflict of interest as both are competitors.***

The trustees of the MITCON Foundation, which provides training services, are the Directors of our Company. The objects of the MITCON Foundation are similar or related to our training business, which could lead to potential conflicts of interest. Although current operations may not be similar to or directly competing with our business, we cannot assure that MITCON Foundation will not provide comparable services, expand its presence or acquire interests in competing ventures in the locations in which we

operate. As a result, a conflict of interest may occur between our business and the business of MITCON Foundation which could have an adverse effect on results of our operations.

31. ***In addition to normal remuneration or benefits and reimbursement of expenses, some of our Directors and Key Management Personnel are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.***

Our Directors and Key Management Personnel are interested in our Company to the extent of remuneration paid to them for services rendered and reimbursement of expenses payable to them. In addition, our Managing Director, Dr. Pradeep Bavadekar and some of our Key Management Personnel, Mr. Sunil Natu, Mr. Ram Mapari and Mr. Deepak Zade are shareholders of our Company collectively holding 8.5% shareholding in our Company. For further information, please refer to the section “*Capital Structure*” on page 25 of this Prospectus. In their capacity as shareholders of our Company, they may also be interested to the extent of their shareholding and additional benefits like dividend and voting rights, which are not available to other Directors or Key Management Personnel of our Company.

32. ***Limited experience in markets outside Maharashtra and new sectors we propose to serve and failure with respect to these opportunities could have an adverse effect on our results of operations and financial performance.***

Our client base reflects concentration in Maharashtra and majority of our revenue is generated from the clientele within Maharashtra. This limits our scope of expertise and experience at national level and our competitors who have a pan-India presence will have exposure to wider spectrum of clientele and experience. This might give them edge over our services in terms of proficiency and ability to cater to wider range of customers. However, we propose to use the Net Proceeds in advertisements and in acquiring offices outside Maharashtra.

Expanding business outside state of Maharashtra will involve change in compliances due to difference in governing local and municipal laws, language differences, recruitment of human resources and their training etc. These activities add financial obligation on an enterprise and the success is largely dependent on market acceptance in a particular region. Our inability to effectively manage expanded operations or pursue growth strategy may lead to operational and financial inefficiencies, which could have a material adverse effect on our business prospects, financial condition and results of operations.

33. ***Any inability to successfully implement the plans as stated in the “Objects of the Issue” as per the schedule of implementation and budgeted costs may adversely affect our business operations, results of operations and financial conditions.***

Apart from the Net Proceeds and our internal accruals, no other alternate arrangement or alternate source of financing has been identified. If we fail to mobilize resources as per our plans, our growth plans may be affected. 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 of our project and could adversely affect our growth plans.

Moreover, our plan to procure property to set up branch offices and laboratories has been approved. However, the final premises of such offices and laboratories are yet to be finalized. To successfully execute each of these objects, we are required to obtain statutory and regulatory approvals and necessary permits and applications need to be made at appropriate stages of the projects. For example, we are required to obtain the approval like environmental consents and fire safety clearances. We have not obtained these certificates / approvals.

Further, our Company has not yet placed certain orders for equipment required to set up our proposed environment testing laboratories. Our Company is also subject to risks on account of inflation in the price of machinery and other equipment that we require as detailed out in our section ‘*Objects of the Issue*’ on page 34 of this Prospectus. Negotiations with some vendors have commenced and orders will be placed once the negotiations are completed. These factors may increase the overall cost and we may have to raise

additional funds by way of additional debt or equity placement to fulfill our Objects, which may have an adverse effect on our business and results of operations.

**34. *Seasonality of the business of our Company may affect the financial conditions***

Our Company's revenues may fluctuate in the future, depending on a number of factors related to the segments in which it operates. The admission in our MITCON e-school training centers is lower during certain times of the year. Our Company's revenues and profits are difficult to predict and may vary considerably from quarter to quarter. Our Company's historical financial data may not be an indicator of future performance. Therefore, seasonality of this division would affect the financial conditions of our Company.

**35. *Our Company's audit report includes certain qualifications which have been appropriately addressed in the restated financial statements***

Our Company's audit reports for Fiscal 2011, 2010 and 2009 include certain qualifications in relation to non-provision of liability towards leave encashment. Further, certain qualifications in the Auditor's Report and in the Annexure to the Auditors' Report as per Companies (Auditor's Report) Order, 2003 (as amended) for the Financial Years 2011, 2010 and 2009 pertained to balances of sundry debtors, loans and advances and sundry creditors and strengthening of the internal audit system with regard to coverage of area of operations and frequency of report and as regards to strengthening of internal control in relation to recording of sales and cut off procedures and for authorization, authentication, verification and documentation of accounting transactions were made. However, in the restated financial statements, it has been stated that these qualifications do not require any corrective adjustment in the financial information. For further details, please refer to the section "*Financial Statements*" on page 144 of this Prospectus. While our Company's management has sought to implement processes to prevent the recurrence of such incidents, there can be no assurance that these measures will be effective and that such incidents will not recur.

**36. *We are dependent upon a third party for the maintenance of our wind power plant and any increase in the maintenance costs or non-compliance by such third party may affect our financial condition.***

Our Company has set up a 0.75 MW wind turbine in Idukki, Kerala. We have entered into agreements with a third party for the maintenance and operation of our wind turbine. Therefore, we are dependent on such third party for the service and operation of our wind turbine. Our agreements contain various renewal and termination provisions. We may be unable to renew these agreements on favorable terms, in a timely manner, or at all, or these agreements may be terminated prior to the expiration of their original terms. If we are unable to renew any of these agreements or if the third party terminates any of these agreements, we may be unable to maintain and run our power plant at a comparable cost, in a timely manner, or at all. In addition, we may also be unable to supply the agreed quantity of power to the relevant electricity board and may be in breach of our agreement entered into with them, in this regard. Further, the third party is responsible for all local compliances in relation to the power plant. If such a third party fails to provide the necessary maintenance services as required under our contracts or fails to comply with the applicable laws, rules or regulations or to obtain the necessary approvals, it may result in fines or penalties being imposed on our Company and could negatively impact our business and our financial conditions.

## **II. EXTERNAL RISK FACTORS**

**37. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. Please refer to the section "*Key Industry Regulations and Policies*" on page 113 of this Prospectus for details of the laws currently applicable to us.

There can be no assurance that the Government may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

Our business is subject to service tax laws and regulations. In 2010, the Central Board of Excise and Customs (CBEC) issued a notification withdrawing exemption from levy of service tax on vocational training programmes. Consequently our Company paid service tax without charging the same for such programmes. Our Company had sought clarification from CBEC on applicability of service tax on vocational training programmes conducted under centrally sponsored schemes. As per CBEC communication, these services fall under commercial training and coaching services and are liable to levy of service tax. However, our Company received clarification from the Tax Research Unit, Department of Revenue, Ministry of Finance, Government of India that the vocational training programmes conducted by our Company fall under business auxiliary services and hence are exempt from levy of service tax. We are currently disputing our payment with the authorities. Such ambiguous and unfavourable changes to the laws and regulations applicable to us could also decrease demand for our programmes, increase costs and/or subject us to additional liabilities.

The Companies Act, 2013 received assent from the President of India on August 30, 2013. The Companies Act, 2013 provides, *inter alia*, for significant changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit matters and corporate social responsibility. On September 12, 2013, certain provisions of this legislation were notified. Pursuant to this notification, there is uncertainty regarding certain procedures as the Companies Act, 2013 is currently not in effect in its entirety and the Companies Act, 1956 continues to be applicable. Therefore, our business and operations may be adversely affected and subject to regulatory uncertainty when the Companies Act, 2013 is notified in its entirety. The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our products and services, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties and, if we pass on such costs to our customers and advertisers, it may result in a decrease in the demand for our products and services. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

38. ***Our Equity Shares have never been publicly traded and the Issue may not result in an active or liquid market for our Equity Shares. Further, the price of our Equity Shares may be volatile and you may be unable to sell your Equity Shares at or above the Issue Price, or at all.***

Prior to the Issue, there has been no public market for our Equity Shares and an active trading market on the Indian stock exchanges may not develop or be sustained after the Issue. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India and volatility in the stock exchanges and securities markets elsewhere in the world.

39. ***Any future issuance of Equity Shares may dilute your shareholdings and sales of the Equity Shares by our key shareholders may adversely affect the trading price of our Equity Shares.***

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of this Issue, including by our key shareholders, or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair our future ability to raise capital through offerings of the Equity Shares. We cannot predict what effect, if any, market sales of the Equity Shares held by the key shareholders of our Company or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

- 40. *Significant differences exist between Indian GAAP and IFRS, including with respect to valuation methods and accounting practices in the credit rating industry, which may be material to investors' assessments of our financial condition.***

As stated in the reports of the Auditor included in this Prospectus at page 144 of this Prospectus, the restated financial statements included in this Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations and no attempt has been made to reconcile any of the information given in this Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as IFRS. Significant differences exist between Indian GAAP and IFRS, including with respect to valuation methods and accounting practices in the credit rating industry, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Prospectus. Accordingly, the degree to which the financial information included in this Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Prospectus should accordingly be limited.

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

In accordance with Indian law and practice, permission for listing and trading of the Equity Shares on the Stock Exchange issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. In addition, we are required to deliver the Prospectus to the RoC for registration under the applicable provisions of the Companies Act and the SEBI Regulations. We cannot assure you that the RoC will register the Prospectus in a timely manner, or at all. Such approvals for listing and trading will require all relevant documents authorising the issuing of Equity Shares to be submitted and there could therefore be a failure or delay in listing the Equity Shares on the Stock Exchange. Any failure or delay in obtaining such approval would restrict your ability to dispose of your Equity Shares. The Stock Exchange has, in the past, experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including our Equity Shares. A closure of, or trading stoppage on, the Stock Exchange could adversely affect the trading price of the Equity Shares.

- 42. *Our failure to successfully adopt new accounting standard when required under Indian law could have a material adverse effect on our stock price.***

Our Company may be required to prepare our annual and interim financial statements under new Indian accounting standards that the Ministry of Corporate Affairs has announced will be implemented in phases. Because there is significant lack of clarity on the adoption of and convergence with the new Indian accounting standards and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under the new Indian accounting standards than under current Indian GAAP. As we transition to reporting under the new Indian accounting standards, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is

likely to be increasing competition for the small number of IFRS experienced accounting personnel as the new Indian accounting standards have been derived from IFRS. There can be no assurance that our adoption of new Indian accounting standards will not adversely affect our reported results of operations or financial condition. Any failure to successfully adopt new Indian accounting standards when required under Indian law could have a material adverse effect on our stock price.

**43. *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.***

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility 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 breaker is set by the Stock Exchange based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchange is not required to inform us of the percentage limit of the circuit breaker from time to time and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (STT) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. In addition, changes in the terms of tax treaties or in their interpretation, as a result of renegotiations or otherwise, may affect the tax treatment of capital gains arising from a sale of Equity Shares.

**45. *The global financial crisis and global and domestic economic conditions may have a material adverse effect on our business, financial condition and results of operations.***

In the past, global financial markets experienced a period of unprecedented turmoil and upheaval characterized by extreme volatility like the crises in Europe and a weak recovery in the developed markets, sharp declines in prices of securities across geographies, diminished liquidity and credit availability, inability to access capital markets, the bankruptcy, failure, collapse, nationalization or sale of financial institutions and an unprecedented level of governmental intervention.

The Indian economy and financial markets were also significantly impacted by such global economic, financial and market conditions. Due to the conditions in the global and domestic financial markets, we cannot be certain that our clients will continue with their expansion and investment plans, which are critical to the opportunities created for us and we may be unable to effectively implement our strategy.

**46. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government has traditionally exercised and continues to exercise 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. The Government has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. A newly elected government (as a result of the upcoming general elections) may announce new policies or withdraw existing benefits, which may be applicable to our industry. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally and our business, prospects, financial condition and results of operations, in particular.

**47. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances, the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements of the RBI Circular dated October 4, 2004, as amended by the RBI Circular dated May 4, 2010. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula and a higher (or lower, as applicable) price per share may not be permitted. There are also restrictions on sales between two non-residents if the acquirer is impacted by the prior joint venture or technical collaboration. The approval from the RBI or any other government agency may not be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

**48. *Terrorist attacks, civil unrests and other acts of violence in India and around in the world could adversely affect the financial markets, result in a loss of consumer confidence and adversely affect our business, results of operations, financial condition and cash flows.***

Terrorist attacks, civil unrests and other acts of violence or war in India and around in the world may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect our business, results of operations, financial condition and cash flows. India has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on our business and price of our Equity Shares.

**49. *Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our financial results.***

The Equity Shares will be quoted in Indian Rupees on the NSE. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

**50. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

**III. PROMINENT NOTES:**

1. Our Company was originally incorporated as Maharashtra Industrial and Technical Consultancy Organisation Limited pursuant to a Certificate of Incorporation dated April 16, 1982 issued by the Registrar of Companies, Bombay, Maharashtra. The name of our Company was changed to MITCON Consultancy Services Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated September 7, 2000 issued by the RoC. The name of our Company was further changed to MITCON Consultancy & Engineering Services Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated October 15, 2010 issued by the RoC. The objects clause of our Memorandum of Association was amended on August 20, 2010 to reflect such change in name of our Company. For more information on changes in our name and registered office and changes in our Memorandum of Association, please refer to the section “*History and Other Corporate Matters*” on page 116 of this Prospectus.
2. Public issue of 41,00,000 Equity Shares for cash at a price of ₹ 61 per Equity Share, including a premium of ₹ 51 per Equity Share, aggregating to ₹ 2,501.00 lacs. The Issue will constitute 33.88% of the fully diluted post Issue equity share capital of our Company.
3. The net worth of our Company as on April 30, 2013 was ₹ 5,445.67 lacs as per our restated financial statements.
4. The book value per Equity Share as on April 30, 2013 was ₹ 68.07 (after considering sub-division and bonus issue\*) as per our restated financial statements.

\* Sub-division of one Equity Share of ₹ 100/- each into 10 Equity Shares of ₹ 10/- each and issue of 15 bonus Equity Shares for every one Equity Share held by the Equity Shareholders of our Company.
5. Our Company does not have an identifiable promoter.
6. For details of the related party transactions entered into by our Company, please refer to the section “*Related Party Transactions*” on page 142 of this Prospectus.
7. There has been no financing arrangement whereby our Directors or their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Prospectus.
8. Any clarification or information relating to the Issue shall be made available by the Lead Managers and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the Lead Managers for any complaints, information or clarifications pertaining to the Issue.



## SECTION III – INTRODUCTION

### SUMMARY OF OUR INDUSTRY AND BUSINESS

#### Industry Overview

##### Overview of the Global Economy and Indian Economy

###### A. Global Economy

The global economy grew at a lower rate of 3.2% in CY 12 compared to 4.0% in CY 11 (*Source: World Economic Outlook: April 2013 Update*) due to factors like sovereign debt crisis and weakness in US economy. Risks from the Euro crisis escalated sharply to all over the global economy. The growth in emerging and developing economies slowed down considerably due to weaker demand from developed markets impacting exports from emerging markets. Global output is projected to expand by 3.3% in CY 13. In both CY 13 and CY 14, growth in emerging and developing economies is expected to improve marginally to 5.3% and 5.7% respectively from 5.1% in CY 11 (*Source: IMF World Economic Outlook: April 2013 Update*).

###### B. Growth rates of Developed and Emerging Economies

GDP growth Y-o-Y %	CY11	CY12	CY13 P	CY14 P
<b>Developed Economies</b>				
United States	1.8	2.2	1.9	3.0
Japan	-0.6	2.0	1.8	1.4
United Kingdom	0.9	0.2	0.7	1.5
<b>Emerging Economies</b>				
India	7.7	4.0	5.7	6.2
China	9.3	7.8	8.0	8.2
Russia	4.3	3.4	3.4	3.8
<b>World</b>				
World	4.0	3.2	3.3	4.0

###### C. Indian Economy

The Indian economy has been one of the economies registering robust growth even in times of economic uncertainty in the world. With the backing of strong economic fundamentals the country has registered a high growth trajectory averaging over 7% during the last five years i.e. FY 2008 – FY 2013. In recent times however, the economy has been adversely affected by both spill-over effects of global economic slowdown and rising domestic pressures. With GDP growth settling at 5.0% during FY 2013, growth has slowed for two consecutive years. While growth estimates for FY 2014, by various government and quasi-government bodies have spanned from 5.7% (by RBI) to 6.4% (by the Prime Minister's Economic Advisory Council - PMEAC), a lower growth appears more realistic given current trends.

Provisional estimates provided by the Central Statistics Office (CSO) suggest GDP growth of 5% in FY 2013. This may be attributed to visible moderation in industrial activity. On the one hand, the mining and quarrying sector registered negative growth/deceleration in production activity and on the other, manufacturing growth slumped to just about 1.0% in FY 13 over the previous year. With the RBI pursuing a tight interest rate regime in FY 2012, followed by domestic fundamentals coming under pressure in FY 13, entrepreneurs amidst a less favourable investment environment have kept capital projects on the sidelines. Investments (as proxied by gross fixed capital formation) have thus registered a dip, with its ratio to GDP falling below the 30.0% mark in FY 13. This decline in investments has also to some extent affected supply-side dynamics. At the same time, the Indian services sector too has been negatively impacted in terms of growth. The trade, hotel, transport and communication segment grew by 6.4% in FY 13 (7.0% in FY 12), while the finance, insurance and real estate and business services segment grew by 8.6% during the year (11.7% in FY 12).

A second concern on the macro-economic front has been inflation. Inflation for most part of FY 12 and FY 13 maintained an accelerating trend, with headline WPI inflation averaging 7.4% in FY 13 and average CPI settling at 10.2% in FY 13. While core inflation has moderated considerably, a resurfacing of inflation in primary articles has been observed in recent times. Although, inflationary pressures in non-manufactured commodities are not directly under the purview of the RBI, the monetary authority is inclined to maintain a keen eye on the same in the coming months.

An added pressure has been the depreciation of the rupee. The rupee has depreciated by 9.6% so far (April 4, 2013 to July 19, 2013), also breaching the INR 60 to a dollar mark during this period, in the midst of withdrawal of foreign funds. With exports growth moderating in the face of lower global demand in a strained economic environment, the depreciating rupee has increased strain on the country's current account deficit.

While it was widely anticipated that with the recent moderation in the wholesale inflation index, the RBI would gradually move to a lower interest rate regime to shore up investment and growth in the economy, the emergence of economic concerns such as the depreciating currency, high current account deficit and re-emergence of inflationary pressures in the primary articles segment, has made the markets and businesses sceptical of the RBI monetary policy stance, especially on the lowering of interest rates. All this could be detrimental to the growth prospects for the economy and projection for the same for the current Fiscal is likely to face downward revisions.

#### **D. Overview of Consultancy Services in India**

##### **A. Introduction**

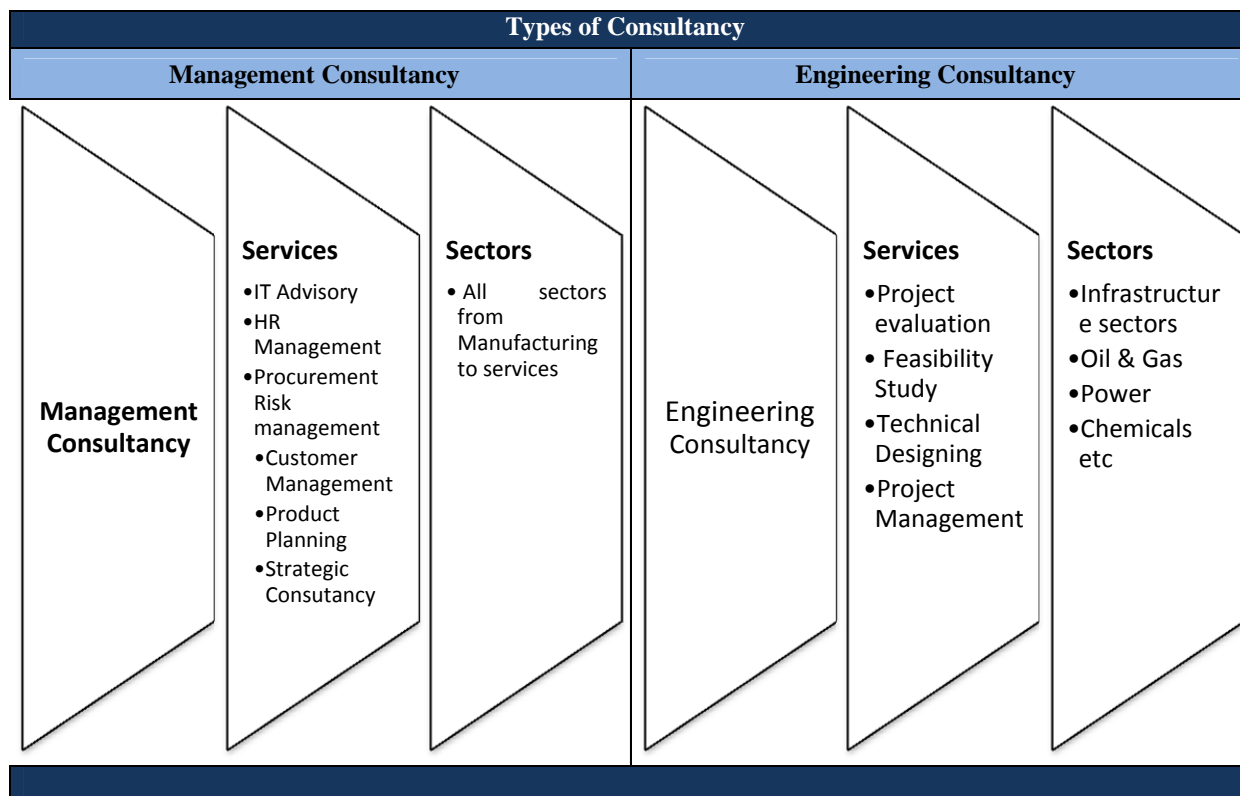
Consultancy is a process which involves consultants, whether self-employed or employed, individually or collectively using their knowledge, experience and analytical and/or problem-solving skills to add value to organisations for improvement in their existing operational, financial or marketing efficiency and/or for their expansion plans.

##### **B. Types of Consultancies**

Consultancy industry cover a very broad gamut of services which range from being financial, technical to management consultancy and thus can be categorized on basis of various factors such as services provided, sectors catered to, management approaches etc.

Consultancy can be broadly divided into two major categories: (i) Management (or Risk) Consultancy & (ii) Engineering Consultancy.

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Source: CARE Research

(i) *Management Consultancy*

Management consultancy includes providing advice and assistance relating to strategy, structure, management and operations of an organisation in pursuit of its long-term purposes and objectives. Such assistance may include the identification of options with recommendations; the provision of an additional resource and/or the implementation of solutions.

Effective management consulting has following roles:

- Responding to a client's request for information
- Providing solutions to specific problems
- Giving an in-depth, accurate diagnosis
- Presenting a program of recommended corrective actions
- Implementing changes; building consensus and commitment
- Facilitating client learning
- Enhancing organizational effectiveness

(ii) *Engineering Consultancy*

Engineering consultancy majorly involves project related technical assistance to organisations for existing or upcoming projects. These services range from project evaluation and feasibility study, design engineering to project management up to commissioning.

## Business Overview

We are an ISO 9001:2008 certified company, having an experience of over three decades in providing consultancy and engineering services. We are headquartered at Pune and have presence across the country through our regional offices at Mumbai, New Delhi, Ahmedabad, Chennai, Bangalore and Nagpur. We have provided our services to clientele such as GSPC Pipavav Power Company Limited, Ajanta Pharma Limited, VRL Logistics Limited, Sterling Biotech Limited, Naine Minerals & Resources Pte. Limited, Kisan Veer Satara Sahakari Sakhar Karkhana Limited, Shri Vile Parle Kelavani Mandal, D. J. Malpani, Giriraj Enterprises, Mahalaxmi TMT Private Limited, Adlabs Entertainment Limited, HPCL Biofuels Limited, PMT Machines Limited, Kalika Steels Alloys Private Limited and Maharashtra State Police Wireless. Our shareholders include private sector banks, nationalized banks, financial institutions and state government development corporations. Our key shareholders include ICICI Bank Limited, SIDBI, IFCI Limited and SICOM Limited, among others. For further details, please refer to the section “*Capital Structure*” on page 25 of this Prospectus.

We operate as a professionally managed company with our Board primarily comprising of independent Directors. Our Board also comprises members nominated by our shareholders and technocrats including an advisor from the Department of Science and Technology, Government of India.

Over the last three decades, we have gained proficiency in providing corporate solutions in power, energy efficiency, renewable energy, climate change and environmental management sectors. Over the years, we have diversified into providing services to banking, infrastructure and biotechnology sectors. We provide solutions to our clients depending on their requirements *inter alia* including feasibility studies, detailed project reports, techno economic feasibility reports, financial syndication, lender’s engineer services, EIA, basic and detailed engineering, bid process management, project management, cluster development, technical/ financial restructuring, energy audits, corporate debt restructuring, due diligence, qualitative and market research, assets/ business valuation and consultation services in wind power project.

We also conduct IT based training courses and skill based training programs.

We own a wind power plant at Idukki, Kerala with installed capacity of 0.75 MW. The revenue attributable to wind power generation in Financial Year 2013 is ₹ 47.99 lacs.

We have provided services to small and medium enterprises (SME), large corporates, banks, financial institutions and various government bodies. We classify our services into (i) Consultancy and Engineering Services and (ii) Training and Allied services.

We provide Consultancy and Engineering Services to various sectors through our following business divisions:

- **Power Plant Consultancy and Engineering Services:** We offer technical, financial, engineering and project management consultancy services from concept to commissioning, to decentralised, standalone power/ co-generation power projects, based on renewable and fossil fuels.
- **Energy and Carbon Services:** We focus on providing services to improve energy efficiency and conservation, consultancy in setting up renewable energy and carbon mitigation projects.
- **Environment Management and Engineering Services:** We provide services such as EIA study, environmental clearances, environmental audits and environmental monitoring.
- **Infrastructure Consulting Group:** We focus on providing project management services from concept to commissioning stage (except contracting) for industrial, institutional, commercial and residential projects.
- **Banking and Finance:** We focus on preparing Detailed Project Reports (DPR) and conduct Appraisal / Techno Economic Viability (TEV) studies, technical/ financial and corporate debt restructuring, loan syndication, lender’s engineer services, assets and business valuation etc. We also provide services of conducting market research, comprising industrial, consumer and social research.

- **Securitization and Financial Restructuring:** We provide assistance to public / private sector banks and financial institutions in enforcement/recovery of non performing assets in accordance with the provisions of SARFAESI Act and also extend other related legal/financial services to them.
- **Biotechnology and Pharmaceutical Centre:** We provide training, consultancy and business incubation services to academicians and entrepreneurs which enable them to translate their scientific research into commercial enterprises.

We provide Training and Allied Services through the following business divisions:

- **Entrepreneurship Training and Consultancy Division:** We provide skill based vocational and entrepreneurship development training, corporate training as well as counseling services.
- **MITCON e-school:** We conduct IT based training programs.

Apart from the above, we also offer ISO /Quality Assurance services in implementation of ISO 9001, QS 9000, TS 16949, EMS 14001/OHSAS/HACCP and quality techniques.

As of June 30, 2013, we have commissioned 42 power / co-generation projects aggregating to 526.70 MW based on biomass, bagasse, waste heat and coal and another 35 projects aggregating to 453.70 MW under various stages of implementation.

As of June 30, 2013, we have conducted over 500 energy audits, DSM studies, ESCO projects, implementation assistance, monitoring and verification (M&V) projects, electrical safety audits and other related assignments in various commercial, government and industrial sectors in India and Seychelles. As of June 30, 2013, we have provided consultancy and engineering services enabling commissioning of seven solar projects aggregating to 60 MW and three wind projects aggregating to 4.10 MW. We have also commissioned our own wind power project at Idukki, Kerala, with installed capacity of 0.75 MW. Another 18 solar projects aggregating to 229.37 MW and three wind projects aggregating to 216 MW are under various stages of implementation. We have also completed bid process management for allotment of 300 MW solar power projects to a Government of Punjab undertaking. We have registered 96 projects with United Nations for carbon credits and have syndicated over ₹ 66.14 Crore as carbon funds for various Indian project promoters as of June 30, 2013.

Annually, we assist around 150 industries in nearby industrial estates in monitoring environmental quality. EIA and environmental clearance services are provided to around 46 clients annually covering infrastructure and other developmental projects including mega-power projects.

We are empanelled with the Bureau of Energy Efficiency as an Energy Service Company (ESCO). This empanelment was approved pursuant to the grade 'CARE-BEE Grade 1' assigned by CARE under ESCO grading under the aegis of Bureau of Energy Efficiency indicating a 'very high' ability to carry out energy efficiency audits and undertake energy efficiency projects. We are empanelled with Maharashtra Energy Development Agency (MEDA) as an "Energy Planner & Energy Auditor" under the Save Energy Programme of MEDA. We are also accredited by Quality Council of India under the National Accreditation Board for Education and Training scheme (NABET scheme) as EIA consultants. Our environment testing laboratory is accredited by Ministry of Environment and Forest under EPA. For further details, please refer to the section "Government, Statutory and Business Approvals" on page 210 of this Prospectus.

Being a consultancy organisation, we believe that human capital is one of our most valuable assets. We have a qualified and professional employee base of over 213 employees, including 102 consultants as on June 30, 2013. Our technical and engineering know-how coupled with the experience of our management has helped us to create niche for our Company. As on June 30, 2013, average experience of our KMP is 10 years.

Our total revenue has increased from ₹ 2,846.35 lacs for Fiscal 2009 to ₹ 4,819.58 lacs in Fiscal 2013 at a Compound Annual Growth Rate (CAGR) of 14.07% while, our net profit as restated has increased from ₹ 543.36 lacs in Fiscal 2009 to ₹ 997.21 lacs in Financial Year 2013 at a CAGR of 16.39%. Our net profit margin was 22.16%, 17.71%, 20.69% for Fiscal 2011, Fiscal 2012 and Fiscal 2013, respectively.

## **Our Competitive Strengths**

### ***Strong brand presence***

We believe that 'MITCON' represents a strong brand in the market we operate in. Our service offerings coupled with technical know-how, competitive fees, execution capabilities and track record of over three decades has provided us with strong brand recognition and credibility. The recognition and acceptance of MITCON brand has significantly contributed to the success of our business. We also believe that opening up of new offices will further enhance our brand in the consultancy space.

The credibility of our business is also reflected in the fact that we have received certifications and accreditations from various agencies and regulatory bodies. For further details, please refer to the section "*Registrations, Recognitions and Accreditations*" in the section "*Our Business*" on page 97 of this Prospectus.

### ***Strong relationships***

We have a strong and widespread business development team with offices located in major cities across the country. We believe that we have a stable and esteemed core client base representing some large Indian industrial groups, banks and other financial institutions, central public sector undertakings, SMEs and government bodies, among others. We have relationships with 352 clients as of June 30, 2013.

Further, we believe that our strong brand and over three decades of experience in the consultancy business enables us not only to obtain repeat business from our existing clients, but to attract new business as well.

### ***Strong domain expertise in certain sectors***

We believe that we have strong expertise in decentralized power projects and we are one of the leading energy auditors for industrial, government and commercial sectors. Our power sector consultancy provides the entire spectrum of services from concept to successful commissioning for decentralized power/co-generation power projects on renewable and fossil fuels, ranging from one MW to 660 MW, as well as sugar plants with a capacity ranging from 1,150 to 10,000 TCD and ethanol plants with a capacity ranging from 30 to 160 KLPD. As of June 30, 2013, we have commissioned 42 power/ co-generation projects aggregating to 526.70 MW based on biomass, bagasse, waste heat and coal.

We have commissioned seven solar projects aggregating to 60 MW and three wind projects aggregating to 4.10 MW. We have also commissioned our own wind power project at Idukki, Kerala, with installed capacity of 0.75 MW. Another, 18 solar projects aggregating to 229.37 MW and three wind projects aggregating to 216 MW are under various stages of implementation. We have provided consultancy services to various clients in relation to registration of 96 projects with United Nations for carbon credits and have syndicated over ₹ 66.14 Crore as carbon funds for various Indian projects as of June 30, 2013.

Our expertise and track record in the energy sector has gained accreditation namely 'CARE-BEE Grade 1' assigned by CARE under ESCO grading of Bureau of Energy Efficiency indicating a 'very high' ability to carry out energy efficiency audits and undertake energy efficiency projects. We are empanelled with MEDA as an "Energy Planner & Energy Auditor" under the Save Energy Programme of MEDA. We are also empanelled with other organizations as an energy auditor. For further details, please refer to the section "*Government, Statutory and Business Approvals*" on page 210 of this Prospectus.

### ***Established presence in diversified sectors***

We provide consultancy services across diverse sectors such as infrastructure, environmental management, banking and biotechnology. The total fee earned by our Company in the last five Financial Years due to services provided by our various divisions is as provided below:

	(in ₹lacs)				
Division	FY 09	FY 10	FY 11	FY 12	FY 13
Power Division	405.99	825.12	1,130.56	1,203.03	969.33
EMES Division	113.36	127.73	109.71	150.61	155.80
IC Division	103.21	85.51	84.93	85.56	107.76
B&P Division	5.00	-	10.43	54.00	23.27
ECS Division	523.40	506.15	776.05	794.92	682.39
B&F Division	95.95	113.42	173.30	249.63	376.90
SAFE Division	281.00	241.89	312.60	286.79	219.19
Consultancy Business (trading/other)	40.65	338.72	272.59	201.84	111.16
<b>Total Consultancy Income</b>	<b>1,568.56</b>	<b>2,238.54</b>	<b>2,870.17</b>	<b>3,026.38</b>	<b>2,645.80</b>

#### *Qualified employee base and proven management team*

We have a qualified and professional employee base of over 213 employees as of June 30, 2013, including 102 consultants. Many of our employees, particularly the senior management, have been working with our Company for over 10 years. We believe human capital is one of the most valuable assets of our Company as their technical knowhow and skill sets position us at a competitive advantage over our competitors in providing some of our services.

Our human resource policies are aimed at recruiting talented employees and integrating them to our Company. We also impart training to the new recruits and conduct skill set development programmes for our employees.

Our KMP are well qualified and experienced in the industry. We believe that the combination of our Board and our experienced KMPs has been key to our growth and will enable us to capitalize on further growth opportunities.

#### *Strong financial position and profitability*

Our total revenue and net profit as restated in the financial statements have shown healthy CAGR in last five Financial Years. Our total revenue has increased from ₹ 2,846.35 lacs for Fiscal 2009 to ₹ 4,819.58 lacs for Fiscal 2013, at a CAGR of 14.07%. Our net profit as restated has increased from ₹ 543.36 lacs for Fiscal 2009 to ₹ 997.21 lacs for Fiscal 2013, at a CAGR of 16.39%. For Fiscal 2011, Fiscal 2012 and Fiscal 2013, our net profit (as restated) margin was 22.16%, 17.71% and 20.69%, respectively. Our earnings (including other income) before interest, taxes, depreciation and amortization (**EBITDA**) margin on total revenue was 34.21%, 28.48% and 32.38%, respectively, for Fiscal 2011, Fiscal 2012 and Fiscal 2013. Our return on equity was 31.10%, 21.76% and 18.32% respectively for Fiscal 2011, Fiscal 2012 and Fiscal 2013.

We have maintained a highly liquid, strong net worth position, with no debt as of June 30, 2013. Our total net worth has steadily increased from ₹ 1,826.01 lacs in Fiscal 2009 to ₹ 5442.26 lacs as in Fiscal 2013. We have paid dividends consistently for the past 19 years.



## SUMMARY FINANCIAL STATEMENTS

### SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

<i>(Amount in INR lacs)</i>								
Sr	Particulars	Annexure	As at 30th April 2013	As at 31 March				
				2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>A.</b>	<b>Non current assets</b>							
	<b>Fixed assets</b>							
	Tangible assets		1,785.95	1,796.80	1,853.92	1,860.78	1,417.58	1,077.49
	Less: Revaluation Reserve		186.53	186.85	190.75	194.65	198.55	202.45
	Net Block after adjustment for Revaluation Reserve		1,599.42	1,609.95	1,663.17	1,666.13	1,219.03	875.04
	Intangible Assets		127.70	130.31	136.60	42.66	45.45	25.81
	Non-current Investments	Annexure XIX	-	0.75	0.75	46.05	46.05	46.05
	Long term loans and advances	Annexure XV	241.11	257.29	172.86	138.61	60.44	38.38
	Other non-current assets	Annexure XVII	693.38	328.91	428.01	266.40	212.73	252.73
	<b>Total non current assets</b>		<b>2,661.61</b>	<b>2,327.21</b>	<b>2,401.39</b>	<b>2,159.85</b>	<b>1,583.70</b>	<b>1,238.01</b>
<b>B.</b>	<b>Current assets</b>							
	Current investments	Annexure XVIII	372.05	368.67	298.45	189.66	159.46	102.13
	Inventories	Annexure XX	37.92	33.80	29.05	-	-	-
	Trade receivables	Annexure XXI	1,453.09	1,436.94	1,055.76	724.18	709.97	345.03
	Cash and bank balances	Annexure XXII	1,455.51	2,042.07	1,688.26	1,462.12	1,223.09	956.46
	Short term loans and advances	Annexure XVI	253.63	172.92	186.63	158.30	165.83	89.47
	Other current assets	Annexure XXIII	102.32	0.49	2.08	3.47	5.51	22.32
	<b>Total current assets</b>		<b>3,674.52</b>	<b>4,054.89</b>	<b>3,260.23</b>	<b>2,537.73</b>	<b>2,263.86</b>	<b>1,515.41</b>
<b>C.</b>	<b>Non current liabilities</b>							
	Long term borrowings	Annexure V	-	-	-	-	-	2.94
	Deferred Tax Liabilities (Net)	Annexure XIV	205.04	205.04	240.13	245.58	265.48	146.42
	Other Non-current Liabilities	Annexure XI	19.78	19.78	15.21	13.26	10.50	-
	Long term provisions	Annexure VI	-	-	52.15	33.99	36.37	22.75
	<b>Total non current liabilities</b>		<b>224.82</b>	<b>224.82</b>	<b>307.49</b>	<b>292.83</b>	<b>312.35</b>	<b>172.11</b>
<b>D.</b>	<b>Current liabilities</b>							
	Short term borrowings	Annexure VIII	-	-	-	-	2.94	3.48
	Trade payables	Annexure IX	392.04	478.77	657.03	611.20	850.07	460.97
	Other current	Annexure X	145.05	119.39	171.26	251.87	206.57	269.30

	liabilities							
	Short term provisions	Annexure VII	128.55	116.86	40.20	37.07	27.77	21.55
	<b>Total current liabilities</b>		<b>665.64</b>	<b>715.02</b>	<b>868.49</b>	<b>900.14</b>	<b>1,087.35</b>	<b>755.30</b>
	<b>Net Worth (A+B-C-D)</b>		<b>5,445.67</b>	<b>5,442.26</b>	<b>4,485.64</b>	<b>3,504.61</b>	<b>2,447.86</b>	<b>1,826.01</b>
	<b>Represented by:</b>							
<b>E.</b>	<b>Share capital</b>	Annexure XII	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
<b>F.</b>	<b>Reserves and surplus</b>	Annexure XIII	5,582.20	5,579.11	4,626.39	3,649.26	2,596.41	1,978.46
	<b>Less: Revaluation Reserve</b>		186.53	186.85	190.75	194.65	198.55	202.45
	<b>Reserves &amp; Surplus (Net of revaluation reserves)</b>		<b>5,395.67</b>	<b>5,392.26</b>	<b>4,435.64</b>	<b>3,454.61</b>	<b>2,397.86</b>	<b>1,776.01</b>
	<b>Net Worth (E+F)</b>		<b>5,445.67</b>	<b>5,442.26</b>	<b>4,485.64</b>	<b>3,504.61</b>	<b>2,447.86</b>	<b>1,826.01</b>

The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

This is the Summary Statement of Assets and Liabilities, As Restated, referred to in our report of even date.

**For Joshi & Sahney**  
**Chartered Accountants**  
**Firm registration number: 104359W**

H M Joshi  
Partner  
Membership No. 031689  
Place: Pune  
Date: October 7, 2013

**For and on behalf of the Board**  
A. T. Kusre  
Chairman

Dr. Pradeep Bavadekar  
Managing Director

Ram Mapari  
Controller of Finance

Madhav Oak  
Company Secretary

Place: Mumbai  
Date : - October 7, 2013

# SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amount in INR lacs)

(Amount in INR lacs)								
Particulars		Annexure	For the Period ended 30th April, 2013	For the year ended 31 March				
				2013	2012	2011	2010	2009
				INR	INR	INR	INR	INR
<b>Revenue</b>								
Revenue from operations	from	Annexure XXIV	178.56	4,666.57	5,384.11	4,810.84	3,748.06	2,727.40
Other income		Annexure XXV	12.94	153.01	127.13	107.05	110.00	118.95
<b>Total Revenue</b>			<b>191.50</b>	<b>4,819.58</b>	<b>5,511.24</b>	<b>4,917.89</b>	<b>3,858.06</b>	<b>2,846.35</b>
<b>Expenses</b>								
Operating Costs		Annexure XXVI	22.26	1,397.91	1,955.38	1,628.05	1,329.02	883.08
Employee benefit expense	benefit	Annexure XXVII	98.65	1,150.88	1,172.69	955.76	705.93	533.31
Finance cost		Annexure XXVIII	0.23	5.30	8.62	5.35	12.49	6.90
Depreciation expense - Tangible Assets			10.63	126.68	128.31	102.70	104.19	98.21
Less: Transferred from Revaluation Reserve			(0.32)	(3.90)	(3.90)	(3.90)	(3.90)	(3.90)
Amortization expense - Intangible Assets			2.60	27.98	8.89	8.44	11.07	7.94
Other expenses		Annexure XXIX	53.43	710.00	813.45	651.54	592.27	494.36
<b>Total Expenses</b>			<b>187.48</b>	<b>3,414.85</b>	<b>4,083.44</b>	<b>3,347.94</b>	<b>2,751.07</b>	<b>2,019.90</b>
<b>Profit before tax</b>			<b>4.02</b>	<b>1,404.73</b>	<b>1,427.80</b>	<b>1,569.95</b>	<b>1,106.99</b>	<b>826.45</b>
<b>Tax</b>								
Current tax			0.63	442.61	457.19	499.83	333.46	211.09
Fringe benefit tax			-	-	-	-	-	7.30
Deferred tax			-	(35.09)	(5.45)	(19.90)	119.06	64.70
<b>Total Tax Expenses</b>			<b>0.63</b>	<b>407.52</b>	<b>451.74</b>	<b>479.93</b>	<b>452.52</b>	<b>283.09</b>
<b>Net profit as restated</b>			<b>3.39</b>	<b>997.21</b>	<b>976.06</b>	<b>1,090.02</b>	<b>654.47</b>	<b>543.36</b>

Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV. This is the Summary Statement of Profits and Losses, As Restated, referred to in our report of even date.

**For Joshi & Sahney**  
**Chartered Accountants**  
**Firm registration number: 104359W**

H M Joshi  
Partner  
Membership No. 031689  
Place: Pune  
Date: October 7, 2013

**For and on behalf of the Board**  
A. T. Kusre  
Chairman

Dr. Pradeep Bavadekar  
Managing Director

Ram Mapari  
Controller of Finance

Madhav Oak  
Company Secretary

Place: Mumbai  
Date : - October 7, 2013

**STATEMENT OF CASH FLOWS, AS RESTATED**

*(Amount in INR lacs)*

Particulars	For the period ended 30th April 2013	For the year ended 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Net profit before tax, as restated</b>	<b>4.02</b>	<b>1,404.73</b>	<b>1,427.80</b>	<b>1,569.95</b>	<b>1,106.99</b>	<b>826.45</b>
Adjustments for:						
Depreciation and amortization	12.91	150.75	133.30	107.24	111.36	102.24
Finance Cost	0.23	5.30	8.62	5.35	12.49	6.90
Loss on sale of fixed assets	-	5.78	6.58	1.12	3.96	3.33
Interest income	(10.22)	(111.1)	(74.26)	(38.94)	(40.75)	(39.22)
Dividend Income	(2.63)	(20.53)	(18.72)	(8.81)	(7.34)	(6.26)
<b>Operating profit before working capital changes</b>	<b>4.31</b>	<b>1,434.89</b>	<b>1,483.32</b>	<b>1,635.91</b>	<b>1,186.71</b>	<b>893.44</b>
Adjustments for Increase / Decrease in						
Long Term Provisions	-	(52.15)	18.15	(2.37)	13.61	3.59
Short Term Provisions	11.70	76.47	3.22	0.62	3.31	0.31
Trade Payable	(86.73)	(178.2)	45.83	(238.8)	389.10	41.42
Other Current Liabilities	25.66	(51.87)	(80.61)	45.31	(62.74)	34.91
Other Long Term Liabilities	-	4.57	1.94	2.77	10.50	-
Long Term Loan and Advances	16.17	(84.42)	(34.25)	(78.17)	(22.07)	(11.95)
Short Term Loan and Advances	(71.65)	15.03	13.00	25.15	(53.50)	(35.06)
Other Non Current Assets	(364.4)	99.10	(161.60)	(53.68)	40.00	(40.00)
Inventories	(4.11)	(4.75)	(29.05)	-	-	-
Trade Receivable	(16.15)	(381.18)	(331.58)	(14.21)	(364.94)	(103.05)
Other Current Assets	(101.83)	1.59	1.39	2.03	16.82	(16.63)
	<b>(591.41)</b>	<b>(555.87)</b>	<b>(553.56)</b>	<b>(311.42)</b>	<b>(29.91)</b>	<b>(126.46)</b>
Cash generated from operations	<b>(587.10)</b>	<b>879.02</b>	<b>929.76</b>	<b>1,324.49</b>	<b>1,156.80</b>	<b>766.98</b>
Income taxes paid (including fringe benefit tax)	(9.70)	(443.92)	(498.49)	(517.48)	(356.29)	(218.07)
<b>Net Cash from Operating activities</b>	<b>(596.80)</b>	<b>435.10</b>	<b>431.27</b>	<b>807.01</b>	<b>800.51</b>	<b>548.91</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchases of fixed assets including out of Grants	(0.05)	(123.04)	(240.20)	(574.29)	(496.56)	(90.99)
Sale of Fixed Assets	-	9.39	1.68	12.05	5.27	7.32
Sale of Asset under grant cash receipt	-	1.45	-	1.47	0.19	2.19
Net Purchase and Sale of Investments	(2.63)	(70.23)	(63.49)	(30.20)	(57.34)	(102.13)
Interest income	10.22	111.14	74.26	38.94	40.75	39.22
Dividend Income	2.63	20.53	18.72	8.81	7.34	6.26
<b>Net cash used in investing activities</b>	<b>10.17</b>	<b>(50.76)</b>	<b>(209.03)</b>	<b>(543.22)</b>	<b>(500.35)</b>	<b>(138.13)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Changes in Long Term Borrowings	-	-	-	-	(2.94)	(3.49)
Changes in Short Term Borrowings	-	-	-	(2.94)	(0.55)	(2.88)
Interest Paid	(0.23)	(5.30)	(8.62)	(5.35)	(12.49)	(6.90)
Payment of Dividend	-	(29.06)	(29.15)	(20.47)	(17.55)	(14.62)
Receipt of Grants from Government	0.30	3.83	41.67	4.00	-	-
<b>Net Cash from/used in financing</b>	<b>0.07</b>	<b>(30.53)</b>	<b>3.90</b>	<b>(24.76)</b>	<b>(33.53)</b>	<b>(27.89)</b>

<b>activities</b>						
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(586.5)</b>	<b>353.81</b>	<b>226.14</b>	<b>239.03</b>	<b>266.63</b>	<b>382.89</b>
<b>Opening cash and cash equivalents</b>	<b>2,042.07</b>	<b>1,688.26</b>	<b>1,462.12</b>	<b>1,223.09</b>	<b>956.46</b>	<b>573.57</b>
<b>Closing cash and cash equivalents*</b>	<b>1,455.51</b>	<b>2,042.07</b>	<b>1,688.26</b>	<b>1,462.12</b>	<b>1,223.09</b>	<b>956.46</b>

Note:

The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

This is the Summary Statement of Cash Flows, as Restated, referred to in our report of even date.

**For Joshi & Sahney**  
**Chartered Accountants**  
**Firm registration number: 104359W**

H M Joshi  
Partner  
Membership No. 031689  
Place: Pune  
Date: October 7, 2013

**For and on behalf of the Board**  
A. T. Kusre  
Chairman

Dr. Pradeep Bavadekar  
Managing Director

Ram Mapari  
Controller of Finance

Madhav Oak  
Company Secretary

Place: Mumbai  
Date : - October 7, 2013

## THE ISSUE

<b>Issue of Equity Shares by our Company</b>	41,00,000 Equity Shares aggregating to ₹ 25,01,00,000
<i>Of which:</i>	
Market Maker Reservation Portion	2,06,000 Equity Shares aggregating to ₹ 1,25,66,000
<b>Net Issue to the public</b>	38,94,000 Equity Shares
<i>Of which:</i>	
Non Retail Portion <sup>(1)</sup>	19,46,000 Equity Shares <sup>*</sup>
Retail Portion <sup>(1)</sup>	19,48,000 Equity Shares <sup>**</sup>
<b>Pre and Post Issue Equity Shares</b>	
Equity Shares outstanding prior to the Issue	80,00,000 Equity Shares
Equity Shares outstanding after the Issue	1,21,00,000 Equity Shares
<b>Use of Issue Proceeds</b>	Please refer to the section “ <i>Objects of the Issue</i> ” on page 34 of this Prospectus for information about the use of the Net Proceeds.

Allocation to all categories shall be made on a proportionate basis. For details, please refer to the section “*Issue Procedure – Basis of Allotment*” on page 238 of this Prospectus.

<sup>(1)</sup> Under-subscription, if any, in any category, shall be allowed to be met with spillover from the other category, at the sole discretion of our Company and in consultation with the Lead Managers and the Designated Stock Exchange.

<sup>\*</sup> In the event of over-subscription, allocation shall be made on a proportionate basis, subject to valid applications being received at the Issue Price.

<sup>\*\*</sup> In the event the Retail Individual Applicants are entitled to more than fifty percent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage.

## GENERAL INFORMATION

Our Company was originally incorporated as Maharashtra Industrial And Technical Consultancy Organisation Limited pursuant to a Certificate of Incorporation dated April 16, 1982 issued by the Registrar of Companies, Bombay, Maharashtra. The name of our Company was changed to MITCON Consultancy Services Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated September 7, 2000 issued by the RoC. The name of our Company was further changed to MITCON Consultancy & Engineering Services Limited pursuant to a Fresh Certificate of Incorporation Consequent upon Change of Name dated October 15, 2010 issued by the RoC. For more information on changes in our name and registered office, please refer to section “History and Other Corporate Matters” on page 116 of this Prospectus.

### Registered Office of our Company

First Floor, Kubera Chambers  
Shivajinagar, Pune 411 005  
Maharashtra  
Telephone: +91 20 2553 4322 / 3309  
Facsimile: +91 20 2553 3206  
Website: [www.mitconindia.com](http://www.mitconindia.com)

**Corporate Identification Number:** U74140MH1982PLC026933

**Company Registration Number:** 26933

### Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Pune, Maharashtra situated at the following address:

Registrar of Companies, Pune, Maharashtra  
PMT Building  
Pune Stock Exchange  
3<sup>rd</sup> Floor, Deccan Gymkhana  
Pune 411 004

### Our Board of Directors

The Board of Directors of our Company consists of:

Sr. No.	Name and Designation	Age (years)	DIN	Residential address
1.	<b>Mr. Anand T. Kusre</b> <i>Chairman and Independent Director (Nominee of ICICI Bank Limited)</i>	64	00818477	902, Yashowan, Flat No. 96A, T. H. Kataria Marg, Mahim, Mumbai 400 016
2.	<b>Dr. Pradeep Bavadekar</b> <i>Managing Director</i>	57	00879747	‘Raghukul’, 3. Vikramsheela Co-Op. Housing Society, Panchwati, Pashan, Pune 411 008
3.	<b>Mr. Omprakash V. Bundellu</b> <i>Independent Director (Nominee of SIDBI)</i>	63	00032950	16/61, Ashiyana, Off. Link Road, Oshiwara, Next to Infinity Mall, Jogeshwari (West), Mumbai 400 102
4.	<b>Mr. Ashok D. Mahajan</b> <i>Independent Director (Nominee of SICOM Limited)</i>	57	02239716	304, Geetanjali Co-operative Housing Society, Opposite Patkar School Ground, Rajaji Road, Lane 2, Dombivli (E), Thane, Maharashtra 421 201
5.	<b>Mr. Surajit Roy</b> <i>Independent Director (Nominee of IFCI Limited)</i>	53	03033426	J-1860, 2 <sup>nd</sup> Floor, Chittaranjan Park, New Delhi 110 019



Sr. No.	Name and Designation	Age (years)	DIN	Residential address
6.	<b>Mr. Harkesh Mittal</b> <i>Independent Director</i>	53	02159322	D-8, Tower 9, New Moti Bagh, New Delhi 110 023

For further details on our Directors, please refer to the section “*Our Management*” on page 126 of this Prospectus.

#### **Company Secretary and Compliance Officer**

The Company Secretary and Compliance Officer of our Company is Mr. Madhav Oak. His contact details are as follows:

##### **Madhav Oak**

MITCON Consultancy & Engineering Services Limited  
First Floor, Kubera Chambers  
Shivajinagar, Pune 411 005  
Maharashtra  
Telephone: +91 20 6628 9148  
Facsimile: +91 20 2553 3206  
E-mail: ipo@mitconindia.com

**Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund of application money.**

All grievances pertaining to the Issue may be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant’ DP ID, Client ID, PAN, 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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSB.

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

#### **Lead Managers**

##### **IDBI Capital Market Services Limited**

3rd floor, Mafatlal Centre, Nariman Point,  
Mumbai 400 021  
Telephone: +91 22 4322 1212  
Facsimile: +91 22 2285 0785  
E-mail: mitcon.ipo@idbicapital.com  
Investors Grievance E-mail: redressal@idbicapital.com  
Website: www.idbicapital.com  
Contact Person: Mr. Rishi Tiwari  
SEBI Registration No: INM000010866

##### **Keynote Corporate Services Limited**

The Ruby, 9th Floor, Senapati Bapat Marg,  
Dadar (West), Mumbai 400 028  
Telephone: +91 22 3026 6000 - 10  
Facsimile: +91 22 3026 6088  
E-mail: mbd@keynoteindia.net  
Investors Grievance E-mail: mbd@keynoteindia.net  
Website: www.keynoteindia.net  
Contact Person: Mr. Girish Sharma  
SEBI Registration No: INM000003606

#### **Inter-se Responsibilities of the Lead Managers**

The following table sets forth the *inter se* allocation of responsibilities for various activities among the Lead Managers:

Sr. No.	Activities	Responsibility	Coordinator
(a)	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, <i>etc.</i>	IDBI Keynote	Capital, IDBI Capital
(b)	Due diligence of our Company's operations/ management/ business plans/ legal <i>etc.</i> Drafting and design of Prospectus including memorandum containing salient features of the Prospectus. The Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with Stock Exchange, RoC and SEBI.	IDBI Keynote	Capital, IDBI Capital
(c)	Drafting and approval of statutory advertisements.	IDBI Keynote	Capital, IDBI Capital
(d)	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (c) above including corporate advertisement, brochures, <i>etc.</i>	IDBI Keynote	Capital, Keynote
(e)	Appointment of Intermediaries viz., advertising agency, Registrar to the Issue, Bankers to the Issue /Escrow Collection Banks and printer(s).	IDBI Keynote	Capital, IDBI Capital
	Ensure availability of adequate number of forms at all the centres.		
	Follow-up on distribution of publicity and issue material including forms, Prospectus and deciding on the quantum of the issue material.		
(f)	Domestic Institutional Marketing - Finalize the list and division of investors for one to one meetings and finalizing domestic QIB road show schedule	IDBI Keynote	Capital, Keynote
(g)	Domestic Retail marketing along with HNI - Formulating marketing strategies, preparation of publicity budget;	IDBI Keynote	Capital, Keynote
	Finalize Media & PR strategy;		
	Finalizing centres for holding conferences for brokers, <i>etc.</i> ; and		
	Finalize collection centres.		
(h)	Preparation of road show presentation and preparation of FAQs.	IDBI Keynote	Capital, Keynote
(i)	Coordination with the Stock Exchange.	IDBI Keynote	Capital, IDBI Capital
(j)	Post application activities including management of Escrow Accounts, co-ordination with Registrar to the Issue and Escrow Collection Banks, refund to Applicants, <i>etc.</i> Lead Managers shall be responsible for ensuring that these agencies fulfill their functions and enable them to discharge this responsibility through suitable agreements with our Company, coordinating for three year track record of Lead Managers.	IDBI Keynote	Capital, Keynote

#### Legal Advisor to the Issue

##### Krishnamurthy & Co.

96, Free Press House

215, Nariman Point

Mumbai 400 021

Telephone: +91 22 6749 2595

Facsimile: +91 22 6749 2593

## **Registrar to the Issue**

### **Link Intime India Private Limited**

C -13, Pannalal Silk Mills Compound

L.B.S. Marg, Bhandup (West)

Mumbai 400 078

Telephone: +91 22 2596 7878

Toll Free Number: 1800 220 878

Facsimile: +91 22 2596 0329

E-mail: [mitcon.ipo@linkintime.co.in](mailto:mitcon.ipo@linkintime.co.in)

Investor Grievance E-mail: [mitcon.ipo@linkintime.co.in](mailto:mitcon.ipo@linkintime.co.in)

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Contact Person: Mr. Sanjog Sud

SEBI Registration No.: INR000004058

For all Issue related queries and for redressal of complaints, investors may also write to the Registrar to the Issue or the Lead Managers.

## **Market Maker**

As per Regulation 106V of the SEBI Regulations, the Lead Managers will ensure compulsory market making in the manner specified by SEBI for a minimum period of three years or such other period as may be specified from time to time from the date of listing of the Equity Shares of our Company. Keynote Capitals Limited will act as the Market Maker.

## **Bankers to our Company**

### **Bank of Baroda – Mumbai**

Samata Building, opposite Y.B. Chavan Centre, General  
Bhosale Marg, Mumbai 400 021

Telephone: +91 22 2282 3968

Facsimile: +91 22 2283 2021

E-mail: [narima@bankofbaroda.com](mailto:narima@bankofbaroda.com)

Website: [www.bankofbaroda.com](http://www.bankofbaroda.com)

Contact Person: Mr. Y.C. Tewari

### **IDBI Bank Limited – Pune**

Rajas Apartments, Abhimanshri Society, Off Baner  
Road, Aundh, Pune 411 008

Telephone: +91 20 2589 3534, +91 20 2589 3535

Facsimile: +91 20 2589 3536

E mail: [satish.degaonkar@idbi.co.in](mailto:satish.degaonkar@idbi.co.in)

Website: [www.idbi.com](http://www.idbi.com)

Contact Person: Mr. Satish Kamalakar Degaonkar

### **Yes Bank – Pune**

101, Karan Selene, Bhandarkar Road, Shivajinagar,  
Pune 411 004, Maharashtra

Telephone: +91 20 6627 4800

Facsimile: +91 20 2620 0860

E mail: [aditya.bavadekar1@yesbank.in](mailto:aditya.bavadekar1@yesbank.in)

Website: [www.yesbank.in](http://www.yesbank.in)

Contact Person: Mr. Aditya Bavadekar

### **ICICI Bank Limited - Pune**

1194/8 Ramchandra Sabhamandap, Ghole Road, Shivaji  
Nagar, Pune 411 005

Telephone: +91 20 6628 0750

Facsimile: +91 20 6628 0803

E mail: [neeta.ranade@icicibank.com](mailto:neeta.ranade@icicibank.com)

Website: [www.icicibank.com](http://www.icicibank.com)

Contact Person: Ms. Neeta Ranade

### **Bank of Maharashtra – Pune**

Pune Main Branch “Lokmangal”, 1501 Shivaji Nagar,  
Pune 411 005

Telephone: +91 20 2553 6802

Facsimile: +91 20 2552 1866

E-mail: [brmgr1150@mahabank.co.in](mailto:brmgr1150@mahabank.co.in);

[bom1150@mahabank.co.in](mailto:bom1150@mahabank.co.in)

Website: [www.bankofmaharashtra.com](http://www.bankofmaharashtra.com)

Contact Person: Mr. Jhanwar Gopaldas

## **Bankers to the Issue and Escrow Collection Banks**

### **ICICI Bank Limited**

Capital Market Division  
1<sup>st</sup> Floor, 122, Mistry Bhavan  
Dinshaw Vachha Road, Backbay Reclamation  
Churchgate, Mumbai 400 020  
Telephone: +91 22 6631 0322  
Facsimile: +91 22 2261 1138  
E-mail: [anil.gadoo@icicibank.com](mailto:anil.gadoo@icicibank.com)  
Website: [www.icicibank.com](http://www.icicibank.com)  
Contact Person: Mr. Anil Gadoo  
SEBI Registration No.: INBI00000004

### **YES Bank Limited**

Indiabulls Financial Centre  
Tower 2, 8<sup>th</sup> Floor, Senapati Bapat Marg  
Elphinstone (W), Mumbai 400 013  
Telephone: +91 22 3347 7251  
Facsimile: +91 22 2421 4504  
E-mail: [dlbtiservices@yesbank.in](mailto:dlbtiservices@yesbank.in)  
Website: [www.yesbank.in](http://www.yesbank.in)  
Contact Person: Mr. Shankar Vichare / Mr. Paresh Kulkarni  
SEBI Registration No.: INBI00000935

## **Refund Bank**

### **YES Bank Limited**

Indiabulls Financial Centre  
Tower 2, 8<sup>th</sup> Floor, Senapati Bapat Marg  
Elphinstone (W), Mumbai 400 013  
Telephone: +91 22 3347 7251  
Facsimile: +91 22 2421 4504  
E-mail: [dlbtiservices@yesbank.in](mailto:dlbtiservices@yesbank.in)  
Website: [www.yesbank.in](http://www.yesbank.in)  
Contact Person: Mr. Shankar Vichare / Mr. Paresh Kulkarni  
SEBI Registration No.: INBI00000935

## **Self Certified Syndicate Banks**

**Please note that in accordance with the provisions of SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Investors who comply with the conditions for being an ASBA Investor shall mandatorily make use of ASBA facility. The Equity Shareholders are required to fill the Application Form and submit the same to their SCSB which in turn will block the amount as per the authority contained in the Application Form and undertake other tasks as per the specified procedure. Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013; it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB/s. Such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on Designated Branches of SCSBs collecting the Application Forms submitted by ASBA Applicants, refer to the above-mentioned link.

### **Registered Brokers**

In terms of SEBI circular No. CIR/CFD/14/2012 dated October 4, 2012, Applicants can submit Application Forms in electronic form using the stock broker network of the Stock Exchange, i.e., through Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE.

### **Auditors to our Company**

#### **M/s. Joshi & Sahney**

Chartered Accountants

1913, Natu Baug

Sadashiv Peth

Pune 411 030, Maharashtra

Telephone: +91 20 2447 1521 / 1199

Facsimile: +91 20 2447 8015

E-mail: [josney72@gmail.com](mailto:josney72@gmail.com)

Firm Registration No: 104359W

### **Monitoring Agency**

Pursuant to Regulation 16 of the SEBI Regulations, there is no requirement to appoint a monitoring agency for the Issue.

### **Appraising Entity**

No appraising entity has been appointed in respect of any project of our Company. The objects of this Issue and means of finance are based on internal estimates of our Company.

### **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

### **IPO Grading**

This Issue has been graded by CRISIL Limited and has been assigned “4/5”, indicating that the fundamentals of our Company are superior compared to other SMEs in India through its report dated September 16, 2013. The IPO grading is assigned on a five point scale from 1 to 5 with an “SME 5/ 5” indicating excellent fundamentals and an “SME 1/5” indicating poor fundamentals. The Grading Report has been annexed to this Prospectus.

### **Experts**

Except the report of the Auditors dated October 7, 2013 and the statement of tax benefits dated July 12, 2013, provided by M/s. Joshi & Sahney, Chartered Accountants and the report of dated September 16, 2013 provided by CRISIL Limited in respect of the IPO grading of this Issue, our Company has not obtained any expert opinion.

### **Trustees**

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

## Underwriting Agreement

Our Company has entered into an Underwriting Agreement dated October 7, 2013 with the Underwriters for the Equity Shares proposed to be issued through the Issue. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions, as specified therein. The Issue has been 100% underwritten.

The Underwriter(s) have indicated their intention to underwrite the following number of Equity Shares:

Name and Contact details of the Underwriter(s)	Indicated number of Equity Shares to be underwritten	Amount Underwritten (in ₹lacs)
<b>IDBI Capital Market Services Limited</b> 3 <sup>rd</sup> Floor, Mafatlal Centre, Nariman Point, Mumbai 400 021 Telephone: +91 22 4322 1212 Facsimile: +91 22 2285 0785 E-mail: mitcon.ipo@idbicapital.com	16,40,000	1,000.40
<b>Prabhudas Lilladher Private Limited</b> 3 <sup>rd</sup> Floor, Sadhana House, 570 P. B. Marg, Behind Mahindra Tower, Worli, Mumbai 400 018 Telephone: +91 22 6632 2222 Facsimile: +91 22 6632 2229 E-mail: manishbhatt@plindia.com	4,10,000	250.10
<b>Keynote Corporate Services Limited</b> The Ruby, 9 <sup>th</sup> Floor, Senapati Bapat Marg, Dadar (West), Mumbai 400 028 Telephone: +91 22 3026 6000 - 10 Facsimile: +91 22 3026 6088 E-mail: mbd@keynoteindia.net	13,98,000	852.78
<b>Ladderup Corporate Advisory Private Limited</b> 102-A, 1st Floor, Hallmark Business Plaza, Gurunanak Hospital Road, Bandra (E), Mumbai 400 051 Telephone: +91 22 4033 6363 Facsimile: +91 22 4033 6364 E-mail: ecm@ladderup.com	3,26,000	198.86
<b>Indian Overseas Bank</b> Merchant Banking Division, Central Office, 6th Floor, Annex Building, 763 Anna Salai, Chennai 600 002 Telephone: +91 44 2888 9367 Facsimile: +91 44 2851 9548 E-mail: mbd@iobnet.co.in	3,26,000	198.86
<b>Total</b>	<b>41,00,000</b>	<b>2,501.00</b>

In the opinion of our Board of Directors (based on a certificate given by the Underwriter(s)), the resources of the above mentioned Underwriter(s) is sufficient to enable them to discharge its underwriting obligations in full. The above mentioned Underwriter(s) are registered with SEBI and eligible to underwrite as per applicable regulations.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the above table, the Lead Managers shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the underwriting agreement, will also be required to procure/subscribe to Equity Shares to the extent of the defaulted amount.

The underwriting agreement shall list out the role and obligations of each Underwriter.

### **Market Making Arrangement**

Keynote Capitals Limited will act as the market maker (**Market Maker**) and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI Regulations and its amendments from time to time and the circulars issued by the Stock Exchange 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 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. The spread (difference between the sell and the buy quote) shall not be more than 10% or as specified by the Stock Exchange. Further, the Market Maker(s) shall inform the Stock 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 INR 1,00,000. However, the investors with holdings of value less than INR 1,00,000 shall be allowed to offer their holding to the Market Maker in the 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 for the quotes given by it.
4. There would not be more than five Market Makers at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
5. In terms of SEBI circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, the market maker shall be exempt from providing buy quote on attaining the specified threshold limits. Further, the market maker can offer buy quotes only after it complies with re-entry threshold limits. However, this exemption from threshold shall not be applicable for the first three months of market making and the market maker shall be required to provide two way quotes during this period irrespective of the level of holding.

In case of termination of services of the above mentioned Market Maker prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Managers 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 Regulations. Further our Company and the Lead Managers 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 not exceeding five or as specified by the relevant laws and regulations applicable at that particular point of time.

## CAPITAL STRUCTURE

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

Particulars	(In ₹lacs, except share data)	
	Aggregate Value at face value	Aggregate Value at issue Price
<b>A. AUTHORISED SHARE CAPITAL</b>		
1,50,00,000 Equity Shares of ₹ 10 each	1,500.00	
<b>B. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE</b>		
80,00,000 Equity Shares of ₹ 10 each	800.00	
<b>C. PRESENT ISSUE IN TERMS OF THIS PROSPECTUS<sup>(1)</sup></b>	410.00	
41,00,000 Equity Shares of ₹ 10 each	<b>410.00</b>	<b>2,501.00</b>
<i>Of which:</i>		
Market Maker Reservation Portion of 2,06,000 Equity Shares	20.60	125.66
Net Issue of 38,94,000 Equity Shares aggregating ₹ 23,75,34,000	<b>389.40</b>	<b>2,375.34</b>
<i>Of which:</i>		
Non Retail Portion of 19,46,000 Equity Shares	194.60	1,187.06
Retail Portion of 19,48,000 Equity Shares	194.80	1,188.28
<b>D. SECURITIES PREMIUM ACCOUNT</b>		
Before the Issue	0.00	
After the Issue	2,091.00	
<b>E. PAID UP EQUITY CAPITAL AFTER THE ISSUE</b>		
1,21,00,000 Equity Shares	1,210.00	

(1) The Issue has been authorised by the Board of Directors by a resolution dated March 19, 2013 and by the shareholders of our Company by a resolution dated April 25, 2013.

### Changes in the Authorised Share Capital of our Company

- Our Company's initial authorised share capital of ₹ 20,00,000 (Rupees Twenty lacs only) comprising 20,000 (Twenty Thousand) Equity Shares of ₹ 100 (Rupees Hundred only) each was increased to ₹ 5,00,00,000 (Rupees Five Crore only) comprising 5,00,000 (Five lacs) Equity Shares of ₹ 100 (Rupees Hundred only) each pursuant to a resolution of our shareholders at the EGM held on June 23, 2000.
- Our Company's authorised share capital of ₹ 5,00,00,000 (Rupees Five Crore only) comprising 50,00,000 (Fifty lacs) Equity Shares of ₹ 10 (Rupees Ten only) each was modified due to the sub - division of 5,00,000 (Five lac) Equity Shares of ₹ 100 (Rupees Hundred only) each into 50,00,000 (Fifty lac) Equity Shares of ₹ 10 (Rupees Ten only) each pursuant to a resolution of our shareholders at the EGM held on April 25, 2013.
- Our Company's authorised share capital of ₹ 5,00,00,000 (Rupees Five Crore only) comprising 50,00,000 (Fifty lacs) Equity Shares of ₹ 10 (Rupees Ten only) was increased to ₹ 15,00,00,000 (Rupees Fifteen Crore only) divided into 1,50,00,000 (One Crore and Fifty lacs) Equity Shares of ₹ 10 (Rupees Ten only) each pursuant to a resolution of our shareholders at the EGM held on April 25, 2013.



## Notes to Capital Structure:

### 1. Equity Share capital history of our Company:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash, Bonus, Other than cash)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid-up share capital (₹)	Cumulative Share Premium (₹)
Date of Incorporation	7,650	100	100	Cash	Subscribers Memorandum <sup>(1)</sup> to	7,650	7,65,000	-
October 28, 1982	2,350	100	100	Cash	Allotment of Equity Shares <sup>(2)</sup>	10,000	10,00,000	-
August 5, 1986	4,600	100	100	Cash	Rights Issue <sup>(3)</sup>	14,600	14,60,000	-
May 18, 1987	400	100	100	Cash	Rights Issue <sup>(4)</sup>	15,000	15,00,000	-
February 17, 1989	3,500	100	100	Cash	Rights Issue <sup>(5)</sup>	18,500	18,50,000	-
December 6, 1989	700	100	100	Cash	Rights Issue <sup>(6)</sup>	19,200	19,20,000	-
November 9, 1990	800	100	100	Cash	Allotment of Equity Shares <sup>(7)</sup>	20,000	20,00,000	-
December 24, 2007	30,000	100	Nil	Bonus issue in the ratio of three Equity Shares for every two Equity Shares held on the record date	Bonus Issue <sup>(8)</sup>	50,000	50,00,000	-
April 25, 2013	Sub-division of 50,000 Equity Shares of ₹ 100 each in to 5,00,000 Equity Shares of ₹ 10 each					5,00,000	50,00,000	-
June 7, 2013	75,00,000	10	Nil	Bonus issue in the ratio of 15 Equity Shares for every one Equity Share held on the record date	Bonus Issue <sup>(9)</sup>	80,00,000	8,00,00,000	-

(1) Initial allotment of 7,650 Equity Shares to 7 subscribers to the Memorandum: Suresh Shankar Nadkarni, representative of ICICI Bank Limited (2,600 Equity Shares), Swaminathan Ganesh, representative of IDBI Bank Limited (1,250 Equity Shares), Duddukuru Ganapati Ramaiah, representative of IFCI Limited (1,250 Equity Shares), Bhalchandra Narayan Bhagwat, representative of SICOM Limited (1,500 Equity Shares), Ajay Dua, representative of Maharashtra Small Scale Industries Development Corporation (200 Equity Shares), Lalit Narotam Doshi, representative of Maharashtra Industrial Development Corporation (500 Equity Shares) and Keshav Bhaskar Damle, representative of Bank of Maharashtra (350 Equity Shares).

(2) Allotment of 2,350 Equity Shares: Development Corporation of Konkan Limited (200 Equity Shares), Development Corporation of Vidarbha Limited (200 Equity Shares), Marathwada Development Corporation Limited (200 Equity Shares), Western Maharashtra Development Corporation Limited (200 Equity Shares), Bank of India (200 Equity Shares), Central Bank of India (200 Equity Shares), Dena Bank (200 Equity Shares), Bank of Baroda (200 Equity Shares), Union Bank of India (200 Equity Shares), Canara Bank (200 Equity Shares) and State Bank of India (350 Equity Shares).

(3) Allotment of 4,600 Equity Shares by way of Rights Issue: Industrial Credit & Investment Corporation of India Limited (1,300 Equity Shares), Industrial Development Bank of India (625 Equity Shares), Industrial Finance Corporation of India (625 Equity Shares), State Industrial and Investment Corporation of Maharashtra Limited (SICOM Limited) (750 Equity Shares), Maharashtra Industrial Development Corporation (250 Equity Shares), Maharashtra Small Scale

- Industries Development Corporation Limited (100 Equity Shares), Western Maharashtra Development Corporation Limited (100 Equity Shares), Bank of Maharashtra (175 Equity Shares), State Bank of India (175 Equity Shares), Bank of India (100 Equity Shares), Dena Bank (100 Equity Shares), Bank of Baroda (100 Equity Shares), Union Bank of India (100 Equity Shares) and Canara Bank (100 Equity Shares).*
- (4) *Allotment of 400 Equity Shares by way of Rights Issue: Central Bank of India (100 Equity Shares), Marathwada Development Corporation Limited (100 Equity Shares) and Maharashtra Electronics Corporation Limited (200 Equity Shares).*
- (5) *Allotment of 3,500 Equity Shares by way of Rights Issue: Industrial Credit & Investment Corporation of India Limited (1,300 Equity Shares), Industrial Development Bank of India (625 Equity Shares), Industrial Finance Corporation of India (625 Equity Shares), Maharashtra Small Scale Industries Development Corporation Limited (100 Equity Shares), Western Maharashtra Development Corporation Limited (100 Equity Shares), State Bank of India (175 Equity Shares), Bank of Maharashtra (175 Equity Shares), Union Bank of India (100 Equity Shares), Central Bank of India (100 Equity Shares), Bank of Baroda (100 Equity Shares) and Canara Bank (100 Equity Shares).*
- (6) *Allotment of 700 Equity Shares by way of Rights Issue: SICOM Limited (500 Equity Shares), Bank of India (100 Equity Shares) and Dena Bank (100 Equity Shares).*
- (7) *Allotment of 800 Equity Shares to Economic Development Corporation of Goa, Daman & Diu Limited (EDC Limited).*
- (8) *Bonus issue in the ratio 3:2 authorized by shareholders of our Company pursuant to a resolution dated September 24, 2007, Bonus issue was undertaken through capitalization of the general reserves of our Company. 30,000 Equity Shares were allotted to ICICI Bank Limited (Formerly known as Industrial Credit & Investment Corporation Bank Limited) (5,700 Equity Shares), Industrial Development Bank of India (3,750 Equity Shares), Industrial Finance Corporation of India Limited (3,750 Equity Shares), SICOM Limited (3,000 Equity Shares), Maharashtra Industrial Development Corporation (1,125 Equity Shares), Maharashtra Small Scale Industries Development Corporation (600 Equity Shares), Development Corporation of Konkan Limited (300 Equity Shares), Development Corporation of Vidarbha Limited (300 Equity Shares), Marathwada Development Corporation Limited (450 Equity Shares), Maharashtra Electronics Corporation Limited (300 Equity Shares), Maharashtra State Financial Corporation (1,125 Equity Shares), EDC Limited (1,200 Equity Shares), State Bank of India (1,050 Equity Shares), Bank of Maharashtra (1,050 Equity Shares), Bank of India (600 Equity Shares), Union Bank of India (600 Equity Shares), Dena Bank (600 Equity Shares), Central Bank of India (600 Equity Shares), Bank of Baroda (600 Equity Shares), Canara Bank (600 Equity Shares), Dr. Pradeep Bavadekar (1,575 Equity Shares), S. C. Natu (225 Equity Shares), R. D. Mapari (150 Equity Shares), R.G. Tanawade (150 Equity Shares), R. D. Ghorpade (75 Equity Shares), D. M. Zade (75 Equity Shares), Sanju Devis (150 Equity Shares) and S. P. Waware (300 Equity Shares).*
- (9) *Bonus issue in the ratio of 15:1 authorized by shareholders of our Company pursuant to a resolution dated April 25, 2013. Bonus issue was undertaken through capitalization of the general reserves of our Company. 75,00,000 Equity Shares were allotted under the Bonus Issue to ICICI Bank Limited (14,25,000 Equity Shares), Small Industries Development Bank of India (9,37,500 Equity Shares), IFCI Limited (9,37,500 Equity Shares), SICOM Limited (7,50,000 Equity Shares), Maharashtra Industrial Development Corporation (2,81,250 Equity Shares), Maharashtra Small Scale Industries Development Corporation Limited (1,50,000 Equity Shares), Development Corporation of Konkan Limited (75,000 Equity Shares), Development Corporation of Vidarbha Limited (75,000 Equity Shares), Marathwada Development Corporation Limited (1,12,500 Equity Shares), Maharashtra Electronics Corporation Limited (75,000 Equity Shares), Maharashtra State Financial Corporation (2,81,250 Equity Shares), EDC Limited (3,00,000 Equity Shares), State Bank of India (2,62,500 Equity Shares), Bank of Maharashtra (2,62,500 Equity Shares), Bank of India (1,50,000 Equity Shares), Union Bank of India (1,50,000 Equity Shares), Dena Bank (1,50,000 Equity Shares), Central Bank of India (1,50,000 Equity Shares), Bank of Baroda (1,50,000 Equity Shares), Canara Bank (1,50,000 Equity Shares), Dr. Pradeep Bavadekar (5,25,000 Equity Shares), S. C. Natu (56,250 Equity Shares), R. D. Mapari (37,500 Equity Shares), R. G. Tanawade (37,500 Equity Shares) and D. M. Zade (18,750 Equity Shares).*

## 2. **Equity Shares allotted for consideration other than Cash:**

Date of allotment of Equity Shares	No. of Equity shares	Issue price (₹)	Reason for allotment	Persons to whom Equity Shares were allotted	Benefits to our Company
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Date of allotment of Equity Shares	No. of Equity shares	Issue price (₹)	Reason for allotment	Persons to whom Equity Shares were allotted	Benefits to our Company
December 24, 2007	30,000	Nil	Bonus issue in the ratio of three Equity Shares for every two Equity Shares held on the record date	See Note (1) below	The Bonus issue was made to reward the shareholders on the occasion of silver jubilee year of our Company; it increases the capital base of our Company.
June 7, 2013	75,00,000	Nil	Bonus issue in the ratio of 15 Equity Shares for one Equity Share held on the record date	See Note (2) below	The Bonus issue was made to reward the shareholders as our Company has made profits.

*Notes:*

(1) Please refer to the details of allotment provided in note (8) of “Capital Structure - Equity Share capital history of our Company” on page 25 of this Prospectus.

(2) Please refer to the details of allotment provided in note (9) of “Capital Structure - Equity Share capital history of our Company” on page 25 of this Prospectus.

3. Our Company has not issued or allotted any Equity Shares in terms of scheme approved under Sections 391-394 of the Companies Act.

4. Our Company has not issued or allotted any Equity Shares out of revaluation reserves.

5. **Details of Lock-in:**

(a) Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations. Accordingly, in terms of Regulation 34(a) of the SEBI Regulations, there is no requirement of promoters’ contribution in this Issue and none of the Equity Shares will be locked-in for a period of three years.

(b) ***Details of pre Issue Equity Share capital locked in for one year***

The entire pre-Issue Equity Share capital of our Company shall be locked in for a period of one year from the date of Allotment.

(c) ***Other requirements in respect of lock-in***

The Equity Shares held by the shareholders of our Company prior to the Issue, which are locked-in for one year pursuant to the Issue, may be transferred to any other person holding Equity Shares which are locked - in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, if applicable.

6. **Shareholding pattern of our Company:**

(a) The table below presents the current shareholding pattern of our Company as per Clause 37 of the Listing Agreement.

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in dematerialised form	Total shareholding as in percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV)*100
<b>(A)</b>	<b>Promoters and promoter group<sup>(1)</sup></b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/Hindu undivided family	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-
(c)	Bodies corporate	-	-	-	-	-	-	-
(d)	Financial institutions / banks	-	-	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-	-	-
	<b>Sub Total (A) (1)</b>	-	-	-	-	-	-	-
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (non-residents individuals/ foreign individuals)	-	-	-	-	-	-	-
(b)	Bodies corporate	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Any other (specify)	-	-	-	-	-	-	-
	<b>Sub Total (A) (2)</b>	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	-	-	-	-	-	-	-
<b>(B)</b>	<b>Public Shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	12	58,40,000	35,50,000	73.00	73.00	0	0
(c)	Central Government/State Government(s)	8	14,40,000	0	18.00	18.00	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0
(h)	Nominated investors (as defined in Chapter XB of SEBI Regulations)	0	0	0	0	0	0	0
(i)	Market Makers	0	0	0	0	0	0	0
(j)	Any other (specify) Corporations owned by Central	0	0	0	0	0	0	0

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of Shares held in dematerialised form	Total shareholding as in percentage of total number of shares		Shares pledged or otherwise encumbered	
					As a percentage of (A+B) <sup>1</sup>	As a percentage of (A+B+C)	Number of Shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV)*100
	Government & State Government							
	<b>Sub Total (B) (1)</b>	20	72,80,000	35,50,000	91.00	91.00	0	0
(2)	<b>Non - Institution</b>							
(a)	Bodies Corporate	0	0	0	0	0	0	0
(b)	Individuals –							
i.	Individual shareholders holding nominal capital up to INR 1 lac	0	0	0	0	0	0	0
ii.	Individual shareholders holding nominal capital in excess of INR 1 lac	5	7,20,000	5,60,000	9.00	9.00	0	0
(c)	Any other (specify)	0	0	0	0	0	0	0
	<b>Sub Total (B) (2)</b>	5	7,20,000	5,60,000	9.00	9.00	0	0
	<b>Total Public Shareholding (B)= B(1)+(B)(2)</b>	25	80,00,000	5,60,000	100.00	100.00	0	0
	<b>TOTAL (A)+(B)</b>	25	80,00,000	40,60,000	100.00	100.00	0	0
(C)	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	0	0	0	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	25	80,00,000	40,60,000	100.00	100.00	0	0

*Note: Since our Company is a professionally managed company and there are no identifiable promoters, the public shareholding will continue to remain 100%, however the total number of shares held by the public will increase to 1,21,00,000 Equity Shares pursuant to this Issue.*

(b) Our Company is a professionally managed company and does not have an identifiable promoter in terms of the SEBI Regulations.

(c) **Shareholding of persons belonging to the category ‘Public’ and holding more than one percent of our Equity Shares as on the date of this Prospectus:**

Sr. No.	Name of the shareholder	Total Equity Shares held	Equity Shares as a percentage of total number of Equity Shares (i.e. grand total (A)+(B)+(C) indicated as above) (%)
1.	ICICI Bank Limited	15,20,000	19.00
2.	Small Industries Development Bank of India	10,00,000	12.50
3.	IFCI Limited	10,00,000	12.50
4.	SICOM Limited	8,00,000	10.00

Sr. No.	Name of the shareholder	Total Equity Shares held	Equity Shares as a percentage of total number of Equity Shares (i.e. grand total (A)+(B)+(C) indicated as above) (%)
5.	Dr. Pradeep Bavadekar	5,60,000	7.00
6.	EDC Limited	3,20,000	4.00
7.	Maharashtra Industrial Development Corporation	3,00,000	3.75
8.	Maharashtra State Financial Corporation	3,00,000	3.75
9.	Bank of Maharashtra	2,80,000	3.50
10.	State Bank of India	2,80,000	3.50
11.	Maharashtra Small Scale Industries Development Corporation Limited	1,60,000	2.00
12.	Bank of India	1,60,000	2.00
13.	Central Bank of India	1,60,000	2.00
14.	Dena Bank	1,60,000	2.00
15.	Bank of Baroda	1,60,000	2.00
16.	Union Bank of India	1,60,000	2.00
17.	Canara Bank	1,60,000	2.00
18.	Marathwada Development Corporation Limited	1,20,000	1.50
19.	Development Corporation of Vidarbha Limited	80,000	1.00
20.	Development Corporation of Konkan Limited	80,000	1.00
21.	Maharashtra Electronics Corporation Limited	80,000	1.00
<b>Total</b>		<b>78,40,000</b>	<b>98.00</b>

(d) Statement showing details of Depository Receipts (DRs): NIL

(e) Statement showing holding of DRs, where underlying Equity Shares are in excess of one percent of the total number of Equity Shares: NIL

(f) Statement showing the voting pattern of shareholders, if more than one class of share/securities is issued by the Issuer: NIL

7. **The list of our top 10 Equity Shareholders and the number of Equity Shares held by them is as under:**

(a) *On the date of this Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares held*	Percentage of Pre-Issue Equity Share capital (%)
1.	ICICI Bank Limited	15,20,000	19.00
2.	Small Industries Development Bank of India	10,00,000	12.50
3.	IFCI Limited	10,00,000	12.50
4.	SICOM Limited	8,00,000	10.00
5.	Dr. Pradeep Bavadekar	5,60,000	7.00
6.	EDC Limited	3,20,000	4.00
7.	Maharashtra Industrial Development Corporation	3,00,000	3.75
8.	Maharashtra State Financial Corporation	3,00,000	3.75
9.	Bank of Maharashtra	2,80,000	3.50
10.	State Bank of India	2,80,000	3.50

\* The face value of these Equity Shares is ₹10

(b) *Ten days prior to the date of this Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares held*	Percentage of Pre-Issue Equity Share capital (%)
1.	ICICI Bank Limited	15,20,000	19.00
2.	Small Industries Development Bank of India	10,00,000	12.50
3.	IFCI Limited	10,00,000	12.50
4.	SICOM Limited	8,00,000	10.00
5.	Dr. Pradeep Bavadekar	5,60,000	7.00
6.	EDC Limited	3,20,000	4.00
7.	Maharashtra Industrial Development Corporation	3,00,000	3.75
8.	Maharashtra State Financial Corporation	3,00,000	3.75
9.	Bank of Maharashtra	2,80,000	3.50
10.	State Bank of India	2,80,000	3.50

\* The face value of these Equity Shares is ₹10

(c) *Two years prior to the date of this Prospectus:*

Sr. No.	Name of shareholder	No. of Equity Shares held*	Percentage of Pre-Issue Equity Share capital
1.	ICICI Bank Limited	9,500	19.00
2.	Small Industries Development Bank of India	6,250	12.50
3.	IFCI Limited	6,250	12.50
4.	SICOM Limited	5,000	10.00
5.	Dr. Pradeep Bavadekar	3,125	6.25
6.	EDC Limited	2,000	4.00
7.	Maharashtra Industrial Development Corporation	1,875	3.75
8.	Maharashtra State Financial Corporation	1,875	3.75
9.	Bank of Maharashtra	1,750	3.50
10.	State Bank of India	1,750	3.50

\* The face value of these Equity Shares is ₹100

8. None of the Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date of this Prospectus.
9. The Equity Shares, which are subject to lock-in, shall carry the inscription “non-transferable” and the non transferability details shall be informed to the Depository. The details of lock-in shall also be provided to the Stock Exchange before the listing of the Equity Shares.
10. Our Company, the Directors and the Lead Managers have not entered into any buy-back and/or safety net facility for the purchase of Equity Shares from any person.
11. Other than the bonus issue on June 7, 2013, our Company has not made any issue of Equity Shares during a period of one year preceding the date of this Prospectus which may be at a price lower than the Issue Price.
12. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the Allotment, subject to minimum Allotment being equal to 2,000 Equity Shares, which is the minimum application size in this issue. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post-Issue paid up capital would also increase by the amount of excess Allotments so made.
13. The Equity Shares being offered in this Issue will be fully paid up at the time of Allotment.

14. In case of over-subscription in all categories, 19,46,000 Equity Shares shall be available for Allocation on a proportionate basis to Non Retail Applicants. Further, 19,48,000 Equity Shares shall be available for Allocation on a proportionate basis to Retail Individual Applicants, subject to valid applications being received at the Issue Price. Under subscription, if any, in any portion, would be met with spill over from other category at the sole discretion of our Company in consultation with the Lead Managers. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted to be met from Market Maker Reservation Portion at the discretion of our Company, in consultation with the Lead Managers and the Stock Exchange.
15. Neither the Lead Managers nor their associates hold any Equity Shares of our Company as of the date of filing this Prospectus except for the Equity Shares to be applied for in the Issue towards subscribing to the Market Maker Reservation Portion and allotted by our Company to the Market Maker.
16. 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 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 Scheme) Guidelines, 1999.
17. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Applicant, except in accordance with the SEBI Regulations.
18. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, or our Company shall not enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of shares of our Company or any securities convertible into or exercisable as or exchangeable for Equity Shares of our Company, or make rights issue or issue securities in any other manner during the six month period from the Issue Opening Date.
19. Our Company has not raised any bridge loans against the Issue Proceeds.
20. An Applicant cannot make an application for more than the number of Equity Shares offered through this Issue, however allotment, if any, will be subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
21. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
22. The Equity Shares are fully paid up and there are no partly paid-up Equity Shares as on the date of this Prospectus. As on the date of this Prospectus, there are no outstanding warrants, options or debentures or other financial instruments issued by our Company, which would entitle our shareholders or any other person an option to receive Equity Shares of our Company. Further, there are no loans which are convertible into Equity Shares of our Company.
23. There have been no financial arrangements whereby the 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 a period of six months preceding the date of filing of this Prospectus with the RoC.
24. As on the date of this Prospectus, our Company has 25 shareholders.



## OBJECTS OF THE ISSUE

The Objects of the Issue are:

1. Acquisition of property for setting up new offices in Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad and environment testing laboratory in Bangalore and Ahmedabad;
2. Purchase of office equipment for new offices;
3. Purchase of furniture and fixtures and carrying out interior designing for the new offices and the environment testing laboratory;
4. Purchase of equipment for environment testing laboratory at Ahmedabad and Bangalore;
5. General Corporate Purposes; and
6. To meet Issue related expenses.

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchange. We believe that listing of our Equity Shares will enhance our visibility and brand name and enable us to avail of future growth opportunities.

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

The details of the Issue Proceeds are summarised below:

Particulars	Amount (in ₹lacs)
Gross Proceeds from the Issue	2,501.00
(Less) Issue related expenses	355.48
<b>Net Proceeds</b>	<b>2,145.52</b>

### Fund Requirement

The fund requirement for the Objects of the Issue is set forth in the table below:

Sr. No.	Particulars	Amount (in ₹lacs)
1.	Acquisition of property for setting up new offices in Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad and environment testing laboratory in Bangalore and Ahmedabad	1,613.80
2.	Purchase of office equipment for new offices	57.70
3.	Purchase of furniture and fixtures and carrying out interior designing for the new offices and the environment testing laboratory	291.19
4.	Purchase of equipment for environment testing laboratory at Ahmedabad and Bangalore	101.50
5.	General Corporate Purposes	81.33

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount (in ₹lacs)</b>
6.	Issue Expenses	355.48
	<b>Total</b>	<b>2,501.00</b>

Our Company confirms that there is no requirement to make firm arrangements of finance under Regulation 4 (2) (g) of the SEBI Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue. The shortfall, if any, will be met out of our internal accruals. As on August 13, 2013, the internal accruals of our Company are ₹ 1,905.23 lacs.

### **Appraisal**

The above mentioned requirements and deployment of funds have not been appraised by any bank or financial institution.

### **Schedule of Implementation and Proposed deployment of funds**

The funds required for the Objects of the Issue are currently proposed to be deployed in accordance with the schedule set forth below:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Total Amount (in ₹lacs)</b>	<b>Fiscal 2014</b>	<b>Fiscal 2015</b>
1.	Acquisition of property for setting up new offices in Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad and environment testing laboratory in Bangalore and Ahmedabad	1,613.80	1,613.80	-
2.	Purchase of office equipment for new offices	57.70	32.91	24.79
3.	Purchase of furniture and fixtures and carrying out interior designing for the new offices and the environment testing laboratory	291.19	291.19	-
4.	Purchase of equipment for environment testing laboratory at Ahmedabad and Bangalore	101.50	101.50	-
5.	General Corporate Purposes	81.33	81.33	-
6.	Issue Expenses	355.48	355.48	-
	<b>Total</b>	<b>2,501.00</b>	<b>2,476.21</b>	<b>24.79</b>

Our Company may have to revise its business plan from time to time and consequently its capital requirements may also change. Our Company's historical capital expenditure may not be reflective of its future capital expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our Company's management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our Company's management. Please refer to the section "Risk Factors" on page xiv of this Prospectus.

In case of any increase in the actual utilisation of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding existing objects, if required and general corporate purposes.

## Details of the Objects

### 1. Acquisition of property for setting up new offices in Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad and environment testing laboratories in Bangalore and Ahmedabad

Our Company intends to increase its presence in India in order to serve our clients better and increase our visibility in the country by opening new offices in all the major cities in India. We intend to acquire properties in Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad for setting up new offices to facilitate our expansion and diversification. We also intend to set up laboratories in Bangalore and Ahmedabad that will have environment testing facilities.

We intend to utilize a part of the Net Proceeds to finance the acquisition of the properties located at Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad. Given below is the detailed break of the proposed expenditure:

Sr. No.	Location	Proposed Area (in square feet)	Estimated Cost Per square foot (₹)	Total Estimated Cost of Acquisition (in ₹lacs)	Basis for Estimate
<b>New Offices</b>					Estimate received from Jones Lang LaSalle Property Consultants (India) Private Limited dated August 12, 2013
1.	Ahmedabad	2,691	7,500	201.83	
2.	Bangalore	1,869	13,500	252.30	
3.	Chennai	3,140	10,000	314.00	
4.	New Delhi	2,616	20,000	523.20	
5.	Hyderabad	972	7,250	70.47	
<b>Laboratory</b>					
6.	Ahmedabad	1,200	7,500	90.00	
7.	Bangalore	1,200	13,500	162.00	
<b>Total</b>				<b>1,613.80</b>	

We believe that the locations that have been selected will augment our competitive ability because of the following reasons:

- These cities have significant presence of business and industry houses that will augment our business while ensuring better client servicing;
- Policymakers, manufacturing industries, business houses in power, energy, environment, steel, textiles, paper, plastic, food processing and infrastructure sectors located in these cities are expected to provide opportunities for our Company;
- The purchase of properties at these locations would lead to creation of tangible assets that will ensure permanence and continuity and will boost the confidence of our clients in the future;
- These locations are known to have robust academic infrastructure that will ensure availability of trained manpower that is central to our consultancy business.

2. **Purchase of furniture and fixtures and carrying out interior designing for the new offices and the environment testing laboratory**

We propose to utilize a part of the Net Proceeds to finance the purchase of the following furniture and fixtures for furnishing the new offices proposed to be set up at Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad and the environment testing laboratory at Bangalore and Ahmedabad. Given below is the detailed break of the proposed expenditure:

Sr. No.	Location	Proposed Area (in square feet)	Estimated Cost Per square foot (₹)	Total Estimated Cost of Acquisition (in ₹lacs)	Basis for Estimate
<b>New Offices</b>					Estimate received from Dilip G. Kale & Associates dated July 13, 2013
1.	Ahmedabad	2,691	2,500	67.27	
2.	Bangalore	1,869	2,500	46.72	
3.	Chennai	3,140	2,500	78.50	
4.	New Delhi	2,616	2,500	65.40	
5.	Hyderabad	972	2,500	24.30	
<b>Laboratory</b>					
6.	Ahmedabad	1,200	375	4.50	
7.	Bangalore	1,200	375	4.50	
<b>Total</b>				<b>291.19</b>	

Our Company does not propose to utilise the Net Proceeds to procure any second hand furniture.

3. **Purchase of office equipment for new offices**

We propose to utilize a part of the Net Proceeds to finance the purchase of the following equipment for the new offices proposed at Bangalore, Hyderabad, Chennai, New Delhi and Ahmedabad. Given below is the detailed break of the proposed expenditure:

Sr. No.	Description of Office Equipment	Quantity	Aggregate Estimated Cost (in ₹lacs)	Basis for Estimate
1.	Computer (Monitor, CPU, etc.)	94	42.53	Estimate received from Hitech Computers dated July 19, 2013
2.	Mobile Devices	69	7.07	
3.	L2 D link 24 port switches	10	1.75	
4.	Black and White Printers - HP 1020	17	1.04	
5.	Color Printer	7	4.93	
6.	Scanner	7	0.38	
<b>Total</b>		-	<b>57.70</b>	

4. **Purchase of equipment for environment testing laboratory at Ahmedabad and Bangalore**

We propose to utilize a part of the Net Proceeds to finance equipment required for setting up the environment testing laboratory at Ahmedabad and Bangalore. Given below is the detailed break of the proposed expenditure for each laboratory:

Sr. No.	Instruments	Quantity	Estimated Total Cost (including taxes) (in ₹lacs)	Basis for Estimate
1.	Analytical Balance	1	0.86	Quotation received from Raut Scientific & General Traders / July 19, 2013
2.	Hot Air Oven	2	0.80	
3.	Digital Temperature Indicator cum controller	2	0.12	
4.	Air Circulator Fan with Motor	2	0.11	
5.	pH Meter	1	0.26	
6.	Conductivity Meter	1	0.44	
7.	DO Meter	1	0.71	
8.	Heating Mantle with Regulator	6	0.09	
9.	Hot Plate Rectangular	2	0.13	
10.	Water Still (Manesty Type)	1	0.07	
11.	Water Bath (Single) – Rectangular	1	0.05	
12.	BOD Incubator	1	1.61	
13.	Voltage stabilizers	1	0.13	
14.	Muffle Furnace (1130°C) with Digital Temperature Controlled	1	0.52	
15.	Refrigerator	3	0.91	
16.	Bacteriological Incubators (Lab Type)	2	0.92	
17.	Air circulation fan with motor	2	0.11	
18.	Digital timer with temperature controller	2	0.18	
19.	Laminar Air Flow	1	1.35	
20.	Flame Photometer	1	0.76	Quotation received from Agilent Technologies India Private Limited / July 19, 2013
21.	Turbidity Meter	1	0.30	
22.	Noise/Sound Level Meter	2	0.20	
23.	Anemometer	1	0.07	
24.	Fine Dust Sampler	4	0.60	
25.	Stack Monitoring Kit	2	3.22	
26.	Flue Gas Analyzer	1	1.00	
27.	Lux Meter	1	0.05	
28.	Media Cooker/Autoclave	1	0.22	
29.	Handy Sampler	2	0.54	
30.	Atomic Absorption Spectrophotometer (AAS)	1	15.00	
31.	Gas Chromatography (GC)	1	14.80	
32.	UV Visible Spectrophotometer	1	4.62	

Sr. No.	Instruments	Quantity	Estimated Total Cost (including taxes) (in ₹lacs)	Basis for Estimate
<b>Total</b>		-	<b>50.75</b>	

The cost of setting up both the laboratories will be ₹ 101.50 lacs.

#### 5. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds for General Corporate Purposes, including but not limited to, strategic initiatives, technological up gradation, investment in other segments of the industry, entering into strategic alliances, partnerships, joint ventures and acquisitions, meeting exigencies and contingencies including on public issue expenses which our Company in the ordinary course of business may not foresee and strengthening of our marketing capabilities in existing markets through brand building or any other purposes as approved by the Board and subject to compliance with the necessary provisions of the Companies Act.

Our management, in response to the dynamics 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 Issue Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilisation of Issue proceeds. Our management, in accordance with the policies of our Board and in compliance with the provisions of the Companies Act, will have flexibility in utilising the proceeds earmarked for general corporate purposes.

#### 6. Issue Related Expenses

The Issue related expenses consist of underwriting fees, selling commission, fees payable to the Lead Managers, Legal Counsels, Auditors, processing fee to the SCSBs, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchange. Our Company intends to use approximately ₹ 355.48 lacs towards these expenses for the Issue. The break-up for the Issue expenses is as follows:

Particulars	Expenses (in ₹lacs)	Percentage of the Issue Expenses (%)	Percentage of the Issue Size (%)
Fees to Intermediaries (including lead management fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses)	300.50	84.53	12.02
Advertising and marketing expenses	9.00	2.53	0.36
Printing and stationery	5.00	1.41	0.20
Others Expenses (including legal advisors fee, auditors fee, depositories fee, etc.)	40.98	11.53	1.64
Total estimated Issue expenses	355.48	100.00	14.21

\* SCSBs would be entitled to a processing fee of ₹10 for processing of valid Application Forms procured by such broker. The brokers and SCSBs would be entitled to a commission of ₹20 per valid Application Form procured and considered for basis of allotment.

**Bridge Financing Facilities**

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

**Interim Use of Funds**

Our Company, in accordance with the policies formulated by its Board from time to time, will have flexibility in deploying the Net Proceeds. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by our Company based on the decision of its Board of Directors. Pending utilisation of the Net Proceeds for the purposes described above, our Company intends to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in money market mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board.

**Monitoring of Utilisation of Funds**

Our Company will monitor the utilisation of the proceeds of the Issue. Our Company will disclose the utilisation of the proceeds of the Issue under a separate heading along with details, for all such proceeds of the Issue that have not been utilised. Our Company will indicate investments, if any, of unutilised proceeds of the Issue in the Balance Sheet of our Company for the relevant Financial Years subsequent to the listing.

Pursuant to Clause 52 of the Listing Agreement, our Company shall on a half-yearly basis disclose to the Audit Committee the uses and applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the proceeds of the Issue have been utilised in full. The statement will be certified by the statutory Auditors of our Company.

Our Company shall be required to inform of material deviations in the utilisation of Issue proceeds to the Stock Exchange and shall also be required to simultaneously make the material deviations/ adverse comments of the Audit Committee public through advertisement in newspapers.

**Other Confirmations**

No part of the Net Proceeds will be paid by us as consideration to our Directors or Key Management Personnel, except in the normal course of business and in compliance with applicable law.

For risks associated with the objects of this issue, please refer to the section “*Risk Factors*” on page xiv of this Prospectus.

## BASIS FOR ISSUE PRICE

The Issue Price has been determined by our Company in consultation with the Lead Managers, on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares of our Company is ₹ 10 and the Issue Price is 6.1 times of the face value. The EPS and NAV presented in this section are based on the face value of ₹ 10 per Equity Share and have been calculated after giving effect to the sub-divisions of shares and bonus issue approved by the shareholders of our Company by a resolution dated April 25, 2013.

### Qualitative Factors

The qualitative factors which formed the basis for computing the Issue price are:

- Strong brand presence
- Strong relationships
- Strong domain expertise in certain sectors
- Established presence in diversified sectors
- Qualified employee base and proven management team
- Strong financial position and profitability

For a detailed discussion on the qualitative factors, which form the basis for computing the Issue Price, please refer to “Our Business” and “Risk Factors” on pages 97 and xiv respectively of this Prospectus.

### Quantitative Factors

The information presented in this section is derived from our audited restated financial statements prepared in accordance with the Companies Act and the SEBI Regulations. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors, which may form the basis for computing the Issue Price, are as follows:

#### 1. Basic and Diluted Earnings Per Share (EPS):

Period	Basic & Diluted EPS (₹)	Basic & Diluted EPS* (₹)	Weightage
Year ended March 31, 2011	2,180.05	13.63	1
Year ended March 31, 2012	1,952.11	12.20	2
Year ended March 31, 2013	1,994.42	12.47	3
<b>Weighted Average</b>	<b>2,011.26</b>	<b>12.57</b>	

\* Calculated after considering sub-division of one Equity Share of ₹100/- each into 10 Equity Shares of ₹10/- each and issue of 15 bonus Equity Shares for every one Equity Share held by the Equity Shareholders of our Company.

**Note:** Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India.

#### 2. Price Earnings ratio (P/E) in relation to the Issue price of ₹61 per share

Particulars	Issue Price
Based on Basic and Diluted EPS of ₹ 12.47 for Fiscal 2013	4.89
Based on Weighted Average Basic and Diluted EPS of ₹ 12.57 for Fiscal 2013	4.85



**3. Return on Average Net Worth (RoNW)**

Period	RoNW (%)	Weight
Year ended March 31, 2011	31.10	1
Year ended March 31, 2012	21.76	2
Year ended March 31, 2013	18.32	3
<b>Weighted Average</b>	<b>21.60</b>	

**Note:** RoNW has been calculated by dividing net profit after tax, as restated, by the Net Worth as restated at the end of the year.

**4. Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS for the year ended March 31, 2013 is 19.00%**

**5. Net Asset Value per Equity Share (NAV)**

NAV per Equity Share as on March 31, 2013:	₹ 68.03
NAV per Equity Share after the Issue:	₹ 65.65
Issue Price:	₹ 61.00

**Note:**

The NAV has been calculated by dividing the net worth, as restated, by the number of Equity Shares outstanding at the end of the year.

**6. Comparison of Accounting Ratios with Industry Peers**

As our Company is one of the few players that operate in the consultancy services sector providing services to the power, energy and carbon, environment management, infrastructure, banking and finance, securitization and finance restructuring and biotechnological and pharmaceutical divisions, there are no figures of comparable listed companies available with us. Therefore, details on the comparison of accounting ratios of our Company with other listed entities has not been given as our Company offers a diverse suite of services and there are no listed peers in the same line of business.

For further details and to have a more informed view, please review the entire Prospectus including, in particular, the sections “Risk Factors”, “Our Business” and “Financial Statements” on pages xiv, 97 and 144, respectively of this Prospectus.

The face value of the Equity Shares is ₹ 10 each and the Issue Price is 6.1 times the face value of the Equity Shares. The Issue Price of ₹ 61 per Equity Share has been determined by our Company in consultation with the Lead Managers and our Company and the Lead Managers believe that the Issue Price of ₹ 61 is justified in view of the above qualitative and quantitative parameters.

## STATEMENT OF TAX BENEFITS

To  
The Board of Directors,  
**MITCON Consultancy & Engineering Services Limited,**  
**Kubera Chambers,**  
**Jangali Maharaj Road**  
**Pune**

Dear Sirs,

Sub: **Statement of possible tax benefits available to MITCON Consultancy & Engineering Services Limited and its shareholders**

We hereby certify that the enclosed statement states the probable tax benefits that may be available to MITCON Consultancy & Engineering Services Limited (the "Company") and to the shareholders of the Company under the applicable provisions of the Direct Taxes presently in force in India. Several of these tax benefits are subject to 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 tax benefits is subject to fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill. No assurance is given that the revenue authorities will concur with the views expressed herein.

The benefits discussed in the enclosed statement are neither exhaustive nor are they conclusive. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own consultant with respect to the specific tax implications arising out of their participation in the issue.

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

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

No assurance is given that the revenue authorities / Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. *We are not liable to any other person in respect of this statement.* This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

For JOSHI & SAHNEY  
Chartered Accountants  
FRN 104359 W

(CA Pushpa Kothavale)  
Partner  
Membership No. 036279  
Dated: July 12, 2013  
Place: Pune.

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO MITCON CONSULTANCY & ENGINEERING SERVICES LTD. (“THE COMPANY”) AND ITS SHAREHOLDERS**

**A. Benefits available to the Company**

1. Under section 10(34) of the Income Tax Act, 1961 (“Act”), income by way of dividends referred to in section 115-O received on shares of any domestic company is exempt from tax.
2. Capital Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess). However, as per the provisions of Section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund on or after October 1, 2004, where the transaction of sale is subject to STT, for transactions on a Recognised Stock Exchange, is chargeable to tax at a rate of 15 percent (to be increased by applicable surcharge, education cess and secondary and higher education cess).
3. Under Section 10(38) of the Act, any long term capital gains arising out of sale of an equity shares or units of an equity oriented fund on or after October 1, 2004, are exempt from tax provided that the transaction of sale of such shares or units is chargeable to Securities Transaction Tax (‘STT’), for transactions on a Recognised Stock Exchange. However, such income is required to be taken into account in computing the book profits under Section 115JB of the Act.
4. In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into reduced taxable income.
5. Under Section 14A of the Act claim for deduction of expenses incurred is restricted in relation to incomes which do not form part of the total income under the Act. Any expenditure incurred to earn tax exempt income is not tax deductible.
6. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
  - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bear to the whole of the capital gains.

7. Deduction of rent, rates, taxes, repairs and insurance for buildings under Section 30 of the Act and repairs and insurance for machinery, plant and furniture under Section 31 of the Act;
8. Under section 32 of the Act, the deduction for depreciation will be available at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets such as patents, trademarks, copyrights, know-how, licenses, franchise or any other business or commercial rights of similar nature.
9. Under section 32(2) of the Act, the unabsorbed depreciation arising due to absence/ insufficiency of profits or gains chargeable to tax can be carried forward. The amount is allowed to be carried forward and set off for the succeeding years until the amount is exhausted without any time limit.

10. Under Section 35 (1) (i) and (iv) of the Act, deduction for any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.
11. Under Section 35(1) (ii) and (iii) of the Act, deduction for any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, college or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and three fourth times & one and one fourth times respectively of the sum so paid.
12. Under section 35D of the Act, the deduction, subject to prescribed limits, will be available in respect of the expenditure incurred of the nature specified in the said section, including expenditure in connection with the present issue, such as underwriting commission, brokerage and other expenses, as specified in the said section, by way of amortization over a period of five years.
13. Under Section 35DD of the Act, deduction for 1/5th of the expenditure incurred in connection with Amalgamation of an undertaking by way of amortization over a period of 5 successive years, beginning with the year in which the amalgamation or demerger takes place.
14. Under Section 35DDA of the Act, deduction for 1/5th of the expenditure incurred in connection with expenses incurred on payment made to an employee under any scheme or schemes of voluntary retirement for a period of 5 successive years, beginning with the year in which such expense was incurred.
15. Under section 10(35) of the Act, any income (other than capital gains) received in respect of the units of a Mutual Fund specified under section 10(23D) of the Act is exempt from tax.
16. Under Section 36(1)(i) of the Act, deduction for any premium paid by the Company in respect of insurance against risk of damage or destruction of stocks or stores used for the purposes of the business or profession and under Section 36(1)(ib) of the Act, any premium paid by the Company to the effect or to keep in force an insurance on the health of his employees under a scheme framed in this behalf by the specified insurers;
17. Under Section 36(1)(ii) of the Act, deduction for any sum paid to an employee as bonus or commission for services rendered, where such sum would not have been payable to him as profits or dividend if it had not been paid as bonus or commission;
18. Under Section 36(1)(iii) of the Act, deduction for any sum paid on account of the interest in respect of capital borrowed for the purposes of the business or profession. As per proviso of Section 36(1)(iii), deduction of interest paid is not allowed on capital borrowed for acquisition of an asset for extension of existing business till the time such asset was first put to use of which interest would be capitalized and form part of the 'actual cost' for the purpose of claiming depreciation under Section 32 as mentioned above.
19. Under Section 36(1)(iv), (iva), (v) and (va) of the Act, deduction for any sum paid by the Company as an employer by way of contribution towards a recognized provident fund, pension scheme, approved gratuity fund or an approved superannuation fund, subject to specified limits created by it for the exclusive benefit of its employees under an irrevocable trust.
20. Under Section 36(1)(vii) of the Act, deduction for any bad debt or written off as irrecoverable in the accounts of the Company.
21. Under Section 36(1)(ix) of the Act, deduction for any expenditure bona fide incurred by a company for the purpose of promoting family planning amongst its employees.
22. The Finance Act 2013 has extended the terminal date by another one year for claiming exemption under section 80-IA(4) in respect of undertakings engaged in generation and distribution of *power; or which starts transmission or distribution; or which undertakes substantial renovation and modernisation of existing network of transmission or distribution upto 31.03.2014. Accordingly Company will be eligible to*

*claim exemption for 10 consecutive assessment years out of the 15 assessment years from the year of its operation.*

**B. Benefits available to resident shareholders**

1. Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.
2. Under section 10(38) of the Act, 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 securities transaction tax.
3. In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into the reduced taxable income.
4. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
  - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bear to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be further allowed as a deduction from the income-tax under section 80C of the Act.

5. Under section 54F of the Act, subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under section 10(38) of the Act) arising to an individual or a Hindu Undivided Family on transfer of shares of the Company will be exempt from capital gains tax, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of such transfer.
6. Under section 111A of the Act, short -term capital gains (i.e., equity shares held for a period not exceeding 12 months) arising on transfer of equity shares in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess) where the transaction is done through a recognized stock exchange in India and is liable to securities transaction tax.
7. However in the case of an individual or a Hindu Undivided Family, being resident, where the total income as reduced by such short term capital gains is below the maximum amount which is not chargeable to income tax then, such short term capital gains shall be reduced by the amount by which total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of ten percent. Where the gross total income of an assessee includes any short term capital gains referred herein above then the deduction under chapter VI – A of the Act shall be allowed from the gross total income as reduced by such capital gains.
8. Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares of the Company, would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess) after indexation. The

amount of such tax should however be limited to 10% (plus applicable surcharge, education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of the shares.

However in the case of an individual or a Hindu Undivided Family where the total income as reduced by such long term capital gains is below the maximum amount which is not chargeable to income tax, then, such long term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the balance of such long term capital gains shall be computed at the rate of 20% (plus applicable education cesses).

9. Under section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid in respect of taxable securities transactions offered to tax as business income shall be allowable as a deduction against such income.
10. As per Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under Section 64(1A) of the Act is exempted from tax to the extent of INR 1, 500 per minor child for a maximum of two children.
11. In computing business income, Section 72 of the Act provides that the business loss of the assessee is carried forward to the following year to be set off against the profits and gains of business and profession and the balance is allowed to be carried forward for next 8 years subject to the provisions of the Act. Unabsorbed depreciation, if any, for any year can be carried forward and set off against any source of income of subsequent years as per section 32 of the Act.
12. In computing capital gains, as per Section 74 of the Act, brought forward short-term capital loss from previous years is allowed to be set-off against short-term as well as long-term capital gain of the subsequent years. Brought forward long term capital loss is allowed to be set-off only against long-term capital gains of the subsequent years. Capital loss can be carried forward for set-off for eight years immediately succeeding the year in which the loss was first computed.

**C. Benefits available to non-resident shareholders (other than Foreign Institutional Investors and Foreign Venture Capital Investors).**

1. Under Section 36(1)(xv) of the Act, the amount of Securities Transaction Tax ('STT'), for transactions on a Recognised Stock Exchange, paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" is allowable as a deduction against such Business Income.
2. Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.
3. Under section 10(38) of the Act, 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 securities transaction tax.
4. In the computation of long term capital gains (which is not exempt from tax), as per the provisions of section 48, the actual cost of acquisition may be substituted by the indexed cost of acquisition i.e. the actual cost is scaled up by the prescribed index factor, resulting into reduced taxable income.
5. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
  - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;

- (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income -tax under section 80C of the Act.

6. Under section 54F of the Act and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under section 10(38) of the Act) arising to an individual or a Hindu Undivided Family 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 one year before or two years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
7. Under section 111A of the Act and other relevant provisions of the Act, short -term capital gains arising on transfer of equity shares in the Company would be taxable at a rate of 15 percent (plus applicable surcharge, education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
8. Under section 112 of the Act and other relevant provisions of the Act, long term capital gains, (other than those exempt under section 10(38) of the Act) arising on transfer of shares in the Company, would be subject to tax at the rate of 20 percent (plus applicable surcharge, education cess) after indexation. The amount of such tax should however be limited to 10% (plus applicable surcharge, education cess) without indexation, at the option of the shareholder, if the transfer is made after listing of shares.
9. As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the non-resident shareholder would prevail over the provisions of the Act to the extent they are more beneficial to the non-resident shareholder subject to production of Tax Residency Certificate.
10. Taxation of income from investment and long term capital gains (other than those exempt under section 10(38) of the Act).
  - (a) A non-resident Indian i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the specific provisions contained in Chapter XII-A of the Act, i.e. "Special provisions relating to certain income of non-residents".
  - (b) As per the provisions of section 115E of the Act, where shares in the company are subscribed for in convertible foreign exchange by a non- resident Indian, capital gains arising on transfer of shares held for the period exceeding 12 months shall be concessionaly taxed at a flat rate of 10% (plus applicable education cesses) without indexation benefit but with protection against foreign currency fluctuation under the first proviso to section 48 of the Act.
  - (c) Under the provisions of section 115F of the Act, long term capital gains arising to a non- resident Indian from transfer of shares of the Company subscribed to in convertible foreign exchange shall be exempt from tax if the net consideration is reinvested in specified assets within six months of the date of transfer. Conversely, under the provisions of the said section, long term capital gains arising to a non resident Indian from transfer of specified assets subscribed to in convertible foreign exchange shall be exempt from tax if net consideration is reinvested in the shares of the Company within six months of date of transfer. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

- (d) Under section 115-G of the Act, it shall not be necessary for a non resident Indian to furnish his return of income if his only source of income, liable to tax in India, is investment income or long term capital gains or both arising out of assets acquired, purchased with or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from.
  - (e) As per the provisions of section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so, the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.
11. As per provisions of Section 10(32) of the Act, any income of minor child clubbed in the total income of the parent under Section 64(1A) of the Act is exempted from tax to the extent of INR 1,500 per minor child.

**D. Benefits available to foreign institutional investors (FIIs')**

- 1. Under section 10(34) of the Act, income by way of dividends referred to in section 115-O received on the shares of the Company would be exempt from income tax in the hands of shareholders.
- 2. Under section 10(38) of the Act, 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 securities transaction tax.
- 3. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the Company would be exempt from tax if such capital gains is invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
  - (a) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income -tax under section 80C of the Act.

- 4. As per section 90(2) of the Act, provisions of the Double Taxation Avoidance Agreement between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII subject to production of Tax Residency Certificate.
- 5. Under section 115AD of the Act, income by way of long term capital gains arising from the transfer of shares (in cases not covered under section 10(38) of the Act) held in the company will be taxable @ 10% (plus applicable surcharge, education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.
- 6. As per sub-section (2) of section 196D, no tax is to be deducted by the payer in respect of any income, by way of capital gains arising from the transfer of securities payable to FII's. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has Fiscal domicile.



**E. Tax Benefits available to Mutual Funds**

As per the provisions of 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 or authorized by the Reserve Bank of India, would be exempt from Income-tax subject to the conditions as the Central Government may notify. However, the mutual funds are liable to pay tax on income distributed to unit holders of non-equity oriented mutual funds under Section 115R of the Act.

**F. Benefits available to Venture Capital Companies / Funds**

As per the provisions of Section 10(23FB) of the Act, any income of Venture Capital Companies ('VCC') / Funds ('VCF') (set up to raise funds for investment in a Venture Capital Undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India before 21.05.2012, would be exempt from Income-tax, subject to the conditions specified therein.

However, the exemption is restricted to the VCC and VCF set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under Section 10(23FB)(c).

However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

In the case of Foreign Venture Capital Companies / Funds who are non-residents, as per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident. Thus, the applicable Tax Treaty provisions also need to be examined and factored for final and more favourable implications.

**G. Benefits available under the Wealth Tax Act, 1957**

Asset as defined under section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

**H. Gift of shares not liable to tax, subject to satisfaction of certain conditions**

1. Gift of shares would not attract gift tax as such. However, pursuant to section 56 (2) (vii) of the Act, if shares of the company, the fair market value whereof is more than INR 50,000/-, are transferred by the shareholder of the Company to a Hindu Undivided Family or any individual who is not a relative as defined in the explanation to section 56(2)(vi) of the shareholder, without consideration or for an inadequate consideration, then, the fair market value of the shares *as determined under Rule 11 of I T Rules 1962* or the difference between the fair market value of the shares and the actual consideration, as the case may be, shall be included in the taxable income of the transferee and taxed as per the provisions of the Act.
2. After the shares of the Company are listed, transfer of the shares of the Company by any person to any partnership firm, Limited Liability Partnership or closely held company would not attract tax liability under section 56(viia) in the hands of the transferee in a case where the transfer is effected without any consideration or for an inadequate consideration.

**I. Special Benefits**

There are no special tax benefits to the Company or to the shareholder of the Company.

**Notes:**

- (i) 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. Several of these

benefits are dependent on the company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

- (ii) The tax benefits listed above are not exhaustive.
- (iii) The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences.
- (iv) The stated benefits will be available only to the sole/first named holder in case the shares are held by joint holders.
- (v) In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
- (vi) In view of the individual nature of tax consequences, each investor is advised to consult his / her / its own tax advisor with respect to specific tax consequences of his / her / its participation in the scheme.
- (vii) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For JOSHI & SAHNEY  
Chartered Accountants  
FRN 104359W

(CA Pushpa Kothavale)  
Partner  
Membership No. 036279  
Dated: July 12, 2013  
Place: Pune.

## SECTION IV – ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section is derived from reports of various governmental agencies, market research reports and other publicly available sources. This includes the information available on the websites of, in the reports or adapted from the reports of and/or from the databases of IMF World Economic Outlook, Central Electricity Authority, CEA, MNRE WtE Research and Technology Council, Planning Commission, CMIE, RBI, CDR India, Office of Textile Commissioner, NSSO, NSDC, Government of India and various other companies / institutes. Neither we nor any other person connected with the Issue has verified this information. Industry reports and publications generally state that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and investment decisions should not be based on such information. Accordingly, prospective investors are advised not to unduly rely on the information in this section when making their investment decisions.*

*We have commissioned the CARE Research, a division of Credit Analysis & REsearch Limited (CARE) for the purposes of confirming our understanding of the industry in connection with the Issue. Neither we nor any other person connected with the Issue has verified the information in the CARE Research Report (CARE Report). CARE has advised that: The CARE Report is prepared by CARE Research, a division of CARE. CARE Research has taken utmost care to ensure accuracy and objectivity while developing the CARE Report based on information available in public domain. However, neither the accuracy nor completeness of information contained in the CARE Report is guaranteed. CARE Research operates independently of ratings division and the CARE Report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in the CARE Report cannot be compared to the rating assigned to our Company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument. CARE Research is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in the CARE Report.*

#### **I. Overview of the Global Economy and Indian Economy**

##### **A. Global Economy**

The global economy grew at a lower rate of 3.2% in CY 12 compared to 4.0% in CY 11 (Source: World Economic Outlook: April 2013 Update) due to factors like sovereign debt crisis and weakness in US economy. Risks from the Euro crisis escalated sharply to all over the global economy. The growth in emerging and developing economies slowed down considerably due to weaker demand from developed markets impacting exports from emerging markets. Global output is projected to expand by 3.3% in CY 13. In both CY 13 and CY 14, growth in emerging and developing economies is expected to improve marginally to 5.3% and 5.7% respectively from 5.1% in CY 11 (Source: IMF World Economic Outlook: April 2013 Update).

##### **B. Growth rates of Developed and Emerging Economies**

GDP growth Y-o-Y %	CY11	CY12	CY13 P	CY14 P
<b>Developed Economies</b>				
United States	1.8	2.2	1.9	3.0
Japan	-0.6	2.0	1.8	1.4
United Kingdom	0.9	0.2	0.7	1.5
<b>Emerging Economies</b>				
India	7.7	4.0	5.7	6.2
China	9.3	7.8	8.0	8.2
Russia	4.3	3.4	3.4	3.8
<b>World</b>				
World	4.0	3.2	3.3	4.0

## C. Indian Economy

The Indian economy has been one of the economies registering robust growth even in times of economic uncertainty in the world. With the backing of strong economic fundamentals the country has registered a high growth trajectory averaging over 7% during the last five years i.e. FY 08-FY 13. In recent times however, the economy has been adversely affected by both spill-over effects of global economic slowdown and rising domestic pressures. With GDP growth settling at 5.0% during FY 13, growth has slowed for two consecutive years. While growth estimates for FY 14, by various government and quasi-government bodies have spanned from 5.7% (by RBI) to 6.4% (by the Prime Minister's Economic Advisory Council - PMEAC), a lower growth appears more realistic given current trends.

Provisional estimates provided by the Central Statistics Office (CSO) suggest GDP growth of 5% in FY 13. This may be attributed to visible moderation in industrial activity. On the one hand, the mining and quarrying sector registered negative growth/deceleration in production activity and on the other, manufacturing growth slumped to just about 1.0% in FY 13 over the previous year. With the RBI pursuing a tight interest rate regime in FY 12, followed by domestic fundamentals coming under pressure in FY 13, entrepreneurs amidst a less favourable investment environment have kept capital projects on the sidelines. Investments (as proxied by gross fixed capital formation) have thus registered a dip, with its ratio to GDP falling below the 30.0% mark in FY 13. This decline in investments has also to some extent affected supply-side dynamics. At the same time, the Indian services sector too has been negatively impacted in terms of growth. The trade, hotel, transport and communication segment grew by 6.4% in FY 13 (7.0% in FY 12), while the finance, insurance and real estate and business services segment grew by 8.6% during the year (11.7% in FY 12).

A second concern on the macro-economic front has been inflation. Inflation for most part of FY 12 and FY 13 maintained an accelerating trend, with headline WPI inflation averaging 7.4% in FY 13 and average CPI settling at 10.2% in FY 13. While core inflation has moderated considerably, a resurfacing of inflation in primary articles has been observed in recent times. Although, inflationary pressures in non-manufactured commodities are not directly under the purview of the RBI, the monetary authority is inclined to maintain a keen eye on the same in the coming months.

An added pressure has been the depreciation of the rupee. The rupee has depreciated by 9.6% so far (April 4, 2013 to July 19, 2013), also breaching the INR 60 to a dollar mark during this period, in the midst of withdrawal of foreign funds. With exports growth moderating in the face of lower global demand in a strained economic environment, the depreciating rupee has increased strain on the country's current account deficit.

While it was widely anticipated that with the recent moderation in the wholesale inflation index, the RBI would gradually move to a lower interest rate regime to shore up investment and growth in the economy, the emergence of economic concerns such as the depreciating currency, high current account deficit and re-emergence of inflationary pressures in the primary articles segment, has made the markets and businesses sceptical of the RBI monetary policy stance, especially on the lowering of interest rates. All this could be detrimental to the growth prospects for the economy and projection for the same for the current Fiscal is likely to face downward revisions.

## II. Overview of Consultancy Services in India

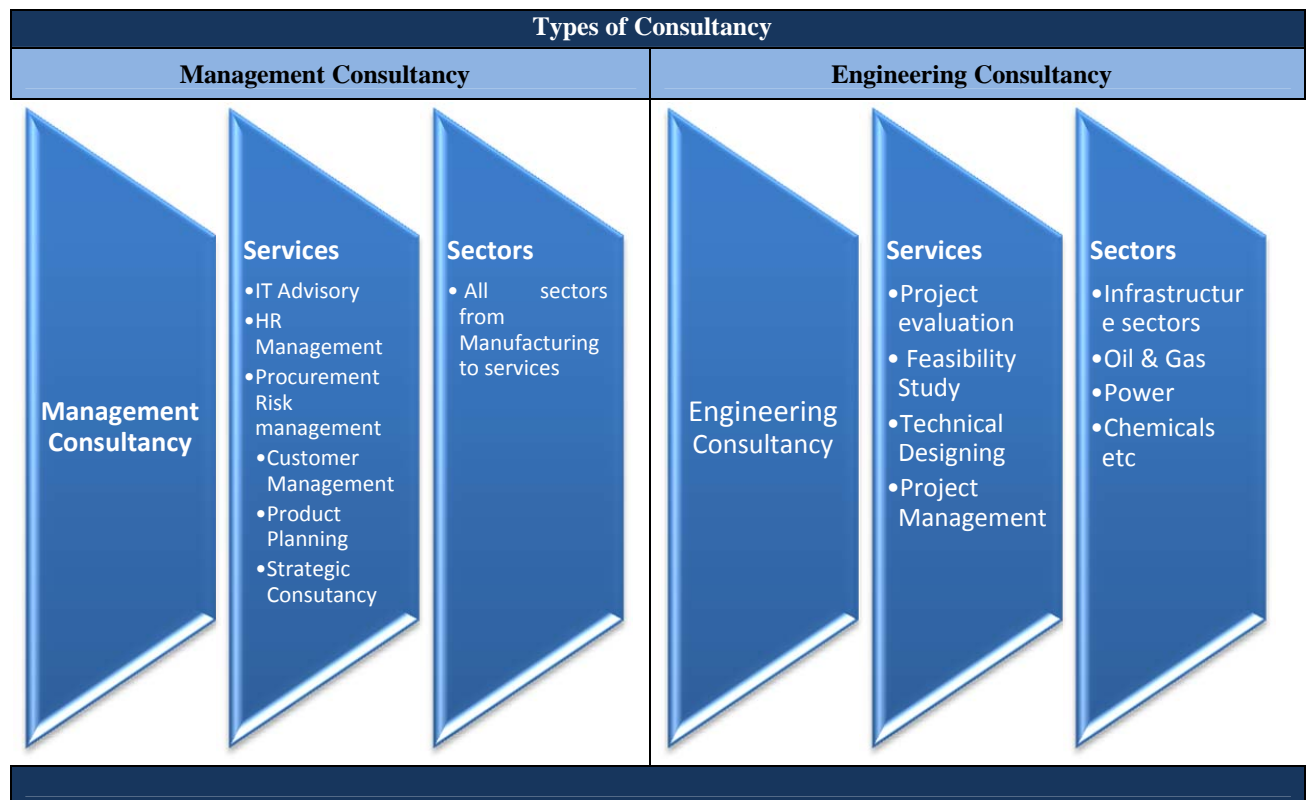
### C. Introduction

Consultancy is a process which involves consultants, whether self-employed or employed, individually or collectively using their knowledge, experience and analytical and/or problem-solving skills to add value to organisations for improvement in their existing operational, financial or marketing efficiency and/or for their expansion plans.

### D. Types of Consultancies

Consultancy industry cover a very broad gamut of services which range from being financial, technical to management consultancy and thus can be categorized on basis of various factors such as services provided, sectors catered to, management approaches etc.

Consultancy can be broadly divided into two major categories: (i) Management (or Risk) Consultancy & (ii) Engineering Consultancy.



Source: CARE Research

(i) *Management Consultancy*

Management consultancy includes providing advice and assistance relating to strategy, structure, management and operations of an organisation in pursuit of its long-term purposes and objectives. Such assistance may include the identification of options with recommendations; the provision of an additional resource and/or the implementation of solutions.

Effective management consulting has following roles:

- Responding to a client's request for information
- Providing solutions to specific problems
- Giving an in-depth, accurate diagnosis
- Presenting a program of recommended corrective actions
- Implementing changes; building consensus and commitment
- Facilitating client learning
- Enhancing organizational effectiveness

(ii) *Engineering Consultancy*

Engineering consultancy majorly involves project related technical assistance to organisations for existing or upcoming projects. These services range from project evaluation and feasibility study, design engineering to project management up to commissioning.

E. **Consultants –Scope of work**

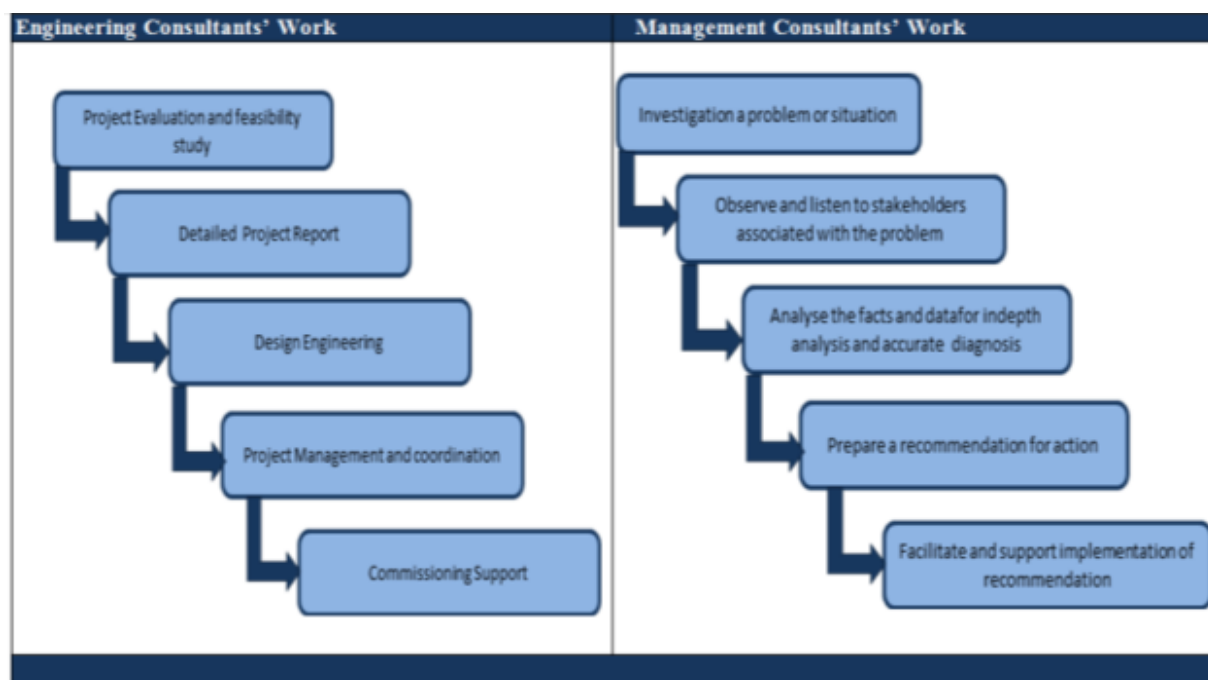
Consultancy projects have varied completion periods and can last a few hours, months or even several years depending on the nature of the advice and the demands of the client. They can involve the consultant in just providing advice or they can involve the consultant in completing the implementation.

Consultant service providers could be any of the following:

- Free lancers or individual Consultants
- Consulting Firms
- Academic/R&D Institutions
- Professional Bodies

The scope of work or the role of a consultant can never be precisely defined as the same depends on the engagement terms and the need of individual project/assignment.

Broadly, the complete overview of consultants' role can be described as:



Source: CARE Research

Considering the changing trends and complexity of the business processes and the associated risks, the players in the consultancy industry are diversifying themselves offering services across verticals and across services areas.

F. **Consultancy – Global Scenario**

The origin of consultancy services may be traced back to mid 18<sup>th</sup> century, a phase which was marked with unprecedented commercial growth, in countries like America coupled with unprecedented business risk. This had emerged necessity for help from external organizations to improve their performance, primarily through the analysis of existing organizational problems and development of plans for improvement as well as expansion.

As a business service, consulting remains highly cyclical and linked to overall economic conditions. Global management consulting sector has grown quickly, with growth rates of the industry exceeding 20% in the 1980s and 1990s. The consulting industry shrank during the 2001-03 period, but grew steadily until the recent economic downturn in 2009. Since then the market has stabilized.

#### G. Gradual evolution of Consultancy services in Indian Scenario

Indian consultancy story marked its existence more than two decades ago. Economic reforms, increased global integration leading to rapid growth of the companies which resulted in higher complexity and stiff competition from multinational players. This fuelled the need for specialised consultancy firms to provide services to cater to the complex business needs in the form of corporate advisory, human resource management, feasibility studies, IT advisory, organizational restructuring etc.

Major strengths of Indian consultancy organizations include professional competence, low cost structure, diverse capabilities, high adaptability and quick learning capability. Their weaknesses include low quality assurance, little presence overseas and lack of global market intelligence. Capabilities of Indian consultants are strong in several areas which include civil engineering and construction, telecommunication, power, metallurgy, chemical, petrochemicals and IT.

##### (i) Revenue Model for Consultancy Companies

As consultancy is primarily a specialty business where almost every assignment is different, there is no uniform pricing for most of the assignments. In general, the fees are designed by the following two methods –

##### (a) Cost Plus Basis

This method is suitable for non-standardized projects especially the ones followed by management consultancies. Here the firm will compute and take into account all the possible cost related to a project in terms of man-days for the workforce, travel expenses, etc and then add their margin over and above it. Though this keeps the margins intact, sometimes firms have to bear the project over-run costs.

##### (b) Percentage of Project Cost

This method is followed primarily by engineering consultants in the commissioning related projects. The work is more or less standardised. Fees vary from project to project and are typically in the range of 3-8% of the total project cost.

##### (ii) Costs Components for Consulting Firms

Primary resource for consulting firms is the workforce. Similar to other manpower-intensive industries, this also has concerns related attrition which ranges between 15-25% (and even more during economic booms), wage inflation which varies between 15-20%, utilization rate and availability of talent.

Most of the consultancy firms need to have offices at multiple locations, primarily metros and major cities, so as to provide services to clients in the vicinity. Office rental is one of the other major costs for the consultancies.

As most of consulting assignments are on cost plus basis, margins remain intact if the utilization levels are good.

#### H. Competitive Landscape

Indian consultancy sector is highly fragmented and comprises domestic as well as international players. Major consultancy players in India include McKinsey, PWC, KPMG, Deloitte, Bain, Feedback Consulting etc. in management consultancy, whereas those in the engineering consultancy include Engineers India, Jacobs, Tecnimont etc.

Amongst management consulting sector in India, international firms like McKinsey, BCG, Bain, AT Kearney, Booz etc. handle the top end (both volume and value wise); IT consultancy firms like Accenture, IBM, occupy the mid-tier, whereas the consulting arms of top international audit and assurance firms take care of the needs of the mid and bottom layer of the industry along with few others multi-sectoral domestic consultants like Universal Consulting, Avalon Consulting, Mitcon, APITCO etc.

Summary of few sector wise competitive players under the domain of engineering consultancy

<b>Sector wise competitive players –Engineering Consultancy</b>	
Power plant consultancy and engineering services	Feedback Infra, Jacobs Engineering Group Inc, Mitcon, APITCO, MPCO, UPCO, All India power services co., Fluro Engineers
Energy and carbon services	Feedback Infra, Jacobs Engineering Group Inc, Mitcon, APITCO, MPCO, UPCO etc.
Oil and Gas project consultancy	Engineers India Limited, Linde Engineering India Private Limited, Fluro Engineers
Infrastructure Projects	Mott MacDonald

#### *Key Player Profile*

##### *(i) Operational Information:*

##### *(a) Engineers India Limited (EIL):*

- *Overview:* EIL operates under the administrative control of Ministry of Petroleum and Natural Gas (**MoP&NG**). It is engaged in business of providing engineering and related technical services for petroleum refineries and other industrial projects. The Company has broadened its operations in other areas also such as pipelines, petrochemicals, offshore structures, terminals etc.
- *Major Services Provided:*
  - Project Implementation Services (**EPCM**) such as Conceptual Studies, Feasibility Studies, Detailed Project Reports, FEED Package, Basic Design Engineering Package (**BDEP**) Project Management, Planning & Scheduling, Cost Engineering, Process Design, Detailed Engineering, Procurement Services, Construction Management & Supervision, Commissioning and plant start-up assistance etc.
  - Project Management Consultancy (**PMC**) Services
  - Specialist Services such as Heat & Mass Transfer Equipment Design, Engineering & Technology Development and Design, Environmental Engineering, Information Technology Services, Specialist Materials and Maintenance Services, Energy Conservation Services, Plant Operations & Safety including HAZOP Studies, Safety Integrity Levels (SIL) studies and Risk Analysis, Yield and Energy and Optimisation Studies.
  - Engineering, Procurement & Construction (**EPC**) / Lumpsum Turnkey (**LSTK**) Contracts

##### *(b) Mott Mac Donald*



- *Overview:* Mott MacDonald Private Limited (MMPL) is a wholly-owned subsidiary of Mott MacDonald International Limited, UK which is entirely owned by the Mott MacDonald Group. The Mott Mac Donald Group Limited is a diverse management, engineering and development consultancy delivering solutions across the world.

MMPL is engaged in planning, developing and delivering projects across various sectors like infrastructure, oil and gas, industry and buildings and power. The Company operates in multi-disciplinary management and engineering consultancy.

- *Major Services Provided:*
  - Management consultancy
  - Development planning
  - Engineering Design
  - Project Management
  - Business Advisory

(c) MITCON

- *Overview:* MITCON Consultancy & Engineering Services Limited is a multi – sectoral consultancy company. It provides consultancy to a wide range of sectors such as power generation, Industrial infrastructure, environment engineering, food processing, health care, securitization & financial restructuring services etc.

- *Services Provided:*
  - Preparation of DPR
  - Project Management Consultancy
  - Engineering services such as Project Design, Detailed Engineering, Project Management
  - Architectural services: Structural Engineering Services, Industrial Piping, Fire Fighting System, HVAC, Electrical System, Instrumentation / Automation, Process Equipment, Water Management / Rain Water Harvesting
  - Due Diligence Study of Borrowers/Guarantors and Secured Assets
  - Act as Monitoring Agency in respect of Sick Units / CDR Units / BIFR Units
  - Market Potential (Demand-Supply) Studies
  - Appraisal / Techno Economic Viability (TEV) Study
  - Corporate Debt Restructuring

(d) APITCO

- *Overview:* APITCO is a Technical Consultancy Organisation (TCO) promoted jointly by all-India financial institutions (IDBI, IFCI, ICICI), industry development corporations in Andhra Pradesh (APIDC, APSFC) and Commercial Banks (Andhra Bank, Indian Bank, State Bank of India,

Syndicate Bank). It provides a wide range of consulting services, especially to SMEs in project identification, project counselling, pre-feasibility reports, detailed project feasibility studies, infrastructure planning, market assessment, expansion, diversification and turnaround strategies, energy audits, waste minimisation, environment impact assessment, valuation of fixed assets, skill development etc.

- *Services Provided:*

- Development Of Industry Clusters
- Energy Management
- Environment Management
- Infrastructure Planning
- Micro Enterprise Development
- Non Performing Assets Resolution
- Project Planning
- Technology Facilitation
- Waste Minimisation and Management

(e) KITCO

- *Overview:* KITCO Limited (formerly known as Kerala Industrial and Technical Consultancy Organisation Limited), operates into engineering, management & project consultancy. Some of its major consultancy areas include includes energy studies, skill certification and placement services. The Company also provides professional as well as technical consultancy services to SMEs.

- *Services Provided:*

- Conducting Surveys, Planning and Feasibility Studies for infrastructure & urban planning division.
- Preparation of Techno Economic Feasibility Reports, Detailed Project Reports
- Port Development Strategy & Master Planning
- Project Feasibility & Design
- Project & Engineering Consultancy for developing greenfield airports and to reconstruct and modify brownfield airports
- Design and Implementation of Effluent Treatment Plants
- Design and Implementation of Solid Waste Treatment Systems
- Preparation of Project Reports for Solid Waste, Effluent & Sewage Treatment Systems and Water Supply Schemes
- Environmental Impact Assessment Studies

(ii) Financial Snapshot

Financial Highlights of Few Companies (FY 12)					
Particular (INR Crore)	EIL	MMMPL	MITCON	APITCO	KITCO
Operating Income	3898.45	236.45	54.38	15.12	28.56
Revenue growth-AAR	40%	36%	21%	2%	33%
Employee Cost	539.91	125.32	11.73	4.41	13.81
Employee Costs % of revenue	14	53	22	29	48
PBIT	939.7	13.41	17.72	3.96	8.02
PBIT Margin (%)	24	6	33	26	28
PAT	636.32	6.25	10.88	2.57	7.2
PAT Margin (%)	16	3	20	17	25

Source: Ace Equity & CARE Research

AAR: Average Annual Growth for FY 10-FY 12

EIL: Engineers India Limited, MMM: Mott Mac Donald

Domestic consultancy sector is estimated to have grown in higher single digits over last few years. This growth was mainly driven by engineering consultancy which is comparatively more developed and dominated by domestic players as against management consultancy which is still in its nascent phase. However, in recent years due to rising presence of international consultancy players in India, the domestic players are facing stiff competition on various grounds such as quality, technology, economies of scale, brand value etc. As a result of this, recently the proposal conversion rate (i.e. the actual materialization rate) in the consulting space has fallen steeply from about an average of 50 per cent to 30-35 per cent, on account of slowdown in investments in India and increased competition.

The present slowdown in GDP growth and investments (as measured by ratio of gross fixed capital formation to GDP) has adversely impacted the consultancy sector as well. Due to economic slowdown companies are compelled to cut down on their expenses as well as postpone their capital expenditure. This resulted in a decline in demand for the consulting services and also increased competitive pressures on the players who are facing double edged sword of controlling the expenses on one end and competitive prices and bids for various projects on the other. Considering the weakness in the Indian market, some of domestic players are trying to explore overseas opportunities in emerging markets like South Asia and Africa to diversify across geographic areas.

CARE Research believes that going forward the demand for specialized services catering towards sectors such as healthcare, education, renewable energy and infrastructure segment will prominently have better prospects. India, being one of the highly regulated and under-penetrated market, it offers lot of opportunities for the consulting players once the economic cycle revives. CARE Research thus expects the consultancy industry to grow at CAGR of 8-10 % over next 5 years. However, major part of this growth is expected to come after FY 15.

## I. Indian Market Research Services

### (i) Overview

Market research basically refers to any organized effort to gather information about specific markets or customers with predefined objective. The market research procedures have significantly progressed from being a typical pen-paper method and emerged as improved data collection technique, due to increasing importance towards analytics, data-mining and warehousing agencies during the last couple of years. Data warehousing is a technique to store and maintain the data that can be used for generating information and insights while data mining helps to draw a consumer insights from the large pool of longitudinal data series or a time series data. Many sectors like Telecom, Insurance, FMCG etc need this information to draw strong insights of their consumer behavior towards the services of the same.

Demand for market research services are highly correlated to the economic growth. The scope and need for these services are more in growing economy where the industry is expanding and requires more information to base their expansion as well as diversification decisions and to ascertain viability of their business model. The overall Indian

market research services consist of large number of small medium as well MNC players, consisting of exclusive market research agencies as well as KPO service providers.

Availability of right resources and maintaining the cost level form major concerns for the industry. With increased complexity and modernization of research services one of the major challenges faced by this industry is availability of skilled manpower with sound training who are able to understand the client requirement and accordingly deliver the required services. Another major factor is the price factor which is amongst major concerns amongst the user industry. In order to mitigate these concerns large players are planning to set up their own training centers.

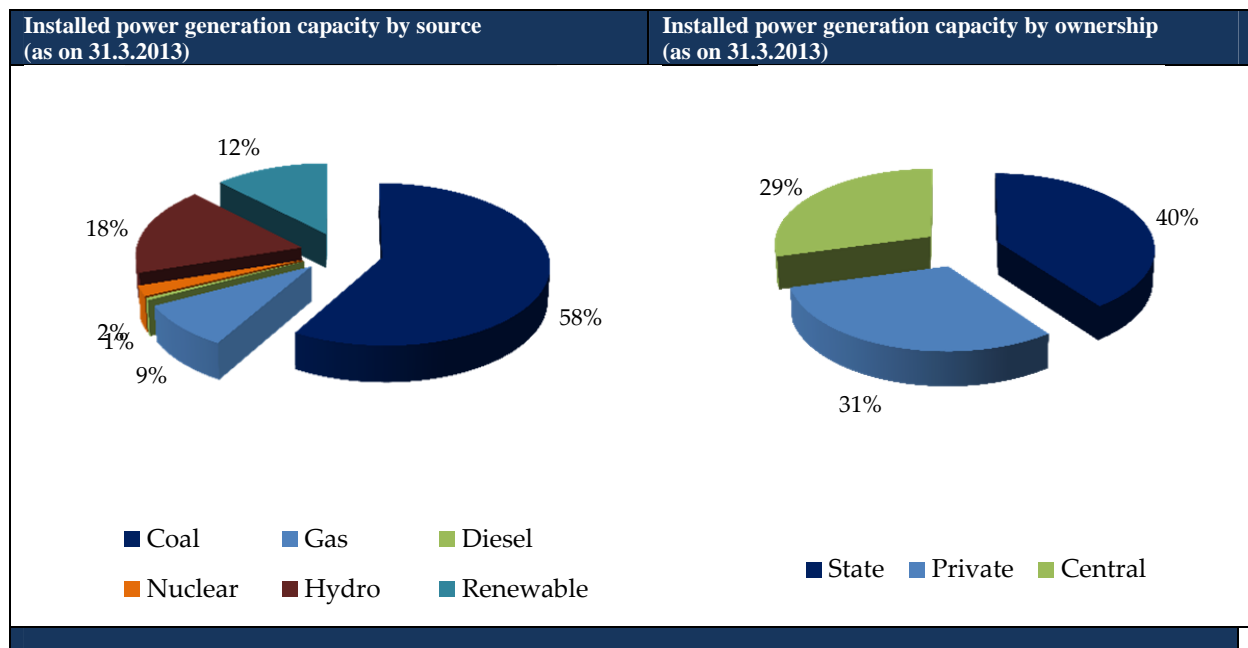
India is one of the popular destinations for the MNC based research agencies since there is untapped potential of new sets of consumers with an opportunity to serve huge population. Also with rigorous implementation of 3C strategy namely Convince, Convert and Collaborate as formulated by MRSI (Market Research Society of India) CARE Research expects the market research services in India to experience healthy growth in near future.

## J. **Power and Energy**

### (ii) **Overview**

The power sector in India has undergone significant progress after Independence. When India became independent in 1947, the country had a power generating capacity of 1,362 MW whereas the total installed capacity stands at 223,343 MW as on 31<sup>st</sup> March 2013. Indian power sector, currently, is at a crucial juncture of its evolution from a controlled environment to a competitive, market driven regime which endeavors to provide affordable, reliable and quality power at reasonable prices to all sectors of the economy. The Indian power sector is one of the most diversified sectors in the world. Power in India is generated from commercial sources like coal, lignite, natural gas, oil, hydro and nuclear power as well as other viable non-conventional sources like wind, solar, and agriculture and domestic waste. The demand for electricity in the country has been growing at a rapid rate and is expected to increase further in the years to come.

The power sector in India is mainly governed by the Ministry of Power. There are three major segments to the value chain of power sector these are (i) generation, (ii) transmission, and (iii) distribution. As far as generation is concerned it is mainly divided into three sectors these are Central Sector, State Sector, and Private Sector. It may also be categorized based on the source in the following ways:



Source: Central Electricity Authority (CEA) and CARE Research

(iii) Power Generation

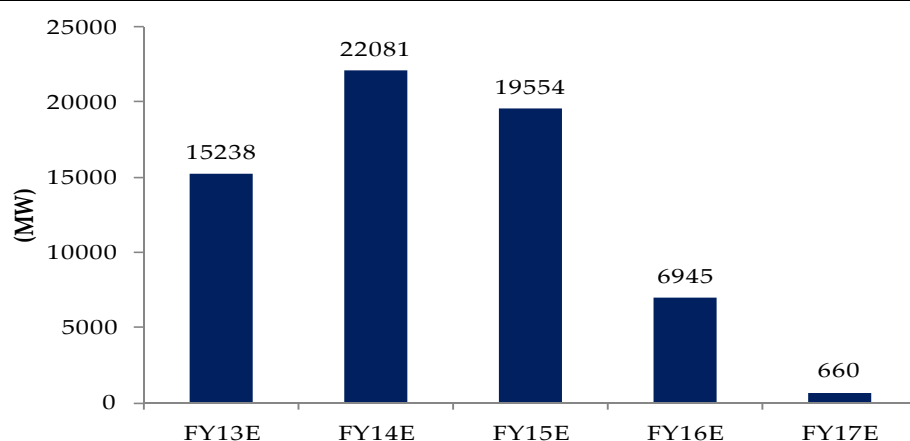
(a) Investments

According to Planning Commission, the 12<sup>th</sup> Plan is expected to add ~83GW with ~83.5% thermal, ~11% hydro, ~2% gas and ~3.4% nuclear based capacity. However, CARE Research estimates ~62-65GW of capacity to get commissioned in the 12<sup>th</sup> Plan including thermal capacity of ~58.3GW, 4.8GW hydro and 1.8GW gas based capacity. Of this, ~17-18GW would be on account of mid-term capacity slippage in the 11<sup>th</sup> Plan. Further, the 12<sup>th</sup> Plan capacity addition is expected to be front loaded with ~56.8GW addition by FY 15. However, there may be delays in capacity addition on account of 1) thermal capacity addition delay led by issues related to coal availability both for projects which have been allocated captive mines (with tapering linkages) and projects dependent on Coal India Limited's (CIL) coal mine ramp up and 2) delays in hydro projects due to MoEF Clearances and land acquisition.

CARE Research estimates the Peak & Base deficits to narrow by 12th Plan–end (FY 17E) on account of:

- Lower than anticipated 12th Plan GDP growth (CAGR 6.5-7% v/s 8-9% for 11th Plan)
- Faster coal-based capacity addition run-rate (10-11% CAGR) vis-à-vis historical average (5-6%) CAGR
- Synchronization of Southern grid with National grid which is expected to happen in FY 15

**CARE Research 12<sup>th</sup> Plan (2012-17) capacity addition estimates**



Source: CEA, CARE Research database

(iv) Power Generation - Renewable energy

(a) Biomass/Biogas and Cogeneration

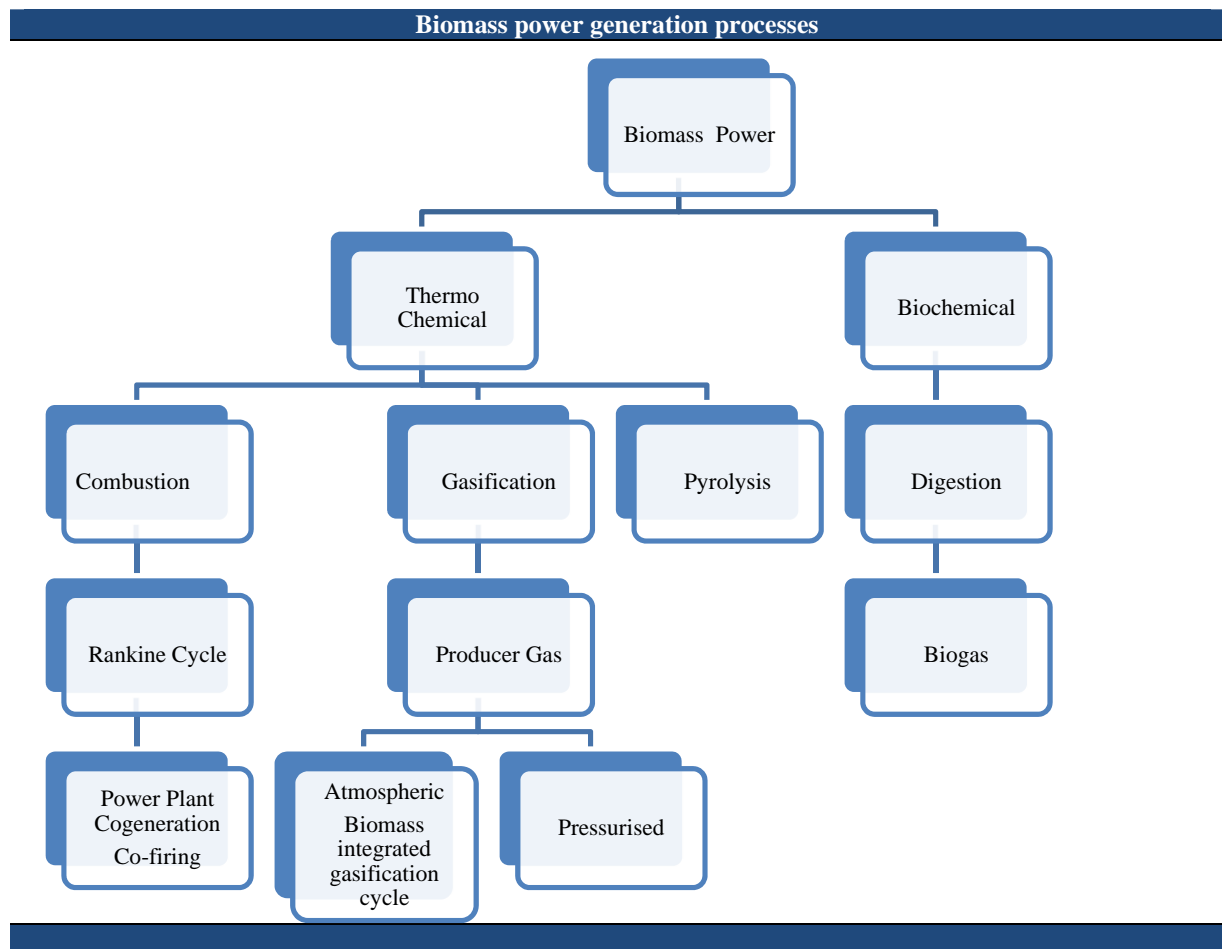
*Biomass* is renewable organic matter derived from trees, plants, crops or from human, animal, municipal and industrial wastes. Biomass can be classified into two types- woody and non-wood. Wood biomass is derived from forests, plantations and forestry residues. Non-woody biomass comprises agricultural and agro industrial residues and animal, municipal and industrial wastes. Biomass does not add carbon dioxide to the atmosphere as it absorbs the same amount of carbon in growing as it releases when consumed as a fuel. Thus, it is a carbon neutral fuel. Biomass is an important source of energy and the most important fuel worldwide after coal, oil and natural gas. Bio-energy, in the form of biogas, which is derived from biomass, is expected to become one of the key energy resources for global sustainable development.

*Biogas* typically refers to a gas produced by the biological breakdown of organic matter in the absence of oxygen. Organic waste such as dead plant and animal material, animal faeces, and kitchen waste can be converted into a gaseous fuel called biogas. Biogas originates from biogenic material and is a type of biofuel. Biogas is produced by the anaerobic digestion or fermentation of biodegradable materials such as biomass, manure, sewage, municipal waste, green waste, plant material, and crops.

*Cogeneration* is the process of power generation from hot flue gases. Generally, in India, this method is used by sugar manufacturers, rice mills and food processing sectors. Cogeneration is a facility which simultaneously produces two or more forms of useful energy such as electric power and steam. The biomass cogeneration program is currently divided into bagasse and non-bagasse based. While bagasse cogeneration is essentially sugar mill oriented, non-bagasse can be used in the biomass industry. In India, sugar mills always have a cogenerated steam and electricity using bagasse produced during crushing. Before the 1970s, steam generation pressure/temperature and boiler efficiencies were low, while steam requirement for the processes were high and hence mills were neither sufficient in their steam requirements and nor in electricity. Over the years, more efficient turbines and high pressure boilers were adopted and by 1990s the mills started to not only become self sufficient but also had some surplus bagasse.

(v) Conversion of Biomass to electricity

Biomass based power generation can have higher capacity utilization factors than solar and wind. Biomass can be stored and can be used to feed a dispatchable power plant. The biomass conversion into power is as follows:



Source: MNRE and CARE Research

(vi) Biomass/Biogas installed capacity and capacity addition roadmap

The total installed biomass power capacity as on 31st March, 2013 is 4,231.75 MW which includes 3,602.23 MW of grid connected and 629.52 MW off grid connected. Against capacity addition target of 3,200 MW in FY 13, actual capacity addition was 1,136.75 MW.

<b>12<sup>th</sup> Plan (2012-17) target</b>								
<b>Biomass</b>	<b>IPP</b>	<b>Tail-end</b>	<b>Off-Grid</b>	<b>Cogen</b>	<b>Purified Gas</b>	<b>Thermal/ Cooking</b>	<b>Refrigeration</b>	<b>Total</b>
Agro Residue	2100	550	150	800	-	-	-	<b>3600</b>
Plantation	800	150	75	200	-	-	-	<b>1225</b>
Urban/ Industrial Waste	300	50	350	0	-	-	-	<b>700</b>
Waste from Dispersed Systems	-	-	50	-	45	42	35	<b>172</b>
<b>Total</b>	<b>3200</b>	<b>750</b>	<b>625</b>	<b>1000</b>	<b>45</b>	<b>42</b>	<b>35</b>	<b>5697</b>

Source: MNRE and CARE Research

<b>13<sup>th</sup> Plan (2018-22) target</b>								
<b>Biomass</b>	<b>IPP</b>	<b>Tail-end</b>	<b>Off-Grid</b>	<b>Cogen</b>	<b>Purified Gas</b>	<b>Thermal/ Cooking</b>	<b>Refrigeration</b>	<b>Total</b>
Agro Residue	3000	2000	250	1500	-	-	-	<b>6750</b>
Plantation	3000	1000	100	500	-	-	-	<b>4600</b>
Urban/ Industrial Waste	750	125	500	-	-	-	-	<b>1375</b>
Waste from Dispersed Systems	-	-	95	-	85	80	65	<b>325</b>
<b>Total</b>	<b>6750</b>	<b>3125</b>	<b>945</b>	<b>2000</b>	<b>85</b>	<b>80</b>	<b>65</b>	<b>13050</b>

Source: MNRE and CARE Research

(vii) Problems associated with Biomass sector

There are various problems associated with running the biomass power plants. Following are issues faced by developers:

This industry is facing challenges in terms of availability of raw material, lack of regular tariff revision and ineffective plantation policy. Most of the SERC's have fixed tariffs which do not take into consideration the prevailing prices of raw material. As a result, the plant operations have become unviable for the biomass developer.

(viii) Outlook: Capital cost underestimation; high raw material prices to haunt biomass sector

According to our industry interaction, the Central and State regulators have not considered investment which is essential for raw material collection equipments while estimating benchmark capital costs for the biomass projects. Consequently, regulatory capital cost benchmark is found to be inadequate by most of the players (fuel management equipments costs ~INR 1 Crore/MW in case Paddy rice straw based biomass plants). Moreover, these players also believe that the benchmark O&M costs of INR 24 lacs/MW are grossly inadequate on account of raw material storage and transportation costs and change in calorific value owing to change in moisture content. This has rendered many biomass projects unviable. Further, the regulators have only considered field prices of biomass, which are lower by 20-30% than those at boiler tip, due to transportation, processing and storage related expenses. Resultantly, most of the biomass players are suffering losses, while operating these plants.

(ix) Waste to energy power plants

Waste-to-energy (WtE) is the process of creating energy in the form of electricity. WtE is a form of energy recovery. Most WtE processes produce electricity directly through combustion or produce a combustible fuel commodity such as methane, methanol, ethanol or synthetic fuels.

The total installed WtE capacity in India as on March 31<sup>st</sup>, 2013 is 212 MW which includes 96.08 MW grid connected and 115 MW off-grid power. As per MNRE, the Municipal Solid Waste (MSW) potential is around 4,000 MW from waste to energy by 2013 and approximately 5000 MW by 2017.

At present, the installed capacity under WtE segment is insignificant as Indian Municipal Corporations are not proactively encouraging waste disposal. In addition, waste dumping is allowed under Indian laws. As a result, Indian waste-to-energy segment remains largely untapped.

(x) Present situation of Municipal Solid Waste (MSW) generation in India

**Solid Waste Management:** A solid waste management (SWM) system includes the generation of waste, storage, collection, transportation, processing and final disposal. Agricultural and manufactured products of no more value are discarded as wastes. Once items are discarded as waste, they need to be collected. Waste collection in most parts of the world is centralized and all kinds of waste generated by a household or institution are collected together as mixed wastes. Indian cities are still struggling to achieve the collection of all MSW generated. Metros and other big cities in India collect between 70-90% of MSW. Smaller cities and towns collect even less than 50%. The benchmark for collection is 100%, which is one of the most important targets for ULBs at present. This is a reason why source separated collection is not yet in the radar.

The **per capita waste generation rate** is strongly correlated to the gross domestic product (GDP) of a country. Per capita waste generation is the amount of waste generated by one person in one day in a country or region. The waste generation rate generally increases with increase in GDP. High income countries generate more waste per person compared to low income countries due to an improved lifestyle and size of a city. As per WtE Research and Technology Council, the average per capita waste generation in India is 370 grams/day as compared to 2,200 grams in Denmark, 2,000 grams in US and 700 grams in China. The per capita waste generation is increasing by about 1.3% per year in India.

Country	Per Capita Urban MSW Gen (kg/day)	
	1999	2025
Low income Countries	0.45-0.9	0.6-1.0
Middle income Countries	0.52-1.1	0.8-1.5
High income Countries	1.1-5.07	1.1-4.5

*Source: WtE Research and Technology Council and CARE Research*

Waste composition dictates the waste management strategy to be employed in a particular location. Materials in MSW can be broadly categorized into three groups, Compostables, Recyclables and Inerts. Compostables or organic fraction comprises of food waste, vegetable market wastes and yard waste. Recyclables comprises of paper, plastic, metal and glass. The fraction of MSW which can neither be composted nor recycled into secondary raw materials is called Inerts. Inerts comprise stones, ash and silt which enter the collection system due to the littering on streets and at public places.

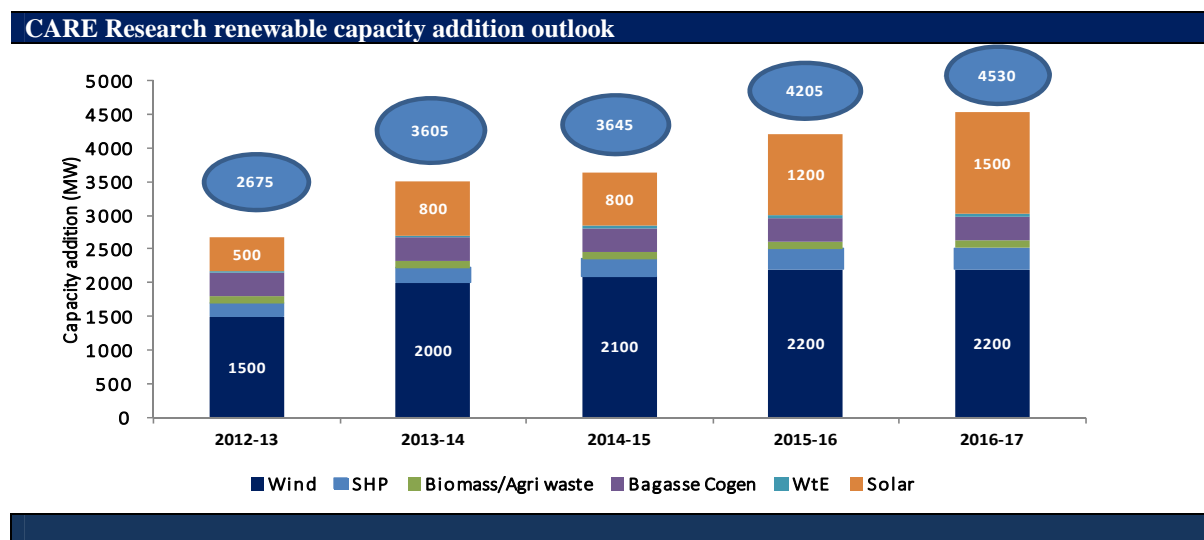
CARE Research believes, though there is a wide gap between WtE potential and actual capacity on the ground, the inflection point for WtE would come when the cost of land filling would become expensive (given the scarcity of land) as compared with generating power from WtE in addition to the practice of segregation of garbage at municipal level. CARE Research believes, WtE capacity would be more city-centric and would require incentives to the developers (from the city municipalities) to make it viable.

(xi) Outlook –Renewable



- i. RE capacity addition set to improve as GBI is restored in Budget 2013-14

Renewable Energy (RE) capacity addition has slowed down sharply in FY 13 (1<sup>st</sup> Yr of the 12<sup>th</sup> Plan) primarily on account of 1) removal of incentives (such as Accelerated Depreciation (AD) / Generation Based Incentives (GBI) for wind power) and 2) distressed financial condition of DISCOMS. CARE Research believes that FY 13E wind capacity addition target of 1.5 GW (1.3 GW in 11M FY 13) can be achieved v/s annual target of 2.5 GW. Further, the Renewable Energy Credit (REC) market has also not stabilized and is still in initial phases. The only bright spot is Solar PV capacity addition with 505 MW (as on 28/02/2013). However, the union budget 2013-14 reinstated GBI for wind farm capacities and has made provision of INR 8 bn which is expected to improve this segment going forward.



Source: MNRE, CARE Research Estimates

- (xii) Consultancy: Power Plant & Engineering Services

#### Services to Industry players

With the increase in complexity involved and wide range of alternative feedstock options, it has become an imperative for the industry to seek services of professional consultants and expertise help for engineering planning services for subsystems as well as for entire power plants (for new and/or expansion of existing). The consulting for power plant covers all the aspects of setting up the plant right from pre-investment services through implementation and sometimes even commissioning.

Power Plant Consultancy Services	
Planning phase	Implementation phase
Market studies	Design review
Feasibility studies	Plant acceptance procedures
Environmental impact assessments	Construction management and monitoring
Site analyses	Commissioning phase monitoring
Economic feasibility analyses	Handover, documentation, test operation and warranty support
System concepts	Interface coordination
Preliminary design and design planning	Project management
Approvals planning	Site management
Implementation planning	Health and safety coordination
System specification and tendering	Personnel training
Bid comparison	Failure analysis

Contract awarding recommendation and negotiation	Quality & Control
Contract formulation	

*Source: Industry & CARE Research*

(xiii) Services to government or other regulatory concerns or industry as whole

Apart from providing project level consultancy, the consultancy firms also provide services at industry level such as Policy Studies for alternative feedstock, impact or recommendations on various concerns and issues related to the sector.

Though the Indian power sector is currently facing policy and regulatory issues, CARE Research expects the government and participants in the regulatory architecture to ensure clarity and mitigate the hurdles. This would lead to a more investment friendly climate, and create the demand for consultancy sector to grow at steady rate for their services like restructuring and evaluating the feasibility of the alternatives.

**K. Carbon Credits & Environment Management**

(i) Introduction

Carbon Credit is a tradable certificate or permit representing the right to emit one tonne of carbon dioxide or the mass of another greenhouse gas with a carbon dioxide equivalent (tCO<sub>2</sub>e) to one tonne of carbon dioxide.

Carbon credits and carbon markets are a component of national and international attempts to mitigate the growth in concentrations of greenhouse gases (GHGs). One carbon credit is equal to one metric tonne of carbon dioxide, or in some markets, carbon dioxide equivalent gases. Carbon trading is an application of an emissions trading approach. Greenhouse gas emissions are capped and then markets are used to allocate the emissions among the group of regulated sources.

(ii) The Kyoto Protocol

The Kyoto Protocol is a protocol under the United Nations Framework Convention for Climate Change (UNFCCC) to fight global warming. The UNFCCC is an international environmental treaty with the goal of achieving the stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.

This mechanism was adopted in December, 1997 in Kyoto, Japan and came into effect from February 16, 2005. Under the Protocol, 37 countries committed themselves to a reduction of four greenhouse gases (carbon dioxide, methane, nitrous oxide, sulphur hexafluoride) and two groups of gases (hydro fluorocarbons and per fluorocarbons) produced by them, and all the member countries gave general commitments.

At negotiations, signatories (excluding US) collectively agreed to reduce their greenhouse gas emissions by 4.2% on average for the period 2008-2012. This reduction is relative to their annual emissions in a base year, usually 1990.

Countries with commitments under the Kyoto Protocol to limit or reduce greenhouse gas emissions must meet their targets primarily through national measures. As an additional means of meeting these targets, the Kyoto Protocol introduced three market-based mechanisms, thereby creating what is now known as the “carbon market”. There are three mechanisms developed under Kyoto Protocol.

- (a) Emission trading known as “Carbon market”
- (b) Clean Development Mechanism (CDM)
- (c) Joint Implementation (JI)

The Kyoto mechanisms are aimed at-

- (a) Stimulating sustainable development through technology transfer and investment.
- (b) Helping countries with Kyoto commitments meet their targets by reducing emissions or removing carbon from the atmosphere in other countries in a cost-effective way.
- (c) Encouraging the private sector and developing countries to contribute to emission reduction efforts.

JI and CDM are two project-based mechanisms which feed the carbon market. JI enables the industrialized countries to carry out joint implementation projects with other developed countries, while the CDM involves investment in sustainable development projects that reduce emissions in the developing countries. The carbon market is a key tool for reducing emissions worldwide.

(iii) Clean Development Mechanism (CDM)

It is a mechanism defined in Article 12 of the Kyoto protocol to achieve the following objectives: 1) to assist the developing countries, which are not signatories in contributing to the sustainable development which is to prevent climate change. 2) To assist the developed countries (which are signatories) in achieving compliance with their greenhouse gas reduction commitment. Under CDM, the developed countries that have a commitment to reduce greenhouse gas emissions under Kyoto protocol can invest in green projects in the developing countries. In this process, they can claim the carbon credits equivalent to the reduction in the amount of CO<sub>2</sub> emissions.

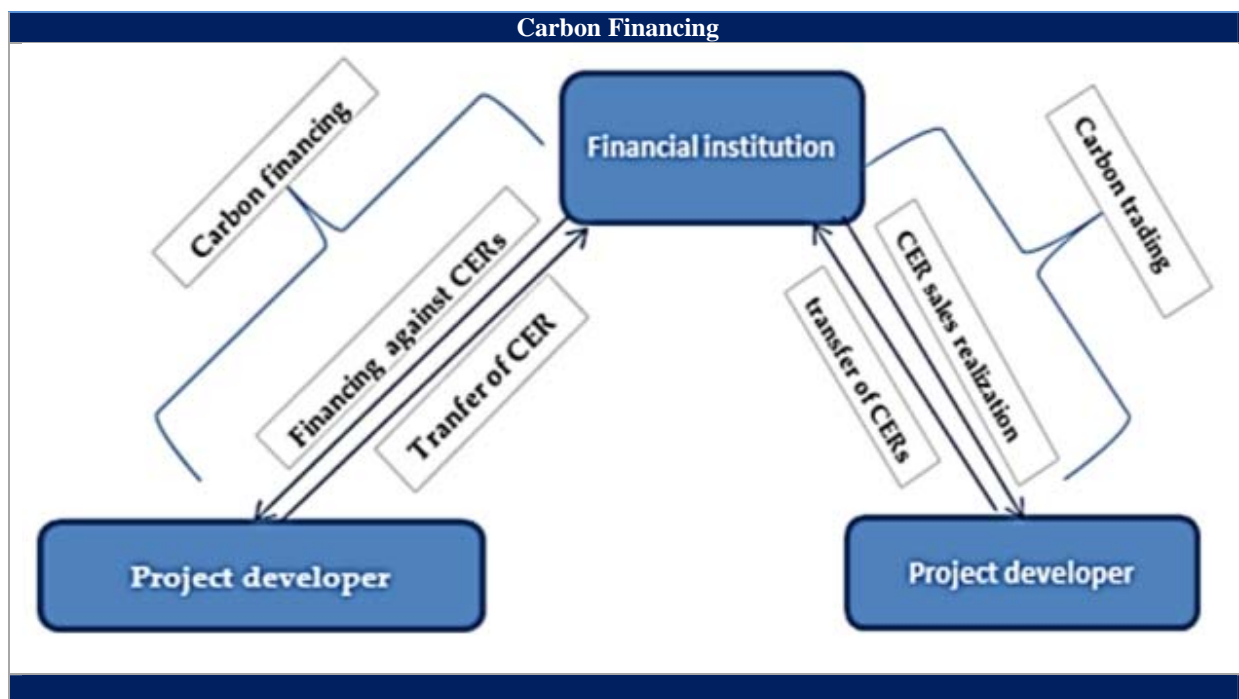
The United Nations' CDM was intended to offer the rich countries an efficient market mechanism to achieve some of their emission-cutting obligations at a lower cost by installing green technology in the developing countries. The CDM allows emission-reduction projects in the developing countries to earn certified emission reduction (CER) credits, each equivalent to one tonne of CO<sub>2</sub>. These CERs can be traded and sold, and used by the industrialized countries to meet a part of their emission reduction targets under the Kyoto Protocol. Since the Kyoto Protocol came into force in 2005, more than 3949 projects have been registered till February 2012.

The mechanism stimulates sustainable development and emission reductions, while giving industrialized countries some flexibility in how they meet their emission reduction limitation targets. The CDM is the main source of income for the UNFCCC Adaptation Fund, which was established to finance adaptation projects and programmes in the developing country parties to the Kyoto Protocol that are particularly vulnerable to the adverse effects of climate change. The Adaptation Fund is financed by a 2% levy on CERs issued by the CDM.

(iv) Carbon financing

Carbon financing is the financing done against the future Carbon Emission Reduction (CERs) receivable in any renewable projects such as wind, biomass, solar, small hydro or Waste to Energy project. This is done by a financial institution.

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Source: CARE Research

In carbon financing the project developer submits a baseline carbon emission scenario to the financial institution, on the basis of which it finances against carbon credits to be earned by the developer. At present, in the current financing schemes, the CERs are looked upon as RoE enhancements by the lenders.

(v) Carbon Market –Present Scenario

A drastic drop in the industrial activity has sharply reduced the need for companies to buy emission rights, causing a gradual fall in the price of carbon allowances since most part of the world especially developed world slipped into a multi-year economic crisis in the latter half of 2008. The prices have declined substantially, falling below \$4 as bickering European nations failed to agree on measures to shore up the program. The EU political class has refused to back a measure that could pull the prices up.

Projects, especially in India and China, two major suppliers of carbon credits, are reviewing their expected revenues from carbon trade.

(vi) Consultancy Services –Carbon Credit

The role of environmental consultants providing services in relation to carbon credit has gained importance in recent years because the companies want consultant's help for navigating the complexity of complying with environmental regulations, cutting costs long-term with clean energy, building their brands by taking on environment friendly projects and generating revenue through carbon trading.

Services provided by consultants in relation to carbon credit include Consultancy / facilitation services for carbon credits from energy efficiency projects

- (a) Consultancy / facilitation services for carbon credits fund and renewable energy certificate syndication
- (b) Assistance in identification of carbon credit buyer & signing of Emission Reduction Purchase Agreement (**ERPA**)
- (c) Assistance in preparation of monitoring report & carbon credit issuance

- (d) Assistance in realising carbon credit fund from the buyer

(vii) Environment Management

The industrial revolution which started since end of 18<sup>th</sup> century has brought radical changes not only in human life but also exploited natural resources and disturbed the ecology. The resulting ill-effects of the same are evident in the form of imbalances and circumstances such as: Global warming, depletion of ozone layer, acid rain etc.

The concept of environment management is commonly defined as:

- (a) an attempt to control human impact on and interaction with the environment in order to preserve natural resources
- (b) Environmental management focuses on the improvement of human welfare for present and future generations
- (c) Administrative function which develop, implement and monitor the environmental policy of an organisation

Various aspects of areas of environment management can be described as:

- (a) Environmental Impact Assessment
- (b) Environmental Management Planning
- (c) Environmental Auditing
- (d) Socio-Economic Assessment
- (e) Solid Waste Management
- (f) Air Quality Monitoring
- (g) Water Quality Assessment
- (h) Soil Quality Assessment
- (i) Water and Wastewater Management

With growing awareness towards social responsibility amongst corporate entities towards the need to take steps to protect environment; the role of environment management is gaining its importance steadily.

(viii) Environment Audit

International Chamber of Commerce defines environment audit as:

A management tool comprising a systematic, documented, periodic and objective evaluation of how well environmental organisation, management and equipment are performing with the aim of helping to safeguard the environment by:

- (a) Facilitating management control of environmental practices;
- (b) Assessing compliance with company policies, which includes meeting regulatory requirements.

*Types of environment Audits:*

Environmental audits may be conducted for different purposes and hence there are several types of environmental audits depending upon their objective and purpose. Major types of environmental audit are:

- (a) Compliance Audit
- (b) Systems Audit
- (c) Property audit
- (d) Treatment ,Storage Disposal facility audit
- (e) Preventive Measure audit

*Role of Consultancy:*

- (a) Consultants help the organizations in various areas with respect to environment management a few to list:
- (b) Preparing Environmental status survey reports
- (c) Rapid & comprehensive Environment Impact Assessment of developmental projects
- (d) Environment clearance from state/central authorities
- (e) Assistance for securing consent to establish and consent to operate from State Pollution Control Board
- (f) Environment audits and implementation assistance
- (g) Safety Audits and ecological studies
- (h) Environmental due diligence studies
- (i) Implementation of Environmental Management in large infrastructure projects

Presently, in India there is no legislation that makes conducting of Environment audit compulsory and also there is no specialized course to pursue environment auditing as profession. However it is an emerging area because the corporate entities have gradually realised that if approached in a correct manner timely and effective environment audit helps in cost savings and help in improving operations not only environmentally but also for business as whole. It assists the organisations to strengthen their environmental policy which creates a positive image of the entity in the society and give them competitive edge.

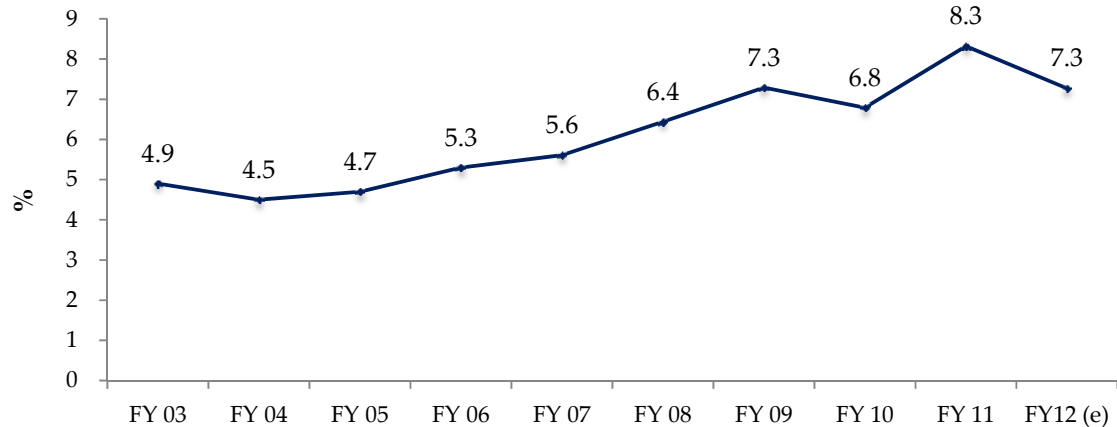
L. **Indian Infrastructure**

(i) **Overview**

Investment in the infrastructure sector plays a crucial role in the growth of the Indian economy. In the past few years, the sustained growth of the economy has laid tremendous pressure on the physical infrastructure, such as power, railways, ports, roads, airports, irrigation and industrial infrastructure. The deficit on account of inadequate capacities as well as inefficiencies of the existing infrastructure facilities possess a greater challenge to achieve an inclusive GDP growth of 9%, thereby making faster reforms in infrastructure development is inevitable.

In the past few years, the investment in the infrastructure as a percentage of GDP has been on the rise and has increased from 4.5% in FY 04 to 7.3% in FY 12. The following chart shows the trend of infrastructure investment as percentage of GDP in the 11th and 12th Five Year Plans:

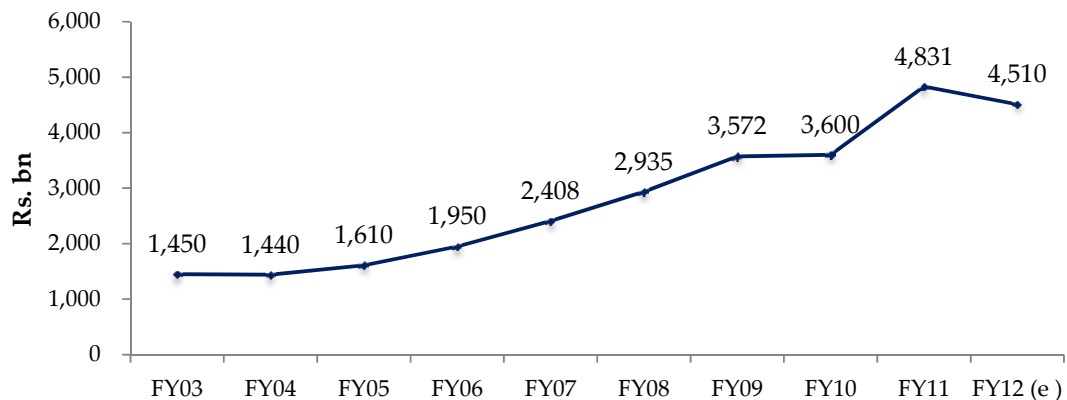
#### Trend of infrastructure investment as a % of GDP



Source: Planning Commission

The following chart shows the trend of absolute investment in the infrastructure sector in the 11th and 12th plans:

#### Trend of absolute investment in infrastructure



Source: Planning Commission

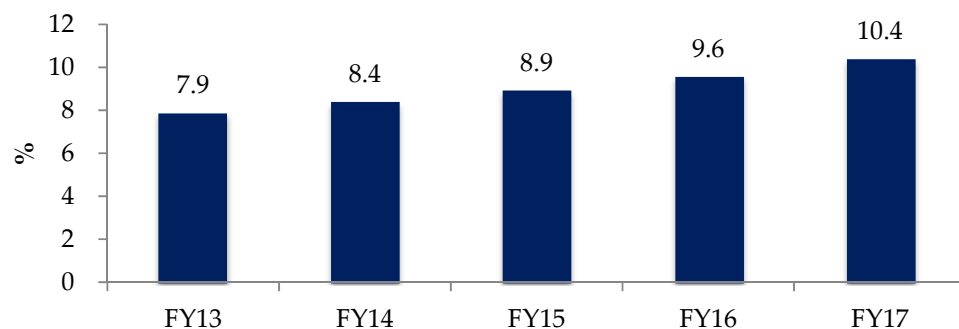
(a)

#### (ii) Estimated infrastructure investment in the 12th Five Year Plan

GoI had initially targeted an investment of INR 45 lac crore during the 12<sup>th</sup> Five Year Plan, as per its Approach Paper published on 22<sup>nd</sup> October 2011. The same was further enhanced above INR.50 lac crore in the Union Budget 2012-13.

The Planning Commission has set a ambitious target of about INR 51,46,472 crore (at 2011-12 prices) of investment in the infrastructure sector during the 12<sup>th</sup> Five Year Plan as against a realised investment of INR 27,74,657 crore in the 11<sup>th</sup> Five Year Plan. The planned outlay for the 12<sup>th</sup> Five Year Plan is almost about 1.85 times of the 11<sup>th</sup> Plan (at 2011-12 prices). The investment in infrastructure as a percentage of GDP is estimated to reach 10.4% by the terminal year of the 12<sup>th</sup> Five Year Plan.

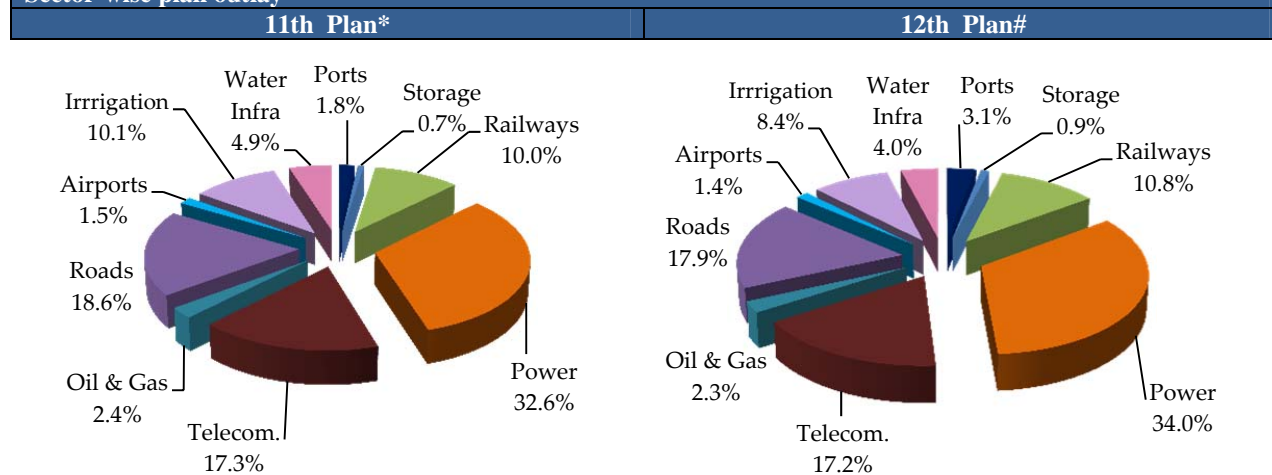
### Projected infrastructure investment as a % of GDP in the 12<sup>th</sup> Five Year Plan



Source: Planning Commission

The share of investment in sub-sectors of infrastructure like railway, power and ports are estimated to see an improvement as compared to the investment in other sub-sectors of infrastructure.

### Sector-wise plan outlay



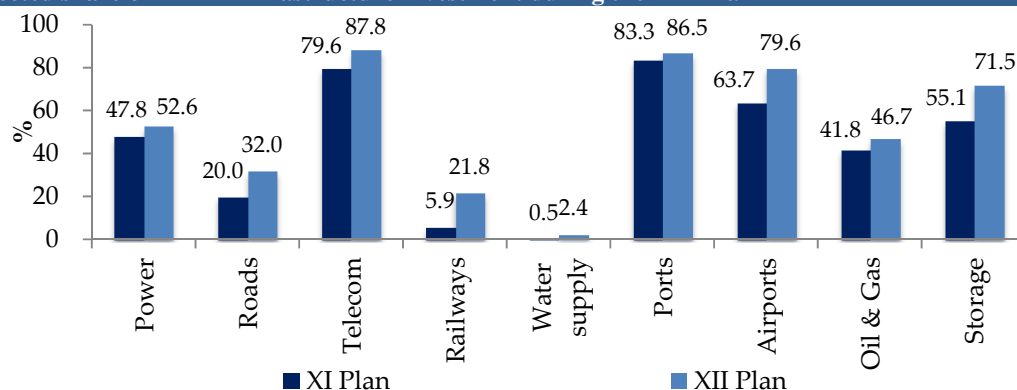
\* Actual, # Projected

Source: Planning Commission

The share of investment by private sector is projected to increase to 46.7% of the total investment as compared to 37.5% in the 11<sup>th</sup> Plan. In the 12<sup>th</sup> Five Year Plan, the sectors like railway, airports, roads and storage are likely to witness a significant improvement in the private sector participation.



**Projected share of PPP in infrastructure investment during the 12<sup>th</sup> Plan**



Source: Planning Commission

(iii) Overview of the industrial infrastructure sector

Apart from infrastructure projects, construction work in the manufacturing industries like, building plants, installation and erection of equipment and machinery and other related civil construction such as laying roads or rail lines, canals, power transmission towers etc. is an important part of industrial infrastructure sector.

(in ₹ crores)

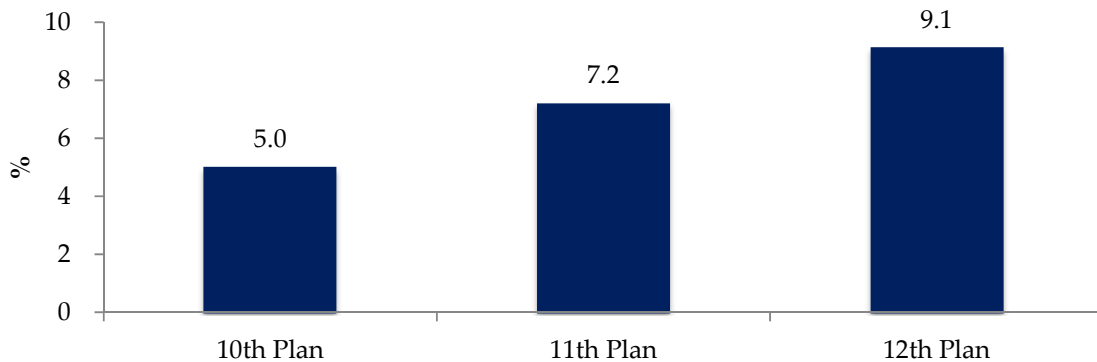
<b>New projects</b>			
<b>Sectors</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>
Iron & Steel	1,41,015	49,166	44,522
Chemicals	1,27,741	18,066	10,530
Cement	80,483	11,539	34,666
Fertilizers	41,717	13,362	13,178
Machinery manufacturing	26,559	27,353	6,960
Oil & Gas (including Petroleum products)	21,030	131,327.3	24,280.17
Mining	20,535	22,563	8,609
Food & Beverages	11,606	13,934	9,446
Drugs & Pharmaceuticals	8,041	3,032	3,098
Textiles	7,138	7,789	7,488
Automobile	5,645	9,563	3,999
Non-ferrous Metals	4,561	3,685	13,631
Automobile Ancillaries	4,325	4,084	5,588
Other Non-metallic Mineral products	4,154	1,717	3,159
Paper, newsprint & paper products	3,616	2,016	315
Miscellaneous Manufacturing	447	7,313	5,344.95
Other transport equipments	-	6,817	3,019
<b>All industries together</b>	<b>5,08,613</b>	<b>333,326</b>	<b>197,834</b>

(Source: CMIE and CARE Research)

(iv) Outlook - Massive investment planned but realisation seems a Herculean task...

Investment in the infrastructure sector plays a crucial role in the growth of the economy. In the past few years, the sustained growth of the Indian economy has put a tremendous pressure on the physical infrastructure, such as power, railways, ports, roads, airports, irrigation and also industrial infrastructure. In order to sustain the economic growth momentum, GoI has been focusing on increasing investment to augment the physical infrastructure in the country.

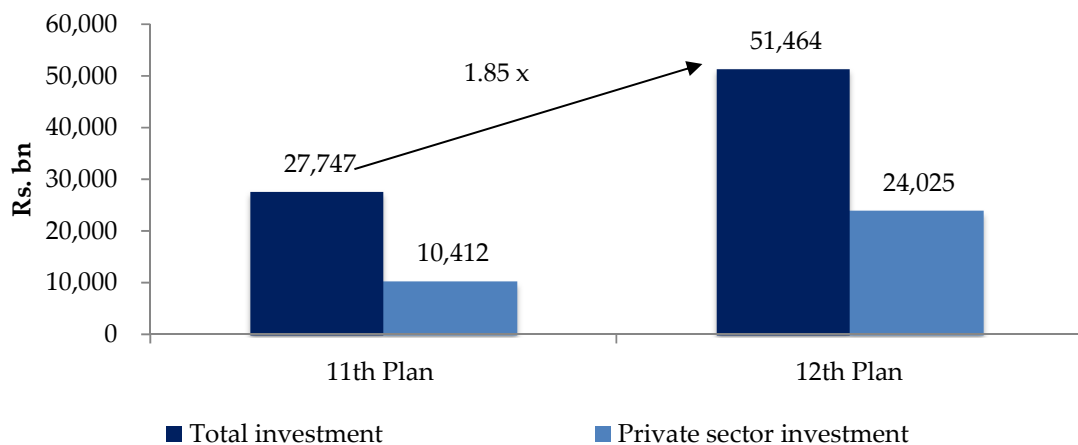
#### Infrastructure investment as a % of GDP in different Five Year Plans



Source: Planning Commission

Over the period of past two Five Year Plans, the investment in the infrastructure as a percentage of GDP has been on the rise and increased from a level of 5% of GDP in the 10<sup>th</sup> Five Year Plan to about 7.2% in the 11<sup>th</sup> Plan. In the 12<sup>th</sup> Five Year Plan, GoI has set an ambitious target of increasing the proportion of infrastructure investment to about 9.1% of the GDP. This translates into a massive investment to the tune of about INR 51,464 bn during the 12<sup>th</sup> Five Year Plan (FY 12-17). However, achieving this mammoth investment target is a herculean task.

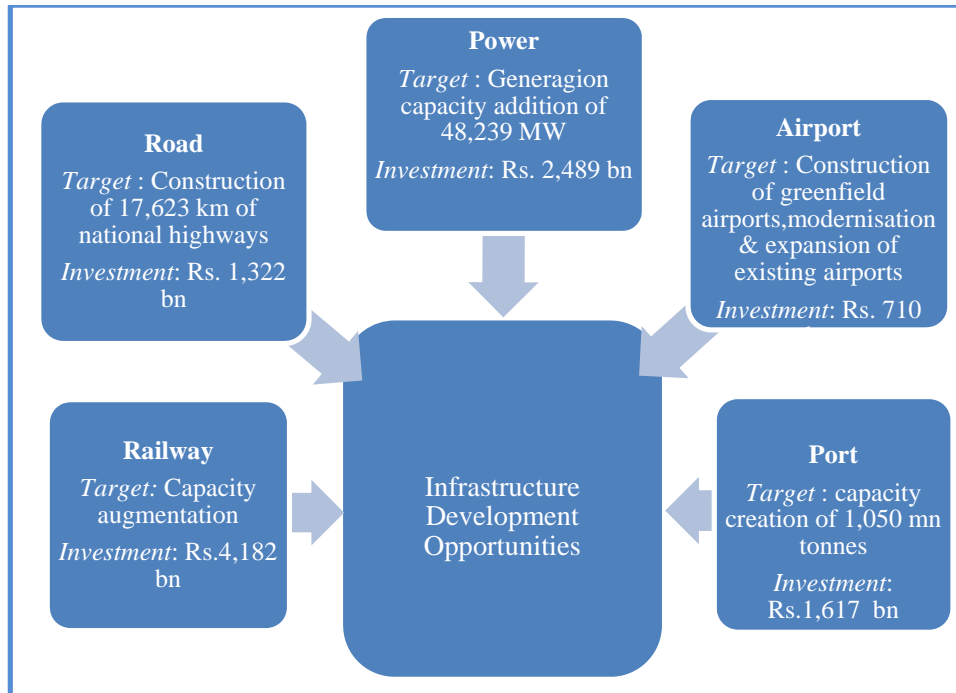
#### Planned investment in 12<sup>th</sup> Five Year Plan



Source: Planning Commission

The Planning Commission has estimated the infrastructure investment based on the assumption that average GDP growth in the 12<sup>th</sup> Five Year Plan would be about **9%**. However, the damp macro-economic situation in the country and adverse impact of exogenous global developments on the Indian economy can create considerable roadblocks to the achievement of planned infrastructure investment. CARE's Economic Research Desk, expects that the GDP will grow at an average rate of 7% during the 12<sup>th</sup> Five Year Plan period. In view of the above, the realization of planned infrastructure investment in the 12<sup>th</sup> Plan seems difficult.

(v) Sector wise targets in some infrastructure sectors and potential construction opportunity



(vi) Infrastructure Consultancy

Infrastructure consultancy has two major components - first one is to understand infrastructure needs and formulate the schemes for which funds can be raised by making these proposals viable and financially attractive for public and private investment and the second one is to develop execution and management strategy which will create infrastructure at very competitive prices.

Some of the Services offered by consultants under this domain include:

- (a) Project Formulation & Structuring
  - Preparation of reports such as diagnostic study reports, project feasibility report, technical viability report etc.
  - Project Designing
- (b) Technical Engineering
- (c) Project Execution & Management
  - Contract/ Tender Formulation, documentation & execution
  - Quality Control
  - Safety Compliance

Another area of consultancy service under Infrastructure is developing of Cluster infra for industries such as plastics, chemicals, textiles, leather etc. Services for these would include:

- (a) Preparation of project reports

- (b) Project appraisals
- (c) Turn- key project implementation
- (d) Regular consultancy for improvement in productivity, quality, etc.
- (e) Reducing cost, modernization, diversification and value addition
- (f) Consultancy for recruitment of technical and managerial staff
- (g) Implementation of management systems
- (h) Carrying out surveys and studies

**M. Indian BFSI Industry**

*(i) Overview of domestic BFSI industry*

The Indian BFSI sector is one of the most dynamic and fast-evolving among all sectors in the 'Services' component of the GDP. It can be studied from the three major components-Banking, Financial Services and Insurance.

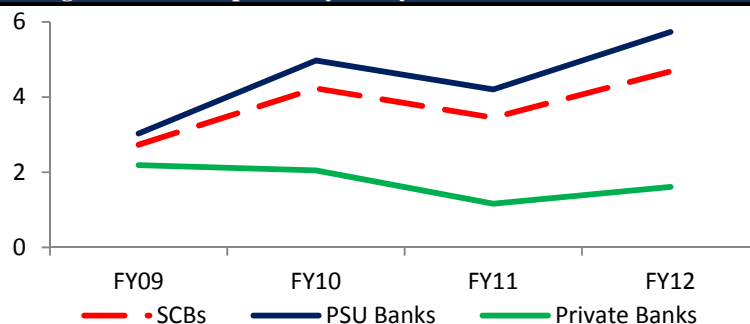
The Indian Banking sector is dominated by Public Sector Banks (PSBs), accounting for 78.6% of total advances of all Scheduled Commercial Banks (SCBs) excluding RRBs on 31st March, 2013. PSBs have been dominant in India's banking space after nationalization of banks in India due to restrictive entry/expansion for private sector banks and foreign banks in India. However, since the norms for entry of private banks were relaxed, private banks have managed to corner more than 20% of the market, and are eating into the market share of the PSBs. With the banking regulator, the Reserve Bank of India (RBI) declaring its intent to permit more entrants in the banking space, the competition is only likely to heat up further. Many banks use services of third-party consultants for recovery of loans, background checks of potential borrowers and for purposes of financial restructuring. The sterling growth of the banking sector would only create more avenues for greater involvement.

*(ii) Restructuring and Securitisation*

However, in the recent past, several banks have been under stress with respect to recovering their loans. It is pertinent to note that most of restructuring during FY 09-3QFY 13 is primarily led by PSU banks. As per RBI's data, PSU banks restructured advances to gross advances percentage increased to 5.73 in FY 12 v/s. 3.03 in FY 09 due to 1) aggressive lending during FY 07-FY 11, 2) inadequate due diligence and 3) bias towards known borrowers. In contrast, Private banks restructured advances to gross advances ratio witnessed a decline to 1.61 in FY 12 v/s. 2.19 in FY 09 on account of 1) defensive lending during FY 08-FY 12 (to stressed sectors like power/textile etc.), 2) robust due diligence mechanism and 3) proactive account follow up and exit before stress. CARE Research observes that the share of PSU banks (which represents ~70% of total banking industry credit) in total restructured assets is around 90%.

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### Rising restructured adv/gross adv ratio primarily led by PSU banks



Source: RBI

### (iii) Concentration of Credit - Risk Matrix (FY 12)

Sectors	Share in banking system credit	Share in banking system NPA	Share in banking system restructuring	Stress
Priority Sector	30.6%	47.8%	NA	High
Retail	18.5%	18.3%	NA	Moderate
Agriculture	10.3%	18.2%	NA	High
Micro & Small Enterprise	9.8%	17.9%	NA	High
Real Estate	16.7%	9.7%	NA	Moderate
Iron & Steel	3.8%	4.7%	26.1%	High
Textiles	2.7%	4.5%	7.7%	High
Engineering	2.4%	2.6%	0.7%	Moderate
Chemicals, Dyes, Paints etc.	2.2%	2.6%	1.9%	Moderate
Infrastructure	11.0%	2.5%	11.1%	High
Food Processing	1.4%	1.9%	0.4%	High
Gems & Jewellery	1.1%	1.5%	NA	Moderate
Mining	0.6%	0.8%	NA	Moderate
Automobiles	1.0%	0.4%	0.7%	Low
Cement	0.7%	0.4%	4.4%	Low
NBFCs	3.9%	0.4%	4.4%	Low
Coal	0.1%	0.3%	NA	High

Source: RBI & CDR India

As per the CDR India's progress report, total corporate debt amounting to ~INR 2.29 lac crores (401 approved cases) is under restructuring at the end of FY 13. This is an increase of ~52% over ~INR 1.51 lac crores (292 approved cases), which were under restructuring at the end of FY 12.

(in INR crores)

	FY 11	FY 12	FY 13	FY 14E
NPA	94,084	1,37,096	1,80,692	2,22,251
Restructured accounts	1,37,602	2,18,068	3,07,476	2,88,909
Gross Advances	39,82,954	46,65,544	52,62,830	59,46,998
NPA Ratio	2.30%	2.90%	3.43%	3.70%
Restructured Ratio to gross advances	2.7%	4.67%	5.84%	23.00%

Source: RBI and CARE Research estimates

Majority of the private banks have established a niche presence for themselves over the years. Majority of the public sector banks and old generation private sector banks have a strong regional hold which provides them with competitive edge whereas the new generation private sector banks score on the parameters of efficient customer service and brand consciousness. The huge branch setup of public sector banks enables them to mobilize higher CASA (Current And Savings Accounts) as compared to their private sector peers. Banks have modest pricing abilities in respect of their loan products. With the base rate being effective, since July 2010, the transparency in the lending rates offered by banks has increased. Financial Services in India is experiencing a slight moderation in growth due to the global economic slowdown. However, with a pick-up in economic activity likely, this sector is expected to match its previous growth rates in the medium term.

(iv) SARFAESI Act

The Indian government enacted and passed the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (**SARFAESI**), 2002, to regulate securitisation and reconstruction of financial assets and enforcement of Security Interest and for matters connected therewith. The Act enables the banks and financial institutions to realize long term assets, manage problems of liquidity, asset-liability mismatch and improve recovery by exercising powers to take possession of security, sell them and reduce Non Performing Loans (NPL) by adopting measures for recovery or reconstruction within the framework of the Act, the rules framed there under and the guidelines and notifications issued pursuant thereto, by the Reserve Bank of India (RBI). The Securitisation Companies (**SC**)/ Reconstruction Companies (**RC**) acquire NPAs from banks, financial institutions by raising funds from Qualified Institutional Buyers by issue of Security Receipts representing undivided interest in such financial assets. Like Banks and financial institutions, the Act also enables SC / RC to take possession of secured assets of the borrowers including right to transfer and realize the secured assets. The laws governing business activity in this sector have been stable, which is essential ingredient for future growth prospects. Services under the act include due diligence, documentation, application, auction, Debt Recovery Tribunal related services, custodian of assets taken into possession, arranging security against the assets, valuation services, preparing appraisal reports, monitoring sick units, CDR/BIFR cases and vetting OTS proposals.

(v) Insurance Sector in India

The market size of India's insurance sector is estimated at US\$ 70bn in FY 11. (Source: IBEF, 'Insurance-March 2013'). Since it was thrown open to private participation in 2000, the growth has multiplied. However, the public sector company, Life Insurance Corporation of India continues to dominate the sector, while controlling more than 60% of the market. Rising literacy, increasing per capita incomes and an increasingly young population are the major growth drivers and are all intact. Despite the growth in recent years, the prospects of future growth are as bright. The government is likely to allow greater foreign investment in insurance, which would act as another catalyst and propel growth in this sector.

(vi) Outlook and Growth Drivers

CARE Research expects credit off take to grow at 15% in FY 14 due to 1) sluggish economic activity, 2) stress among large corporate, 3) challenging business environment for medium/SME business units. The credit off take has grown at 16.1% during FY 13 as against 19.1% during FY 12. Mirroring the robust economic growth the banking sector displayed a strong performance on almost all parameters such as credit/deposit growth, margins, capital adequacy, asset quality and return ratios in the past. However, the ongoing weak global economic environment coupled with persisted elevated inflation and high interest rates scenario have impacted the domestic economy. Though the banking system has depicted stable performance in the past, weak macroeconomic fundamentals coupled with weak global outlook have impacted the performance of the banks in terms of asset quality (NPA and restructuring), NIM compressions, low business (credit/deposit) and capital adequacy level going forward.

The growth drivers of the industry; such as demand environment, increasing per capita income and access to credit may have taken a hit temporarily; however, with changing demographics and the economic growth indicators staying intact, the BFSI industry has an advantage in the long-term.

(vii) Regulatory changes

Banks in India are regulated through the prudential guidelines in respect of income recognition, asset classification, provisioning, exposure norms, minimum Capital Adequacy Ratio (CAR) requirements, and priority sector requirements, laid down by the RBI. It even provides them liquidity support. The short term external funding sources in the form of refinance facilities from RBI and the inter-bank borrowing limits available along with CRR and SLR investments are important sources of reserve liquidity. Till recently, the banks had been mandated to maintain a high 70% provisioning coverage by the RBI. Specific provisioning was also raised for non-performing and restructured assets by RBI in FY 12. RBI has issued draft guidelines for Basel III in the end of December 2011 on the lines of BIS requirements and the final guidelines on implementation of BASEL III on 2<sup>nd</sup> May 2012, to improve the quality of banks capital by prompting the banks to raise core equity capital. The need to migrate towards advanced approaches under Basel III is also a challenge that has loomed large in the Indian banking sector. On observing the measures taken by RBI in the past, it can be expected that any change in the regulations would be an effort to strengthen the asset quality and capital base of the banks from any possible weakness in the backdrop of the weakening macro-economic fundamentals.

The dependence of the economy on the banking system is high on account of the under developed corporate debt market thereby providing corporates with limited avenues to fund business growth. The entry of new entrants in the sector is also highly regulated on account of the rigorous control of RBI. Post issuances of licenses to private sector banks in 1990-91, RBI has not granted any new licenses except for one. RBI has been discussing about the issuance of licenses to private sector banks in last 2-3 years, however the final guidelines for the same are yet to be out. Under the draft guidelines, rigid conditions have been placed in respect of branch expansion and ownership structure for these banks, which is likely to prevent some of the prospective entrants from applying for the licenses.

The government is also likely to ensure legislative amendments to permit higher percentage of Foreign Direct Investment (FDI) in insurance. The World Trade Organization (WTO) is likely to include 'services' for negotiation during its next round of discussions; which could provide a significant boost to the Indian BFSI sector.

(viii) Consultancy Services in BFSI industry

Due to the many opportunities available in the BFSI domain, there are tremendous opportunities for the consulting sector. Activities like preparation of Detailed Project Report (DPR), conducting appraisal of any project on technical, economic and environmental parameters, restructuring of projects or companies on technical, financial or cost-benefit terms, Corporate Debt Restructuring (CDR), Loan Syndication, valuation of assets/business, Project Management Services (PMS) are all possible in the BFSI domain. Other services include formulation of entry strategies, carrying out cluster studies and management of product campaigns may be provided.

Indian PSU banks are expected to undertake an exercise in technological upgradation to keep pace and compete with their private sector peers. In such a situation, consulting services are required. Other services which can be provided by third-party entities include system audit, stock audit and due diligence.

N. Indian Health Care Industry

(i) Overview of domestic health care industry

Indian health care industry is going through a transition over the last few years. Globalization is impacting every possible sphere of human life and health care is not aloof from this. The number of new and modern health care facilities established in the last decade in the country is far more than the similar establishments even in the first fifty years after independence.

As per World Health Statistics, 2012 (published by WHO), global spending on health (including public and private expenditures) as a percentage of GDP has shown an upward trend (from 8.2% in CY00 to 9.4% in CY09). During the same period, India's spending on health (private + public) as a percentage of GDP has declined from 4.4% in CY00 to 4.2% in CY09. This rate of spending is lower than the selected emerging market countries average of 6% due to relatively lower proportion of health spending in total government expenditure (3.7% in CY09 v/s select emerging market average of 8.2%).

In order to bring health care spending at par with global levels, and to raise it to its own target the government has planned an outlay of nearly INR 3,000 bn for the sector in the XII<sup>th</sup> Five Year Plan. As per the Planning Commission's own estimates, of the allocated INR 1,400 bn to the health sector in the XI<sup>th</sup> plan, the government spent only INR 895.76 bn, (approx 64% of allocation). During the XII<sup>th</sup> plan, the government has allocated INR 373.30 bn for health in Budget 2013-14 (approx 12.5% of INR 3,000 bn planned spending over the entire five year period). Thus, CARE Research is cautious on the government meeting its own target for health spending. Private spending on health care has always been at higher levels in India. Though its contribution to total health expenditure has fallen in recent times, the fall has been marginal from 74% of total expenditure on health in CY00 to about 70% in CY09. It is still among the highest in the world.

(ii) Investments in Healthcare

Approximately INR 129 bn worth projects are at different stages of implementation across the country (*Source: Centre for Monitoring Indian Economy (CMIE)*). Since health is a state subject, most of the investment planned is by the state governments.

Government investment in new hospital projects		
Government	No of hospitals	INR (million)
Central Government	10	52,664.2
State Government	81	70,456.4
Local Government	7	6,160.0
<b>Total</b>	<b>98</b>	<b>1,29,280.6</b>

*Source: CMIE, CARE Research*

The government is expected to focus on primary health care delivery, and channelize its resources to build an infrastructure for the vulnerable and deserving sections of the society, even as it creates policy architecture to enable enhanced efficiency and affordability of healthcare services. This would encourage the private sector players to take advantage of the legislative framework and add capacity to meet the growing demand of quality secondary and tertiary health services. Further, the announcement of 15% allowance on investments in Plant & Machinery exceeding INR 1 bn (purchased between 1.4.13 and 31.3.15) is expected to incentivize the investments in hospitals business.

(iii) Outlook and Growth Drivers

CARE Research estimates the hospital industry, accounting for ~70 per cent of total healthcare market, to drive the growth of the health care industry by 10-12 per cent CAGR for the next five years. The growth drivers of Indian health care industry such as rise in per capita spending on healthcare, changing demography, transition in disease profiles, increase in health insurance penetration, and fast growing medical tourism market, are expected to spur the growth of the industry. However, the attractiveness of the sector has declined due to higher interest rates, resulting in delay of launched projects and postponement of announced expansions. Further, it has increased the payback period for projects which had been funded by debt.

(iv) Consultancy –the helping hand

With Globalization and rise in privatization, the health care organizations are facing increasing need of transforming their business in order to keep in pace with the global competition, industry pressure along with meeting the regulatory norms. Thus in order to enhance operational efficiencies, streamline internal processes, modernize business and develop customer intimacy, along with regulatory compliance the health care organization, today require services of professional consultants. These services may be for:

- (a) Designing, evaluation and examining feasibility to setting up of new or expansion of existing hospitals and/or health care centres.



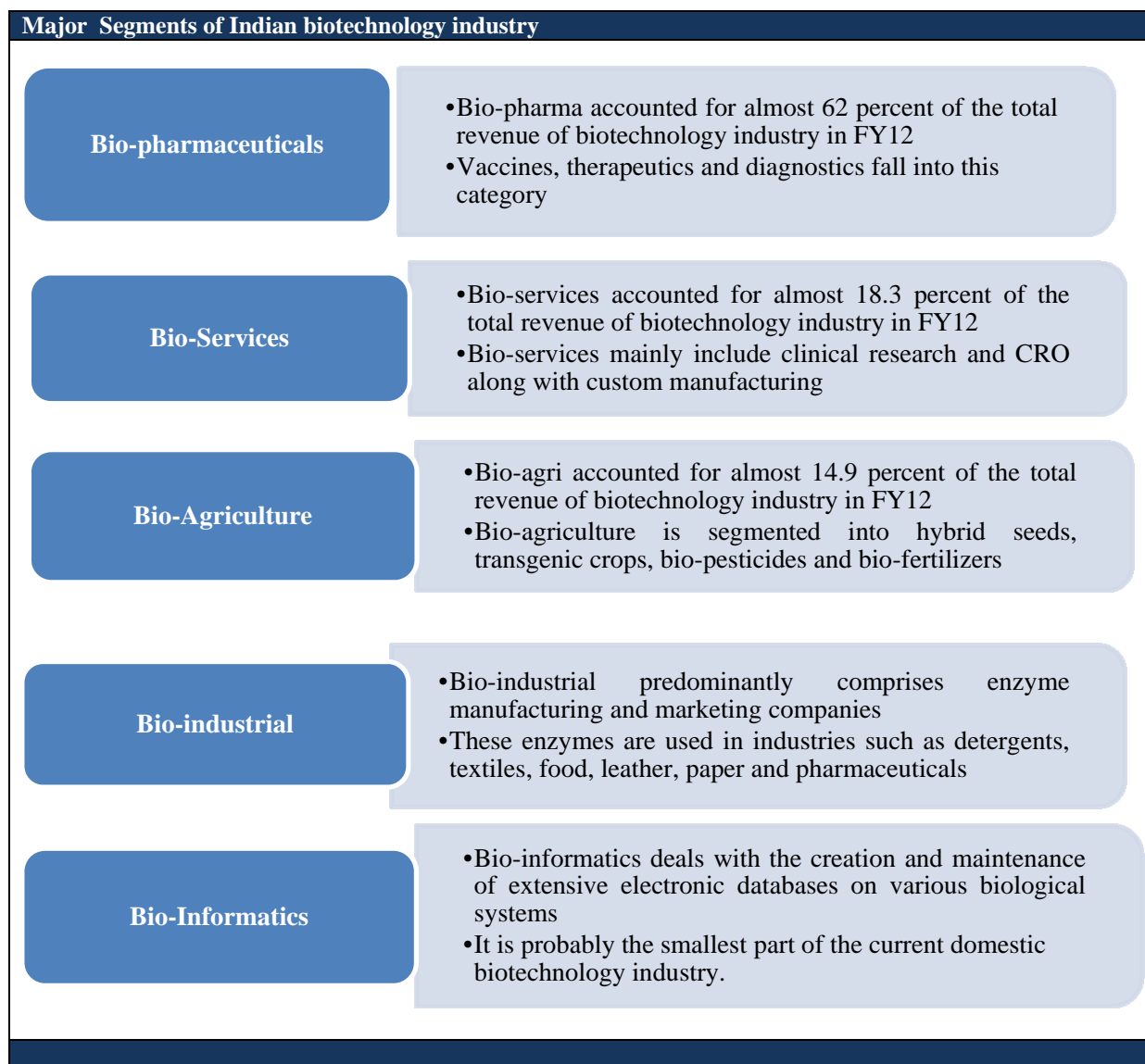
- (b) Preparation and strengthening the internal system for attaining high quality level so as to achieve ISO certification, accreditation from various national as well as international organizations.
- (c) Consultancy and assistance to both government & private organisations for public health programs from planning to execution as well as for post execution evaluation.
- (d) Services with regards to procurement of equipments.
- (e) Management services with regards to strategic planning, reorganizing, human resource management etc.

Thus, with health care industry expected to witness a healthy growth in years to come and with rise in complexity of business and also competitive pressure, CARE Research expects the importance of health care consultancy to increase and also believes that it would be one amongst the most rapidly growing segment of domestic consultancy industry.

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## O. Indian Biotechnology Industry

Biotechnology deals with the application of biological knowledge and techniques pertaining to molecular, cellular and genetic processes to develop significantly improved products and services. The impact of the biotechnology related developments in agriculture, health care, environment and industry, has already been visible and the efforts are now culminating into products and processes.



Source: Industry and CARE Research

Indian biotechnology industry is estimated to be US\$ 4.3 bn in FY 12 and is expected to grow to US\$ 11.6 bn by FY 17. Key drivers for this growth include growing demand, intensive R&D activities, rise in investments and strong Government initiatives.

### (i) Investments

According to data released by the Department of Industrial Policy and Promotion (DIPP), the drugs and pharmaceuticals sector has attracted foreign direct investment (FDI) worth INR 48,828.3 crore (US\$ 8.81 billion) between April 2000 and February 2013. Some of the major investments in the sector are as follows:

- (a) LifeCell International Private Limited has won funding of INR 35 crore (US\$ 6.31 million) from Helion Venture Partners. The investment will be used to increase LifeCell's market awareness and penetration in the country, said Mr. Mayur Abhaya, CEO and MD, LifeCell.
- (b) Biocon has entered into an agreement with Mylan for the global development and commercialisation of Biocon's generic insulin analog products (long lasting insulins), which has a global addressable market of US\$ 11.5 billion.
- (c) Biomax Fuels has formed a 50:50 joint venture (JV) with the Jeddah-based Middle East Environment Protection Co to set up the first bio-fuel plant in Saudi Arabia.
- (d) Eli Lilly and Strides Arcolab have inked a pact to increase delivery of cancer medicines in emerging markets. Agila Specialties, the specialties division of Strides Arcolab, will make cancer medicines and Eli Lilly will market them in emerging geographies.

(ii) Government Initiatives

The Government of India has announced a plan to set up a US\$ 2.2 billion venture fund for supporting drug discovery and research infrastructure development projects. The Government funding is crucial for the biotech industry as they have limited access to other sources of funding.

- (a) FDI up to 100 per cent is permitted through the automatic route for manufacturers of drugs and pharmaceuticals.
- (b) The Indian Government's increased focus on the country's biotechnology industry has enabled it to grow at a compounded annual growth rate (**CAGR**) of approximately 20 per cent over the past decade.
- (c) As per National Biotechnology Development Strategy (**NBDS**), a proposal has been made to set up National Biotechnology Regulatory Authority (**NBRA**) to provide a single-window clearance mechanism for all bio-safety clearances of products to create efficiencies and streamline the drug approval process.

Some of initiatives taken by the Government to further promote the sector are as under:

- (a) Karnataka Biotechnology and Information Technology Services (**KBITS**) has signed two MoUs with Scottish Development International (SDI) and Georgia Department of Economic Development at Bangalore India Bio.
- (b) 100 per cent foreign equity investment is possible in manufacturing of all drugs except recombinant DNA products and cell targeted therapies.
- (c) Single window processing mechanism for all biotech projects involving FDI.
- (d) Depreciation allowance on plant and machinery has been raised to 40 per cent from 25 per cent.
- (e) Customs duty exemption on goods imported in certain cases for R&D.
- (f) Customs and excise duty exemption to recognised Scientific & Industrial Research Organisations (**SIRO**).
- (g) 3 years excise duty waiver on patented products.

(iii) Consultancy Services in Bio-Tech

India provides cost advantages in drug discovery and development and will sustain its competitiveness as compared to other high-cost locations. The industry also suffers from few drawbacks such as missing link between research and commercialization and doubts about the ability of Indian products to meet International standards of quality.

In order to cope up with these setbacks the industry has now realised the need for biotech consultancy services in various operational areas such technology evaluation and application, identification of nutritional bioavailability and value proportion, creating awareness for biotechnology and conducting consumer interaction thus creating commercial value. In order to help biotech emerge as a growing industry not only domestically but also globally the need for professional consultancy for complete value chain (i.e. management as well as operational) is gradually set to rise.

P. **Indian Pharmaceutical Industry**

(i) **Overview of domestic pharmaceutical industry**

The Indian Pharmaceutical Industry (IPI) includes segments like formulations, bulk drugs/ Active Pharmaceutical Ingredients (APIs) and contract research and manufacturing services (CRAMS). The Planning Commission's Working Group for the 12<sup>th</sup> Five Year Plan, estimates the IPI to be the 3<sup>rd</sup> largest in terms of volume and 14<sup>th</sup> largest in terms of value, thereby accounting for ~10% of the global pharma market by volume. It is believed that the Indian market has lower market share in terms of value due to the lower prices of the medicines sold in the country. The industry also produces bulk drugs and almost entire range of formulations belonging to all the major therapeutic segments. India has an advantage in terms of low cost of production and availability of skilled manpower, backed by expertise in process development.

CARE Research estimates the total market size of IPI at ~INR 1,233.47 bn as on FY 12, which includes the domestic consumption market (contributing 48.6%) and the exports market (contributing 51.4%). Due to increase in prevalence of lifestyle-related diseases, healthcare infrastructure development, technology and product base, the domestic market of pharmaceuticals has increased in recent times.

India exports pharmaceutical products to most countries with US continuing to remain the single largest exports market among all countries, being the world's largest generic drug market. Exports to US accounted for ~26% in FY 13 of the total drugs and pharmaceuticals exported by India.

(ii) **Outlook**

CARE Research expects the domestic market is expected to grow at a CAGR of 12.7% over the next five years. Exports market have registered significant CAGR growth of ~18.7% in the past five years ending FY 12, on the back of increasing demand for generics due to patent expiries of the branded drugs and growing trend in the outsourcing of pharmaceutical production by the global pharma companies.

(iii) **Regulatory scenario**

The IPI is mainly regulated in terms of patents, price and quality of products domestically. Process patent regime was prevalent in India till 2004. As a result, Indian pharmaceuticals companies developed significant expertise in reverse engineering of the drug molecules developed by innovator companies and introduced them in India at a significantly lower price. Later, India adopted the WTO norms in Jan 2005 to follow the product patent regime which allowed only two types of generic drugs to be sold in India – off-patent generics and generic versions of drugs patented before 1995. Also, a new patent holder now gets monopoly period of 20 years during which generic version of the drug cannot be sold. The Drugs and Cosmetic Act regulates the import, manufacture, distribution and sale of drugs in India. In order to moderate drug prices, the Department of Pharmaceuticals has notified the 'Drug Price Control Order' (DPCO), 2013; bringing 348 drugs, covering 600 formulations under control with effect from May 2013. As per DPCO, manufacturers have 45 days to clear the old stock. Pricing will be capped on the basis of simple average method of market prices of brands having more than 1% of market share instead of input costs.

(iv) **Consultancy services in Pharma Industry**

With increasing stress being laid by regulators on pharmaceutical companies to comply with current Good Manufacturing Practices (cGMP), many players are depending on consultants to streamline their practices with industry standards. Third party services such as systems design and audit (internal and external) have become important. This is mainly due to strict actions from regulators abroad in case of any non-compliance. Apart from

this, documentation and preparation of submissions in case of filings with regulators are other business consulting services sought by pharmaceutical manufacturers. Apart from this, companies rely on external entities also advise on Standard Operating Procedure (SOP) development, writing and compliance.

## **Q. Indian Food Processing Industry**

### **(i) Overview of Indian Food Processing Industry**

The Indian Food Processing Industry (FPI) has witnessed spectacular growth; driven by increasing urbanization, rising personal disposable income, rapidly evolving demographic profile, changing lifestyles and food consumption patterns and emergence of organized food retail. According to the FY 13 Annual Report of the Union Ministry of Food Processing Industries, the food processing sector contributes 9-10% to the GDP in the agriculture and manufacturing sector and has witnessed average annual growth rate of 6% for the five year period FY 07-11. As per Annual Survey of Industries (ASI) quoted in the Ministry's Annual Report, capital invested in the sector stood at ~INR 2.5 lac crores. It has grown at an average annual growth rate of ~22%. FPI has received US\$ 1.6bn in FDI since FY 01-13, accounting for 0.94% of total FDI flows in to India (*Source: Fact sheet on FDI, Dept of Industrial Policy and Promotion*).

India has a competitive advantage in the food processing sector, due to its diverse agro-climatic conditions, and wide-ranging and large raw material base suitable for FPI. Availability of many natural resources is also helpful and aids the industry in many ways. India is naturally endowed with fertile arable land area, irrigation facilities in main crop-growing areas and good rainfall in monsoons. It has developed irrigation infrastructure in food producing areas. It is one of the largest producers of milk, pulses, sugarcane, tea, wheat, rice, fruits & vegetables, etc in the world. In addition, India's comparatively cheaper workforce can be effectively utilized to set up large low cost production bases for domestic and export markets.

The FPI is extremely fragmented and unorganized. Due to this, the players neither enjoy economies of scale nor invest in creating high capacity. In addition, elevated level of inventories (particularly in case of seasonal products) and low government regulation with respect to entry, have led to a proliferation of new players. For the organized and established players who have made the necessary investments in building an effective distribution network and supply chain, superior processing technology and brand building & marketing, are reaping the benefits by increasing their market share in comparison with the unorganized players. However, these incremental business investments may be an entry barrier for new players.

The industry is highly competitive due to many unorganized domestic players and presence of large multinationals who have adopted various strategies to maintain and increase their market share in India. These include competitive pricing, aggressive advertisement campaign, celebrity endorsements, etc.

### **(ii) Challenges for the sector**

Food processing industry has been facing constraints like non-availability of adequate critical infrastructure facilities, lack of adequate quality control and testing infrastructure, inefficient supply chain, seasonality of raw-material, high inventory carrying cost, high packaging cost, affordability and cultural preference for fresh food. However, in recent times, inflation and price volatility of raw-materials (which is the major cost component) coupled with labour and working capital intensive nature of the industry negatively impacts the profitability of industry players.

### **(iii) Government initiatives**

The Indian FPI holds considerable significance for the national economy because of the linkages and synergies that it promotes between the two key sectors of the economy, i.e., primary sector (agriculture) and secondary sector (manufacturing). In order to further boost the food processing industry, the government is expected to allocate INR 15,000 crores for the sector over the course of the entire 12<sup>th</sup> Five Year Plan (*Source: Draft of Working Group on Food Processing Industries, Planning Commission*).

The government has taken several initiatives to promote the food processing industry in India in the form of 1) developing agri-zone and mega parks, 2) providing easy access to capital, 3) inviting foreign direct investment by allowing full repatriation of profit/capital and automatic approval for foreign investment up to 100%, 4) favourable tax policy and others. The government has incentivized the industry by providing financial assistance for setting up agri-zone parks and modernizing food processing units, creation of infrastructure and providing support for research and development. It has also launched a three-pronged programme to boost the infrastructure in the sector which covers mega food parks; cold chain, value addition and preservation infrastructure; and modernisation of abattoirs. Under the programme, the government has envisaged 30 mega food parks. There is a cold storage capacity gap of ~38 million metric tonnes identified to be bridged under this programme. The government has approved the creation of 20 new abattoirs until FY 11. (Source: *Annual Report of the Union Ministry of Food Processing Industries, FY 13*)

The focus has mainly been on commercialization & value-addition to agricultural produce, minimizing pre/post harvest wastage, generating employment and export growth in this sector through a number of regulatory and fiscal incentives. The MoFPI (Ministry of Food Processing & Industry) targets to raise the level of processing of perishables and enhance India's share in global food trade. This is because majority of the population depends upon agricultural and allied activities for livelihood.

(iv) Consultancy Services in Indian FPI

The thrust being provided to this industry by the government opens up many opportunities for new businesses. Thus, the scope for providing consultancy services by way of project management and its related aspects; market intelligence and research for new products; due diligence for any business activity related to the sector and providing business solutions for the industry players is likely to expand in times to come. Intensifying competition may create demand for management consulting for brownfield expansion, and better product management services.

With further relaxations of rules likely, especially to bring in more foreign investments, the scope for Indian consulting businesses well-versed in the Indian FPI may widen in the future. As MNCs seek to penetrate into and establish their presence in India, demand for third-party services such as demand forecasting, data management, market research & study, product engineering and providing management and strategic consulting will steadily increase.

R. Indian Textile Industry

(i) Overview of Indian Cotton Textile Industry

The Indian Cotton Textile sector plays a significant role in the economy of India. The overall textile industry contributes approximately 4 per cent to the country's Gross Domestic Product (GDP) and 17 per cent to the total exports. The textile industry in India is skewed towards cotton. It has come of age and is gaining acknowledgment on the world platform with excellent textiles manufacturing base and easy availability of raw material. India is self-sufficient in cotton, being the second largest producer in the world. This provides India a competitive edge worldwide in terms of the cost of the raw material.

With the substantial economic growth India enjoyed over the past decade, Indian cotton consumption grew at a CAGR of 4.2 per cent (FY 02-FY 12). While impressive, this growth has been outpaced by the production registering a CAGR of 10.9 per cent (CS03-CS12) resulting from improved yields (especially due to the adoption of *Bacillus thuringiensis* (Bt Cotton)). India has thus enjoyed a surplus production over consumption since 2003-04 and has emerged as one of the world's top exporters of raw cotton. (Source: *CMIE*)

The Indian textile industry is bifurcated into two segments. The "organized" sector (large-scale spinning units and composite mills) produces 95 per cent of the yarn. The organized sector weaving mills account for 5 per cent of cloth production. The "unorganized" sector, (small-scale spinning units, power looms, handlooms, hosiery units) account for the rest of the production. The weaving industry is mainly characterized by the unorganized sector, with power looms accounting for 60 per cent, handlooms for 18 per cent and hosiery units for 17 per cent of the total cloth production.

The demand for cotton yarn can be divided into three segments – domestic demand, derived demand and direct yarn exports. The domestic demand is primarily supported by the higher consumption of readymade garments and home textiles due to the rising income levels, growing organized retail segment and rising consumer class. However, the cotton industry is facing high substitution risk. Cotton has been losing its share to polyester.

The government has announced various schemes to encourage the investments in the textile industry. The key schemes announced by the government are National Textile Policy (NTP), Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS), Export Promotion Capital Goods (EPCG), Duty Entitlement Pass Book (DEPB) Scheme, etc. These schemes have been favourable for the cotton industry. The government also announced the Cotton Technology Mission in February 2000, with four Mini Missions for achieving objectives like - improve the quality of cotton, increase per hectare productivity, increase the income of cotton growers by reducing the cost of cultivation, improve the processing facilities, etc.

(ii) Brief on Domestic Cotton Yarn Industry

Indian textile industry is dominated by cotton as it is the second-largest producer of cotton in the world, only after China and USA. The yarn industry in India can be divided into following broad segments depending on the kind of fibre used in making the yarn.

- (a) 100 per cent cotton yarn (this yarn is made up completely from cotton fibre)
- (b) Blended yarn (this kind of yarn is made by mixing cotton with some other fibres – polyester, silk, viscose, jute etc in some proportion)
- (c) 100 per cent non-cotton yarn (this yarn does not use cotton fibre at all)
- (d) Filament Yarn (the yarn made directly)

For the past several years, 100 per cent cotton yarn has alone accounted for approximately 50-55 per cent of the total yarn production in India. The remaining 45 per cent is attributed by blended yarn, filament yarn and 100 per cent non-cotton yarn. Therefore, approximately 55-60 per cent of the yarn produced in India is cotton-based, either partially or completely.

The cotton yarn production has grown at a CAGR of 4.4 per cent over the period 2000-01 and 2010-11. (Source: CMIE)

(iii) Outlook on Cotton Textile Industry

The world cotton production is likely to decline in Marketing Year (MY i.e. August-July) 2012-13 by 8.2% due to a 5.4% reduction expected in the area under cotton cultivation which is on the back of shifting of farmers to better paying crops like soybean, groundnut etc. Approximately 70-73% of the area under cotton cultivation across the world is contributed by the top five cotton-producing countries – China, India, United States, Pakistan and Brazil, India's contribution being 34%. The world cotton consumption is likely to grow by 3.5% during the MY 2012-13. China is expected to lose its share in the overall cotton consumption pie by 2.2% in 2012-13, but it would still remain far ahead of the other cotton consuming nations. India has gained a share of about 3% over the last five years, owing to the strong domestic demand, which is expected to remain almost same in 2012-13.

CARE Research expects the cotton yarn production in India to grow at a CAGR of 5.6%. Also, the rising demand for cotton yarn from China and the easing commodity prices in the world market is likely to help the domestic cotton yarn industry see a revival 2012-13 onwards. CARE Research expects the cotton yarn demand to grow at a CAGR of 5.2%. The demand is likely to be driven by the recovery in consumption from the user industries, both domestically and globally. Also, the rising demand for cotton yarn from the key export destinations like China, Bangladesh and Korea is likely to provide impetus to the cotton yarn industry.

- (a) Domestic apparel industry to drive demand for cotton yarn

CARE Research forecasts the domestic apparel industry in India to grow at a CAGR of 8.8% from INR1,876 billion in FY 11 to INR2,864 billion in FY 16. The growth would primarily be driven by the growth in the Indian economy leading to the rise in disposable income and increased usage of plastic money leading to impulsive buying among the Indian consumers. Also, the increasing percentage of the youth in the Indian economy and the rising mall culture would continue to drive growth of the apparel industry. Plethora of international and home-grown premium and super-premium brands has led to a sharp increase in the per unit realization which is expected drive the market size of the Indian apparel industry.

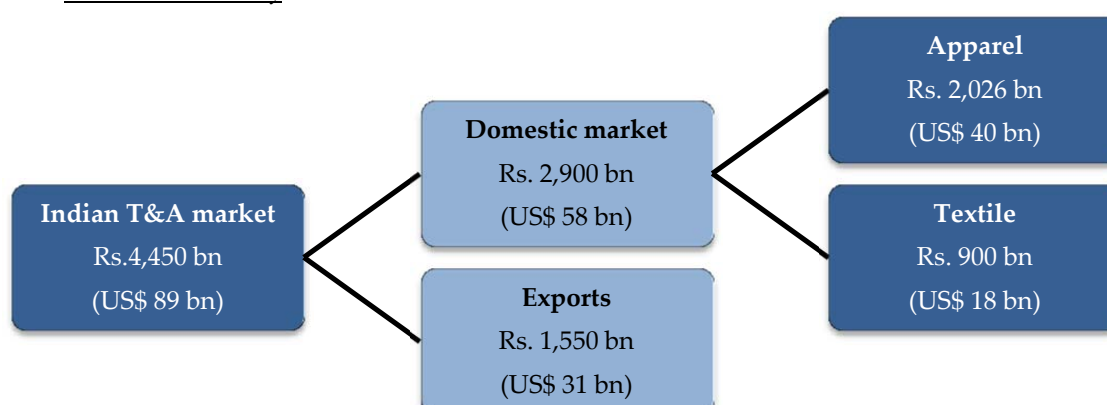
CARE Research foresees the Indian apparel exports to the world to grow at a CAGR of 5% from INR 511 billion in FY 11 to INR 652 billion in FY 16.

Cotton yarn exports reported a healthy growth during the period 2010-11 and period 2011-12 due to the bumper cotton leading to huge exportable surplus. Going forward, CARE Research expects the cotton production to reach moderate levels and the domestic demand to grow, thereby preventing the spinners from exporting.

(iv) Indian Textile and Apparel (T&A) Industry Overview

The Indian T&A industry (domestic + exports) is estimated to be worth INR 4,450 bn in FY 12. It has witnessed a robust growth over the last two decades, especially in the period after the abolition of the Quota regime (January 1, 2005) leading to free textile trade across nations. India is positioned as a key manufacturing destination with inexpensive labour, abundant cotton supplies and healthy designing skills. Approximately 65 per cent of the total T&A production is consumed domestically. India's domestic textiles and apparel consumption is estimated at about INR 2,900bn, of which apparels account for approximately 69 per cent.

(v) Indian T&A Industry



Source: CARE Research, Office of Textile Commissioner, Note: Exchange Rate: 1 US\$ = INR 50

T&A is one of the largest and the most important sectors for the Indian economy in terms of output, foreign exchange earnings and employment. It contributes approximately 14 per cent to India's industrial production, 4 per cent to the country's gross domestic product (GDP) and 11 per cent to the country's export earnings. It provides direct employment to over 45 million people and is the second largest provider of employment after agriculture. Thus the development of this sector has an overall impact on the economy. Indian T&A contributes approximately 4 per cent in the global T&A market. The textile industry being an industry with economic importance has always been able to attract the concern of the government. Therefore, the government has introduced policies like TUFs, SITP, low excise duty, high import duty (to discourage imports) and NTP for the development of the textile sector. The decentralized power looms and knitting sector forms the largest section of the textile sector. The major sub-sectors that comprise the textile sector include the organized cotton/manmade fiber textile mill industry, the manmade fiber/filament yarn industry, the wool & woollen textile industry, the sericulture and silk textiles industry, handlooms, the jute & jute textiles industry and textiles exports.

A growing economy, rising disposable income and the growing aspirations of Indian consumers is expected to drive growth in the Indian T&A industry.



(vi) *Outlook on Indian Apparel Industry*

The domestic apparel industry in India grew at a CAGR of 10% over FY 07-12 period. However, on account of overall slowdown in economy in FY 12, the industry witnessed a lower growth of 8% on a YoY basis in FY 12. The industry is estimated to grow at a lower rate of 4-5% on a YoY basis in FY 13. CARE Research expects impact of recent slowdown to persist and demand to recover gradually.

CARE Research estimates the domestic apparel industry to grow at a CAGR of about 8% by FY 16. The growth would primarily be driven by the factors like rise in disposable income, increased usage of plastic money leading to impulsive buying among the Indian consumers. As per CMIE, the per capita disposable income grew at a CAGR of 15% in the period FY 07-12 and is expected to grow by similar rate over the next few years thereby supporting the demand growth of apparels.

(a) *Entry of new brands, policy reforms and revival in economy to support recovery of apparel demand in FY 14*

The domestic apparel industry is expected to grow by about 8% in FY 14. Various measures/means which are expected to aid in recovery in apparel demand in FY 14 include:

- Resumption of Zero excise duty on readymade garments and made ups in the union budget 2013-14,
- Revival expected in the overall economy in FY 14 to help pick up the demand for apparels,
- Faster clearance of investment proposal of foreign retail brands, International apparel brands such as Top Shop, Inditex Group, Uniqlo, Gap, H&M, are looking to expand presence in India. In February, 2013, investment proposals of foreign retailers Promod, a French fashion brand, and sports giant Decathlon got approved. Promod is entering the Indian apparel market through a joint venture while Decathlon has planned investment worth INR 7 bn.

CARE Research estimates the Indian apparel exports to grow at a CAGR of 9 by FY 16. The growth would primarily be driven by the increasing shift of the apparel industry from the developed western nations (traditional exporting destinations) to the other non-traditional markets. With the growing concern over the rising production cost in China, India stands a good opportunity to increase its share in the global apparel market. Abundant raw material availability, a well-integrated textile industry and good designing skills are the key attributes, which if utilised in an efficient way, can help India to consolidate and grow its position in the global apparel market.

Currently, India's exports are mainly directed to the traditional markets – US and EU and now, with these regions turning into matured markets, the growth in apparel imports is expected to slow down. Also, with the hovering concern over the economic condition in these regions, India needs to look at the other potential markets for apparel exports. Indian exporters are promoting their apparels by participating in trade shows and also by holding road shows in new markets like Latin America, Russia, Japan, Israel and South Africa.

(b) *Focus on technology & government support*

Improvement in productivity is the need of the hour for the Indian apparel industry. Therefore, to increase the productivity, the apparel manufacturer needs to install technologically upgraded machines, so as to make the process automated and more efficient. Adoption of latest technologies would help them improve productivity as well as reduce human effort, thereby bringing down the labour costs. The interest cost in India is high compared to the other Asian countries. The repo rate in India currently stands at 7.25 per cent, whereas for, China, Indonesia and Bangladesh it is in the range of 3-7 per cent. Therefore, to remain competitive in the global markets, manufacturers will have to invest in the technology and the government shall have to work on speedy disbursements under TUFS.

(c) *Apparel manufacturers should aim at shorter delivery lead times*

The apparel industry in India is plagued with a high degree of fragmentation with a handful of fully- integrated players. This coupled with the infrastructure bottlenecks, leads to longer lead times. An order in India takes approximately 45-60 days to execute from procurement-fabrication-delivery, as against a global average of 30-35 days. Therefore, to remain competitive in the global apparel market, Indian manufacturers need to streamline the

procurement-production-delivery process. For this, the government also needs improve the related infrastructure which lags far behind the other countries like China. The key areas requiring immediate attention are adequate road connectivity, port facilities and faster clearances.

(vii) Consultancy Services in Textile Industry

Textiles is one of the largest industries in India fragmented across its value chain. Though India is one of the lowest cost producers in textile, there are lot of inefficiencies in the system right from manufacturing process to marketing of products. Consultants play a pivotal role in providing consultancy in areas like:

(a) *Sourcing and Marketing related*

Sourcing of raw material domestically as well internationally, assistance in marketing the Indian textile products in the international markets and exploring new markets

(b) *Operations related*

Process Improvement, curbing downtime, cost reduction, waste reduction and training of staff

(c) *Project related*

Feasibility studies, Preparation of Project reports, Project appraisal, Turn-key project implementation, cost-benefit analysis for setting up new plants in newer geographies

(d) *Funding related*

Optimal utilization of sources of funding, M&A, currency hedging

(e) *Government/Regulatory*

Consultancy for availing various government incentives and schemes like National Textile Policy (NTP), Scheme for Integrated Textile Parks (SITP), Technology Upgradation Fund Scheme (TUFS), Export Promotion Capital Goods (EPCG), Duty Entitlement Pass Book (DEPB) Scheme; compliance to regulations; audits etc.

S. **Vocational Training**

(i) Vocational Training in India

Vocational Education refers to the skill / training imparted to the individual to undertake specific vocation / job. The uniqueness of this training / learning programme lies in the fact that such training can be provided to the students having already completed their higher education or are on the verge of completing their formal education to enable them to be industry-ready as well as to the drop-outs from the formal education system. In India, the spread of vocational education remains limited amongst the educated youth with only 2% of the India's youth and 7% of the whole working age population having received vocational education as per the survey conducted by National Sample Survey Organization (NSSO).

(ii) Drivers Facilitating Vocational Education

With the Indian services sector accounting for the highest i.e. 58.9% of the India's GDP during FY 12 as against the combined share of agriculture & industrial activities at 41% of the country's GDP, the need for skilled / industry-ready people is being increasingly felt in the Indian context. Correspondingly, the scope of vocational training in the Indian context has expanded from IT / ITES training to the realms of Finance, Hospitality, Retail, Aviation, Personality Development etc. Furthermore, the low enrolment rates in the secondary education and higher drop-outs from the higher education system resulting in only 14.7% of the eligible college-going population actually receiving formal education requires the training of sizable Indian population.

In terms of students' registration for vocational education by the type of institutes, the NSSO survey reveals that the share of private unaided institutes remains the highest at 47.3% while the share of government & local body stood at 34.3% on all-India basis.

<b>Vocational Education – Institution-wise registration (%)</b>									
	<b>Rural</b>			<b>Urban</b>			<b>All India</b>		
	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>	<b>Male</b>	<b>Female</b>	<b>Total</b>
Government & local body	20.3	39.6	33.8	29.3	38.9	35.1	24.1	39.4	<b>34.3</b>
Private aided	14.8	9.5	11.0	34.2	21.5	26.5	23.0	13.4	<b>16.6</b>
Private unaided	61.4	50.2	53.5	34.9	36.9	36.1	50.2	45.8	<b>47.3</b>

Source: NSSO - NSS 64th Round and CARE Research

(iii) Human resource Requirement

With the Indian economy growing, the need for work force is estimated to increase considerably. It is estimated that India would approximately require 250.2 million skilled workers by 2022.



Source: NSDC and CARE Research

(iv) Governments incentivizing vocational education

In view of the training requirements of the Indian workforce, the Government of India (GoI) has launched several initiatives as mentioned below:

(a) Institutional arrangement

The GoI has set up a three-tier institutional structure consisting of:

- Prime Minister's National Council on Skill Development
- National Skill Development Co-ordination Board

- National Skill Development Corporation (NSDC)

The set-up consisting of ministers of various portfolios such as Human Resource Development, Finance, Heavy Industry, Rural Development, Housing and Urban Poverty Alleviation, Labour and Employment including the Prime Minister is responsible for identification of skill development needs of the populace, preparation of a sector skill development plan and ensure effective execution through trainers.

- (b) *Upgradation of Government Industrial Training Institutes (ITIs)* - The GoI decided to modernise / upgrade 1,896 ITIs existing as on January 1, 2007. The modernisation plan included the introduction of 21 new courses in production & manufacturing, communication, electronics & electrical, information technology, automobiles, hospitality etc.
- (c) *Skill Development Initiative* – The scheme was initiated in FY 08 with an objective to train 1 million people in short-term modular courses spread over a 5-year period and 1 million people every year thereafter. The initiative entailed an initial cost of INR 550 crore with courses covering 49 sectors.
- (d) *Government expenditure on Vocational Education*

In view of the growing requirement of workforce in India, the budgetary allocation towards vocational education in India aggregated INR 2.51 crore during FY 12. The allocation towards vocational education in India during FY 13 aggregated INR 22 crore, increasing by 8.8 times on y-o-y basis.

In the Union Budget 2012-13, government provided a budgetary allocation of INR 1,000 crore for National Skill Development Fund. Service tax on approved vocational education was also exempted.

(in INR Crore)

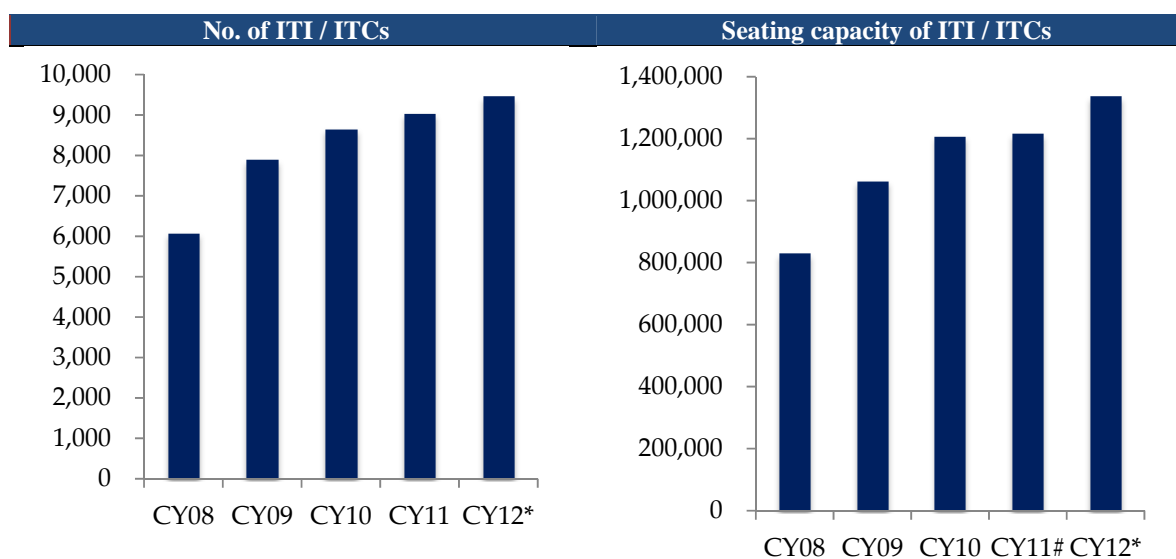
<b>Vocational Education-Budgetary Allocation</b>				
	<b>FY 12 (RE)</b>		<b>FY 13 (BE)</b>	
	<b>Non-Plan</b>	<b>Plan</b>	<b>Non-Plan</b>	<b>Plan</b>
Vocationalisation of education	-	2	-	22
Sub-Total	-	2	-	22
Grand Total	2		22	
RE-Revised Estimates				
BE-Budgeted Estimates				

Source: Union Budget – GoI and CARE Research

- (v) *Growing number of ITIs/ITCs*

The number of Industrial Training Institutes (ITIs) & Industrial Training Centres (ITCs) in India has grown from 6,079 during CY08 to 9,447 during CY12 at a CAGR of 11.6% during the said period. Correspondingly, the seating capacity in the said institutes has grown from 8,29,377 during CY08 to 13,35,488 during the first two months of CY12 at a CAGR of 12.6% during the said period.

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# Figure as on November 30, 2010

\*Figure as on February 24, 2012

Source: Indiastats, Ministry of Labour – AR and CARE Research

Government Institutions & training capacity			
Ministry / Department / Organisation	No. of Institutions	Current training capacity p.a. (nos. in lacs)	Trained persons by 2022 (in lac)
National Skill Development Corporation	-	-	1,500
Labour & Employment	33,000	12	1,000
Tourism	38	0.17	50
Textiles	277	0.15	100
Transport	1	0.02	300
Tribal Affairs	63	0.06	-
Rural Development (RUDSETI) and IL&FS	156	5.48	200
Women & Child Welfare	68	17.50	100
Agriculture	72	19.81	200
HRD Higher Education	10,000 Vocational schools	19.60	500
HRD Vocational Education	Engineering colleges – 2,297 Polytechnics – 1,675	14.00	
Department of Heavy Industries	*	*	100
Urban Development	34	0.013	150
Department of Information Technology	1,000 affiliated centres + 7 CDAC	1.37	100
Food Processing Industries	34	0.1	50
Construction Industry Development Council (under Planning Commission)	147	4.64	200
Health & Family Welfare	3,802	1.35	100
Micro Small Medium Enterprise	356	2.92	150
Social Justice & Empowerment	Through NGOs & others	-	50

Overseas Indian Affairs	In partnership with MSME / State govt./ CII / NGO etc.	0.13	50
Finance – Insurance / Banking	*	*	100
Consumer Affairs	*	*	100
Chemicals & Fertilisers	6	0.19	50
Others – Power, petroleum etc.	N.A.	N.A.	150
<b>TOTAL</b>		<b>99.46</b>	<b>5,300</b>

\* At present these Ministries are not directly involved in pre-employment training activities Source: National Skill Development Commission – GoI

(vi) Private participation in Vocational education

Owing to the limited reach of the government across the country and the ever-growing industry demand for specialized education, the private institutes offering vocational training have been on the rise in the country. Apart from IT training, these institutes have diversified into industries such as Retail, BFSI, Aviation, Hospitality, BPO etc. The institutes also provide customized training solutions based on the need of the corporate.

Private companies / Institutes in Vocational Training		
Company / Institute	Profile	Courses offered
NIIT	Leading global talent development company offering learning / training solutions to Individuals, Enterprises and institutions across 40 countries	Banking & Financial Services Training (BFSI), IT Training, English & Soft skills training, integrated learning solutions (including strategic consulting, learning design, content development, delivery, technology, assessment and learning management) etc.
Aptech	Global retail & corporate training solutions provider headquartered in Mumbai with presence across five continents. The company has trained over 6.5 million students	IT and Animation training, Corporate training solutions etc.
Frankfinn	Leaders in aviation training with the state-of-the-art centres spread across 95 cities besides international operations/presence in Dubai, Mauritius & Hong Kong. The only institute/academy in India having exclusive worldwide tie-up with ICM (UK) accredited for all of the Frankfinn courses	Curriculum designed for industries such as aviation, hospitality, travel management, customer service etc.
Jetking	Hardware and Networking training institute with presence across India. The institute has academic collaborations with Microsoft, CompTIA, Redhat-Linux, HeathKit, Novell and Prometric to provide training of international standards	Training non-technical students into IT professionals for roles compatible to industries such as IT, BPO, Retail, Manufacturing etc. Training also provided for personality development, English speaking etc.
ICA	ISO 9001 certified institute headquartered at Kolkata, currently operates over 450 centres with three zonal offices and over 30 placement offices across India. The institute has experience of having trained over 2 lac + students	IT (Hardware & Networking), Accounts & Finance, Financial Markets (Stock market) etc.
Veta	Asia's premier academy for teaching spoken English with 250 centres located across India and an international office in Singapore. Trained over 2.2 million people speak English	Spoken English training, Personality Development programmes, Customised corporate training programmes etc.

RUSSELL'S Spoken English	ISO certified company, headquartered at Hyderabad. Pan-India presence with centers at Andhra Pradesh, Maharashtra, Punjab, Rajasthan, Madhya Pradesh and Jharkhand. Trained over 10,00,000 students.	Spoken English & Communication skills, Call Centre Training, Personality Development training, Corporate training programmes etc.
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*Source: Websites of respective companies / institutes and CARE Research*

(vii) Future Prospects

CARE Research expects the vocational education segment to grow in the Indian context in view of the existent gap between the educational knowledge acquired at school and colleges and the practical knowledge of the subject matter required at work. Also, with the vocational education curriculum designed with respect to the requirement of the specific industry such as retail, textile & clothing, hospitality etc., the scope of employability for the student increases. In addition, the training on soft skills / personality development imparted by the employer to the new-recruit employees in association with the vocational training institutes is further expected to fuel the growth of these institutes.

(a) Future Targets by Government of India

- 1,500 new ITIs and 5,000 skill development centres are proposed to be set up in Public Private Partnership (PPP) over the next three years
- The country's Employment Exchanges are proposed to be taken up for modernization through PPP mode involving a cost of about INR 2,167 crore over the next three years
- The Apprentices Act, 1961 to be revisited to improve the quality and quantity of apprentices under the Apprenticeship Training Scheme
- Initiating process for setting up of the Sector Skills Councils

## OUR BUSINESS

We are an ISO 9001:2008 certified company, having an experience of over three decades in providing consultancy and engineering services. We are headquartered at Pune and have presence across the country through our regional offices at Mumbai, New Delhi, Ahmedabad, Chennai, Bangalore and Nagpur. We have provided our services to clientele such as GSPC Pipavav Power Company Limited, Ajanta Pharma Limited, VRL Logistics Limited, Sterling Biotech Limited, Naine Minerals & Resources Pte. Limited, Kisan Veer Satara Sahakari Sakhar Karkhana Limited, Shri Vile Parle Kelavani Mandal, D. J. Malpani, Giriraj Enterprises, Mahalaxmi TMT Private Limited, Adlabs Entertainment Limited, HPCL Biofuels Limited, PMT Machines Limited, Kalika Steels Alloys Private Limited and Maharashtra State Police Wireless. Our shareholders include private sector banks, nationalized banks, financial institutions and state government development corporations. Our key shareholders include ICICI Bank Limited, SIDBI, IFCI Limited and SICOM Limited, among others. For further details, please refer to the section “*Capital Structure*” on page 25 of this Prospectus.

We operate as a professionally managed company with our Board primarily comprising of independent Directors. Our Board also comprises members nominated by our shareholders and technocrats including an advisor from the Department of Science and Technology, Government of India.

Over the last three decades, we have gained proficiency in providing corporate solutions in power, energy efficiency, renewable energy, climate change and environmental management sectors. Over the years, we have diversified into providing services to banking, infrastructure and biotechnology sectors. We provide solutions to our clients depending on their requirements *inter alia* including feasibility studies, detailed project reports, techno economic feasibility reports, financial syndication, lender’s engineer services, EIA, basic and detailed engineering, bid process management, project management, cluster development, technical/ financial restructuring, energy audits, corporate debt restructuring, due diligence, qualitative and market research, assets/ business valuation and consultation services in wind power project.

We also conduct IT based training courses and skill based training programs.

We own a wind power plant at Idukki, Kerala with installed capacity of 0.75 MW. The revenue attributable to wind power generation in Financial Year 2013 is ₹ 47.99 lacs.

We have provided services to small and medium enterprises (SME), large corporates, banks, financial institutions and various government bodies. We classify our services into (i) Consultancy and Engineering Services and (ii) Training and Allied services.

We provide Consultancy and Engineering Services to various sectors through our following business divisions:

- **Power Plant Consultancy and Engineering Services:** We offer technical, financial, engineering and project management consultancy services from concept to commissioning, to decentralised, standalone power/ co-generation power projects, based on renewable and fossil fuels.
- **Energy and Carbon Services:** We focus on providing services to improve energy efficiency and conservation, consultancy in setting up renewable energy and carbon mitigation projects.
- **Environment Management and Engineering Services:** We provide services such as EIA study, environmental clearances, environmental audits and environmental monitoring.
- **Infrastructure Consulting Group:** We focus on providing project management services from concept to commissioning stage (except contracting) for industrial, institutional, commercial and residential projects.
- **Banking and Finance:** We focus on preparing Detailed Project Reports (DPR) and conduct Appraisal / Techno Economic Viability (TEV) studies, technical/ financial and corporate debt restructuring, loan syndication, lender’s engineer services, assets and business valuation etc. We also provide services of conducting market research, comprising industrial, consumer and social research.



- **Securitization and Financial Restructuring:** We provide assistance to public / private sector banks and financial institutions in enforcement/recovery of non performing assets in accordance with the provisions of SARFAESI Act and also extend other related legal/financial services to them.
- **Biotechnology and Pharmaceutical Centre:** We provide training, consultancy and business incubation services to academicians and entrepreneurs which enable them to translate their scientific research into commercial enterprises.

We provide Training and Allied Services through the following business divisions:

- **Entrepreneurship Training and Consultancy Division:** We provide skill based vocational and entrepreneurship development training, corporate training as well as counseling services.
- **MITCON e-school:** We conduct IT based training programs.

Apart from the above, we also offer ISO /Quality Assurance services in implementation of ISO 9001, QS 9000, TS 16949, EMS 14001/OHSAS/HACCP and quality techniques.

As of June 30, 2013, we have commissioned 42 power / co-generation projects aggregating to 526.70 MW based on biomass, bagasse, waste heat and coal and another 35 projects aggregating to 453.70 MW under various stages of implementation.

As of June 30, 2013, we have conducted over 500 energy audits, DSM studies, ESCO projects, implementation assistance, monitoring and verification (M&V) projects, electrical safety audits and other related assignments in various commercial, government and industrial sectors in India and Seychelles. As of June 30, 2013, we have provided consultancy and engineering services enabling commissioning of seven solar projects aggregating to 60 MW and three wind projects aggregating to 4.10 MW. We have also commissioned our own wind power project at Idukki, Kerala, with installed capacity of 0.75 MW. Another 18 solar projects aggregating to 229.37 MW and three wind projects aggregating to 216 MW are under various stages of implementation. We have also completed bid process management for allotment of 300 MW solar power projects to a Government of Punjab undertaking. We have registered 96 projects with United Nations for carbon credits and have syndicated over ₹ 66.14 Crore as carbon funds for various Indian project promoters as of June 30, 2013.

Annually, we assist around 150 industries in nearby industrial estates in monitoring environmental quality. EIA and environmental clearance services are provided to around 46 clients annually covering infrastructure and other developmental projects including mega-power projects.

We are empanelled with the Bureau of Energy Efficiency as an Energy Service Company (ESCO). This empanelment was approved pursuant to the grade 'CARE-BEE Grade 1' assigned by CARE under ESCO grading under the aegis of Bureau of Energy Efficiency indicating a 'very high' ability to carry out energy efficiency audits and undertake energy efficiency projects. We are empanelled with Maharashtra Energy Development Agency (MEDA) as an "Energy Planner & Energy Auditor" under the Save Energy Programme of MEDA. We are also accredited by Quality Council of India under the National Accreditation Board for Education and Training scheme (NABET scheme) as EIA consultants. Our environment testing laboratory is accredited by Ministry of Environment and Forest under EPA. For further details, please refer to the section "Government, Statutory and Business Approvals" on page 210 of this Prospectus.

Being a consultancy organisation, we believe that human capital is one of our most valuable assets. We have a qualified and professional employee base of over 213 employees, including 102 consultants as on June 30, 2013. Our technical and engineering know-how coupled with the experience of our management has helped us to create niche for our Company. As on June 30, 2013, average experience of our KMP is 10 years.

Our total revenue has increased from ₹ 2,846.35 lacs for Fiscal 2009 to ₹ 4,819.58 lacs in Fiscal 2013 at a Compound Annual Growth Rate (CAGR) of 14.07% while, our net profit as restated has increased from ₹ 543.36 lacs in Fiscal 2009 to ₹ 997.21 lacs in Financial Year 2013 at a CAGR of 16.39%. Our net profit margin was 22.16%, 17.71%, 20.69% for Fiscal 2011, Fiscal 2012 and Fiscal 2013, respectively.

## **Our Competitive Strengths**

### ***Strong brand presence***

We believe that 'MITCON' represents a strong brand in the market we operate in. Our service offerings coupled with technical know-how, competitive fees, execution capabilities and track record of over three decades has provided us with strong brand recognition and credibility. The recognition and acceptance of MITCON brand has significantly contributed to the success of our business. We also believe that opening up of new offices will further enhance our brand in the consultancy space.

The credibility of our business is also reflected in the fact that we have received certifications and accreditations from various agencies and regulatory bodies. For further details, please refer to the section "*Registrations, Recognitions and Accreditations*" in the section "*Our Business*" on page 97 of this Prospectus.

### ***Strong relationships***

We have a strong and widespread business development team with offices located in major cities across the country. We believe that we have a stable and esteemed core client base representing some large Indian industrial groups, banks and other financial institutions, central public sector undertakings, SMEs and government bodies, among others. We have relationships with 352 clients as of June 30, 2013.

Further, we believe that our strong brand and over three decades of experience in the consultancy business enables us not only to obtain repeat business from our existing clients, but to attract new business as well.

### ***Strong domain expertise in certain sectors***

We believe that we have strong expertise in decentralized power projects and we are one of the leading energy auditors for industrial, government and commercial sectors. Our power sector consultancy provides the entire spectrum of services from concept to successful commissioning for decentralized power/co-generation power projects on renewable and fossil fuels, ranging from one MW to 660 MW, as well as sugar plants with a capacity ranging from 1,150 to 10,000 TCD and ethanol plants with a capacity ranging from 30 to 160 KLPD. As of June 30, 2013, we have commissioned 42 power/ co-generation projects aggregating to 526.70 MW based on biomass, bagasse, waste heat and coal.

We have commissioned seven solar projects aggregating to 60 MW and three wind projects aggregating to 4.10 MW. We have also commissioned our own wind power project at Idukki, Kerala, with installed capacity of 0.75 MW. Another, 18 solar projects aggregating to 229.37 MW and three wind projects aggregating to 216 MW are under various stages of implementation. We have provided consultancy services to various clients in relation to registration of 96 projects with United Nations for carbon credits and have syndicated over ₹ 66.14 Crore as carbon funds for various Indian projects as of June 30, 2013.

Our expertise and track record in the energy sector has gained accreditation namely 'CARE-BEE Grade 1' assigned by CARE under ESCO grading of Bureau of Energy Efficiency indicating a 'very high' ability to carry out energy efficiency audits and undertake energy efficiency projects. We are empanelled with MEDA as an "Energy Planner & Energy Auditor" under the Save Energy Programme of MEDA. We are also empanelled with other organizations as an energy auditor. For further details, please refer to the section "*Government, Statutory and Business Approvals*" on page 210 of this Prospectus.

### ***Established presence in diversified sectors***

We provide consultancy services across diverse sectors such as infrastructure, environmental management, banking and biotechnology. The total fee earned by our Company in the last five Financial Years due to services provided by our various divisions is as provided below:

	<i>(in ₹lacs)</i>				
<b>Division</b>	<b>FY 09</b>	<b>FY 10</b>	<b>FY 11</b>	<b>FY 12</b>	<b>FY 13</b>
Power Division	405.99	825.12	1,130.56	1,203.03	969.33
EMES Division	113.36	127.73	109.71	150.61	155.80
IC Division	103.21	85.51	84.93	85.56	107.76
B&P Division	5.00	-	10.43	54.00	23.27
ECS Division	523.40	506.15	776.05	794.92	682.39
B&F Division	95.95	113.42	173.30	249.63	376.90
SAFE Division	281.00	241.89	312.60	286.79	219.19
Consultancy Business (trading/other)	40.65	338.72	272.59	201.84	111.16
<b>Total Consultancy Income</b>	<b>1,568.56</b>	<b>2,238.54</b>	<b>2,870.17</b>	<b>3,026.38</b>	<b>2,645.80</b>

#### ***Qualified employee base and proven management team***

We have a qualified and professional employee base of over 213 employees as of June 30, 2013, including 102 consultants. Many of our employees, particularly the senior management, have been working with our Company for over 10 years. We believe human capital is one of the most valuable assets of our Company as their technical knowhow and skill sets position us at a competitive advantage over our competitors in providing some of our services.

Our human resource policies are aimed at recruiting talented employees and integrating them to our Company. We also impart training to the new recruits and conduct skill set development programmes for our employees.

Our KMP are well qualified and experienced in the industry. We believe that the combination of our Board and our experienced KMPs has been key to our growth and will enable us to capitalize on further growth opportunities.

#### ***Strong financial position and profitability***

Our total revenue and net profit as restated in the financial statements have shown healthy CAGR in last five Financial Years. Our total revenue has increased from ₹ 2,846.35 lacs for Fiscal 2009 to ₹ 4,819.58 lacs for Fiscal 2013, at a CAGR of 14.07%. Our net profit as restated has increased from ₹ 543.36 lacs for Fiscal 2009 to ₹ 997.21 lacs for Fiscal 2013, at a CAGR of 16.39%. For Fiscal 2011, Fiscal 2012 and Fiscal 2013, our net profit (as restated) margin was 22.16%, 17.71% and 20.69%, respectively. Our earnings (including other income) before interest, taxes, depreciation and amortization (**EBITDA**) margin on total revenue was 34.21%, 28.48% and 32.38%, respectively, for Fiscal 2011, Fiscal 2012 and Fiscal 2013. Our return on equity was 31.10%, 21.76% and 18.32% respectively for Fiscal 2011, Fiscal 2012 and Fiscal 2013.

We have maintained a highly liquid, strong net worth position, with no debt as of June 30, 2013. Our total net worth has steadily increased from ₹ 1,826.01 lacs in Fiscal 2009 to ₹ 5,442.26 lacs as in Fiscal 2013. We have paid dividends consistently for the past 19 years.

#### **Our Business Strategies**

We believe that adapting to market changes is a key factor in growing our business and we continually monitor opportunities to grow our business. To achieve these goals, we intend to pursue the following principal strategies to optimize our competitive strengths:

##### ***Focus on Consultancy Services***

We intend to continue our focus on core consultancy business, which we believe provides further growth opportunities through the retention of existing clients and acquisition of new clients. We believe that our inherent strength lies in the domain expertise developed over the years in providing consultancy and engineering services to a variety of sectors. We shall make efforts to further strengthen our core consultancy business by deploying additional resources such as hiring sector specific experts, setting up of data centre and expanding our office network.

We shall continue to provide high quality service and improve our brand visibility and penetration through wider marketing initiatives. We also intend to widen our reach and network by expanding our office network. We also plan to set up environmental testing laboratories in Bangalore and Ahmedabad. The setting up of environmental testing laboratories is one of the objects of the Issue. For further details, please refer to the section “*Objects of the Issue*” on page 34 of this Prospectus.

#### ***Further expand our consultancy and engineering business in other sectors***

We provide consultancy services to six different sectors through our seven business groups. We intend to grow our business by increasing the number of sectors we cater to, by offering services to healthcare, food processing and textile sectors. We have prior experience of working on assignments in these sectors and we believe that we are well positioned to leverage our existing skill sets to exploit opportunities in these sectors. We also propose to increase our product offerings in market research which we believe will help us grow and serve the rising demand in this field. The details of the sectors we plan to enter into are as follows:

**Healthcare Sector:** The health care organizations face increasing need of transforming their business in order to keep pace with competition along with meeting the regulatory norms. In order to enhance operational efficiencies, streamline internal processes, modernize business and develop customer relations, along with regulatory compliance, the health care organizations require services of professional consultants. We propose to offer services categorized into (i) *Management consultancy* which will include preparing detailed project reports, feasibility studies, information communication telecommunication (ICT) consulting and clinical trial consultation, (ii) *Turn-key contracts* which will include healthcare facility planning and designing, equipment planning and procurement assistance and (iii) *Project Management* which will include project management consultancy, project monitoring and evaluation (M&E) consultancy.

**Agro and food processing sector:** We have worked on food processing assignments in the past, especially based on vegetables, fruits, spices, pulses, oilseeds, cereals, dairy products, poultry, fisheries, meat, soybean, guar gum, wine and distilleries related assignments. We are empanelled with Ministry of Food Processing Industries, Government of India, New Delhi for promotion and implementation of mega food parks, integrated cold chain projects, modernisation of abattoirs and food testing laboratories. We are also empanelled with National Meat and Poultry Processing Board, New Delhi, National Institute for Food Technology Entrepreneurship and Management (NIFTEM), New Delhi and Small Farmers' Agriculture-Business Consortium (SFAC), New Delhi. We believe that our existing set of clientele, our experience and the growth opportunities offered by the sector will further aid in growing our business. The sub-sectors we propose to cater to include commercial horticulture, meat and poultry, dairy, alcoholic beverages and fisheries. The consultancy services we propose to provide include setting up of mega food parks from concept to commissioning, setting up of cold chains and logistics facilities, pre-cooling facilities, food processing units, modern abattoirs and meat processing units.

**Textile sector:** We have provided services to clients in the textile sector. We are currently providing services to one of our clients for setting-up a textile park at Wadwani, Maharashtra. We believe that our prior experience and relationships in the infrastructure and banking sectors will help us grow our business in this sector. In the past, we have liaised with various ministries of the Government of India, in release to grants for Ichalkaranji Textiles Cluster (Grant sanctioned by Ministry of Commerce and Industries for an amount of ₹ 32.70 Crore), Bhiwandi Textiles Cluster (Grant sanctioned by Ministry of Textiles for an amount of ₹ 20.00 Crore), Malegaon Textiles Cluster (Grant sanctioned by Ministry of Textiles for an amount of ₹ 20.00 Crore), Solapur Textiles Cluster (Grant sanctioned by Ministry of Textiles for an amount of ₹ 20.00 Crore) and Butibori Apparel Park (Grant sanctioned by Ministry of Textiles for an amount of ₹ 13.15 Crore), to name a few. We propose to provide technical services such as technology upgradation / modernization of textile units, backward / forward integration of textile units and setting up of new textile units from concept to commissioning with support from infrastructure consultancy group. We also propose to offer services such as preparation of project reports, project appraisals, turn-key project implementation, productivity and quality improvement, cost reduction, implementation of management systems and setting up of textile parks. We intend to focus on SMEs in the initial few years considering the business potential offered.

Other than the above, we propose to strengthen our market research wing by widening the product portfolio and creating a separate division which shall enable us to grow aggressively in this segment. Presently, we have been providing market research services mainly in the industrial research domain and the social research domain. In order to leverage our consultancy expertise, we propose to categorize market research division into three focus areas comprising (i) industrial research; (ii) consumer research; and (iii) potential area identification studies, as elaborated below:

- **Industrial Research:** Business-to-Business (B2B) projects, policy and political studies technology transfer and potential area identification studies.
- **Consumer Research:** Business-to-Customer (B2C) studies, customer satisfaction studies, product (pre and post launch) studies, advertisement studies and mystery shopping studies
- **Social research:** baseline surveys, evaluation studies, impact studies and health intervention studies

We also believe the market research division will get a boost with the opening of new offices from the Net Proceeds of this Issue providing it with a wider reach along with infrastructural facilities. Further, we also intend to get empanelled with government and non-government organizations in these sectors to offer our services.

In the past, our market research team has received an assignment from Planning Commission of India to conduct an evaluations study on impact of 14 major development programmes in districts of different states. Also, we have successfully completed the study on Consultancy Interventions in Central Plan Schemes at the Eleventh Five Year Plan for Consultancy Development Centre (CDC) (an autonomous institute of Department of Scientific and Industrial Research, GoI).

#### ***Increasing our reach through setting up of regional offices***

We continue to expand our operations to establish a nation-wide execution platform. We seek to identify markets where we believe there is potential growth, availability of human resource, scope for building client relationships and also indentifying potential markets which are close to investment destinations. We already have a small presence in some of these locations and have worked on assignments in cities like New Delhi, Chennai, Bangalore and Ahmedabad. We propose to set up our own offices at New Delhi, Ahmedabad, Chennai, Bangalore and Hyderabad. We propose to purchase office properties at these locations from the Net Proceeds of this Issue. We believe that a pan-India presence would help us in serving our clients better and would also increase our visibility which is necessary for the next stage of our growth. For further details, please refer to the section on “*Objects of the Issue*” on page 34 of this Prospectus.

#### ***Increase the use of technology to improve operational efficiency***

The volume of our business has increased over the last decade as we grow our product portfolio and have expanded the scope of services and the sectors we cater to. This has driven the need for operational efficiency. Some of our services have relatively low margins, but higher volumes, such as the services provided to SMEs. Generally, SMEs operate in clusters and are characterized by nascent systems and information databases.

Increasing our operational efficiency would entail increased use of technology. We propose to have an information interface, which would help to improve productivity by documenting and continuously updating our knowledge base to ensure efficient production and delivery of our products. Accessibility of updated information to our consultants through our information interface would help us increase our productivity and also help us in faster execution of assignments. We also intend to continue to improve employee productivity through training and technology.

#### ***Continue to develop and maintain relationships***

We provide services to SMEs, large corporates, banks, financial institutions and various government bodies. We are empanelled with banks across the country, which include various private and public sector banks. We continue to enjoy the patronage of our clients. And amongst our seven divisions, we have received repeat orders from more than

50 customers. We believe that we can leverage our existing relationships, our brand and our technical expertise to grow our client base which would help us in achieving our growth objective.

Further, while the majority of our business has been concentrated in Maharashtra, we also have relationships with clients outside Maharashtra, which we propose to develop, especially around the investment destinations of the country. We also propose to focus on improving our relationships in strategically important areas such as Ahmedabad, Bangalore, Chennai, New Delhi, Hyderabad and Mumbai.

### ***Strengthening the MITCON brand***

We have been providing consultancy services for over three decades. Over the years, we have developed a strong expertise in some sectors and have developed strong relationships with our clients. We believe this has helped us build a strong brand for our Company. We believe that the brand MITCON has strong brand recognition and brand recall in Maharashtra. To strengthen our brand in other markets and increase our market share in the existing markets, we intend to enhance our quality of service and increase our visibility through wider marketing initiatives. We propose to utilise part of the Net Proceeds towards enhancement of our brand through advertising and other brand-building activities. Whilst historically our brand development has been fuelled through word of mouth publicity by our clients, based on their experience and sharing of the same with others, we believe that increasing the awareness of our brand and services throughout the country would require direct marketing efforts and innovative brand-building strategies. The initiatives we propose to undertake include:

- ***Advertising campaign through various media*** - We propose to undertake advertising campaign through various media, including television, print media, the internet and billboards. Such advertising campaign could be of a general nature related to our Company or focused on specific range of services, either existing or newly introduced, being provided by our Company.
- ***Other promotional activities*** - Our Company may also carry out other promotional activities, such as increasing its presence on social networks, releasing sector reports to corporates, disseminating e-mails and other marketing tools that shall provide the desired visibility.

### **Description of Our Business**

Our primary focus has been to provide consultancy and engineering services in Maharashtra. We are headquartered at Pune and have presence across the country through our regional offices. We classify our services into (i) consultancy and engineering services; and (ii) training and allied services. The revenue from consultancy fees and training and allied services for last five Financial Years is presented below:

	<i>(in ₹lacs)</i>				
<b>Details of Sale of Services</b>	<b>2012-13</b>	<b>2011-12</b>	<b>2010-11</b>	<b>2009-10</b>	<b>2008-09</b>
Consultancy fees	2,645.80	3,026.38	2,870.17	2,238.53	1,568.56
Income from vocational Training	1,427.45	1,699.67	1,305.33	919.32	640.66
Income from IT Courses	364.26	459.00	432.17	404.36	374.97
Income from Laboratories	181.07	151.12	157.80	133.94	98.22
<b>Total</b>	<b>4,618.58</b>	<b>5,336.17</b>	<b>4,765.47</b>	<b>3,696.15</b>	<b>2,682.41</b>

As of March 31, 2013, we have also earned revenues of ₹ 47.99 lacs from our wind power generation plant of capacity 0.75 MW in Idukki, Kerala.

A detailed description of our consultancy and engineering services is set forth below.

### ***Power Plant Consultancy and Engineering Services (Power Division)***

Our Power Division provides technical, financial and engineering services to decentralised power/co-generation power projects based on (a) fossil fuels comprising coal, gas and oils; and (b) renewable fuels comprising of bagasse, biomass and waste heat. Decentralized power plant means any facility at the distributed location or at the load center. Decentralized power plants have substantial socio-economic-environmental benefits and are win-win

projects to all stakeholders. We cater to power projects that include stand-alone power plants, as well as captive and co-generation power plants. The size of such decentralised power projects ranges from one MW up to 100 MW. It also provides similar service for new/existing sugar factories, distilleries and ethanol plants, with sizes ranging from 1,150 TCD to 10,000 TCD and 30 KLPD to 160 KLPD, respectively. As of June 30, 2013, we have provided consultancy and engineering services for commissioning 42 power/ co-generation projects aggregating to 526.70 MW based on biomass, bagasse, waste heat and coal and another 35 projects aggregating to 445 MW are under various stages of implementation.

Our Company has participated in power projects aggregating to 982 MW capacity in different states such as Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh, Gujarat, Uttar Pradesh, Bihar, Punjab, Orissa, Chhattisgarh and Haryana.

The services provided under this division have been classified into four functional areas at micro/ unit level such as pre investment, pre contract engineering, post contract engineering/project management and post commissioning. These four functional areas cover services such as feasibility studies, fuel assessment studies, detailed project reports/ appraisal reports, TEV studies, assistance for approvals / NoCs, equity/ loan syndication, lender independent engineering services, basic/ detailed design engineering, plant layouts, specifications and drawings, EPC/ package bid documents, bidding/ bid evaluation / recommendations, pre-contract discussions, assistance in signing EPC / package contracts and manpower planning, kick start meetings with vendors / EPC contractors, project implementation schedules / bar charts, inspection / expediting, vendor drawing review and approvals, site supervision and co-ordination, monitoring of erection / witnessing commissioning and trial runs, plant stabilization and plant MIS development, witnessing performance guarantee tests, trouble shooting and contract to compliance reports.

We conduct studies at macro level for biomass, bagasse, fossil fuel based industrial captive / cogen power, as well as sugar, distillery and ethanol sectors. We also undertake training/ skill up-gradation programmes.

Our customers in this sector include Kisan Veer Sahakari Sakhar Karkhana Limited and HPCL Biofuels Limited (a wholly owned subsidiary of Hindustan Petroleum Corporation Limited).

### ***Energy and Carbon Services (ECS Division)***

Our Energy and Carbon Services division focuses on providing energy efficient and environment friendly solutions. We deliver solutions to improve energy efficiency in businesses and operations as well as help them find ways to use renewable energy and implement climate change mitigation techniques. We believe the benefits for our esteemed customers are two-fold, lowering of energy cost and the satisfaction of being environment conscious. Our offices are equipped with the technical staff and energy audit instruments enabling us to provide efficient services to the spread out customer base. We have steadily emerged as one of the few recognized consultants in field of energy management and carbon consultancy services with more than 500 energy audits to our name.

The ECS division provides the following list of consultancy services through the following:

- *Energy Efficiency and Conservation (EEC)* - Project/ plant/ process detailed energy audits and implementation assistance, equipment wise energy audits and performance test, demand side management studies, safety, fire and maintenance audits, water audit and technology sourcing.
- *Renewable Energy (Solar/ Wind/ Small Hydro)* - Pre-contract and post-contract project management consultancy services including basic and detailed engineering service, assistance in signing performance contract with EPCs / vendors, Loan and subsidy syndication services and project management consultancy services, third party certification and monitoring and verification, consultancy services for carbon credits fund and renewable energy certificate syndication.
- *Climate Change (CC)* -Project identification / conceptualization, assistance in identification of carbon credit buyer and signing of Emission Reduction Purchase Agreement, assistance in preparation of monitoring report and carbon credit issuance, assistance in realizing carbon credit funds from the selected buyer/ exchange, Carbon foot printing, assistance in carbon foot print mitigation / neutralization, Green

accounting Services for implementation of ISO 50001 (Energy Management Standard) and Energy Conservation Building Code (**ECBC**), Renewable Energy Certificate (**REC**) advisory services

We are empanelled with the Bureau of Energy Efficiency as an Energy Service Company. This empanelment was approved pursuant to the grade 'CARE-BEE Grade 1' assigned by CARE under Energy Service Company (**ESCO**) grading under the aegis of Bureau of Energy Efficiency indicating 'very high' ability to carry out energy efficiency audits and undertake energy efficiency projects. We are a certified auditor by BEE for conducting audit assignments. We are empanelled with MEDA as an "Energy Planner & Energy Auditor" under the Save Energy Programme of MEDA. We are also empanelled as 'Energy Auditor' with Petroleum Conservation Research Association (**PCRA**). We are also registered/ empanelled with other prestigious organizations such as New and Renewable Energy Development Corporation AP Limited, Energy Efficiency Services Limited (**EESL**), Bank of India (BOI) and Life Insurance Corporation of India (**LIC**).

In past few years, our division has catered to number of clientele including GSPC Pipavav Power Company Limited, VRL Logistics Limited, M/s. D. J. Malpani and Giriraj Enterprises.

#### ***Environment Management and Engineering Services (EMES Division)***

Our EMES Division has for more than a decade been offering environment management and engineering services. We provide gamut of services such as EIA, environmental clearances, environmental audits and environmental monitoring and have successfully completed more than 1500 assignments in last five Financial Years.

Our primary service includes obtaining environmental clearance (in accordance with the Environment Impact Assessment Notification, 2006) from the Ministry of Environment and Forest (**MoEF**) as well as State Environmental Impact Assessment Authority and NOC/consent from Pollution Control Board. Our other services include:

- Rapid and comprehensive EIA of developmental projects;
- Consultancy services for solid waste management, e-waste management, implementation of effluent and sewage treatment plant;
- Environment audits and implementation assistance;
- Socio-economic survey and impact analysis;
- Phase I and Phase II environmental site assessment;
- Geographical information system consultancy services;
- Environmental due diligence; and
- Implementation of environmental management plan in large infrastructure projects.

We have a state of the art environment laboratory at Pune offering services to the industries in and around Pune. Our laboratory is well equipped to carry out analysis of water, wastewater, soil quality, oil quality and hazardous waste. It also monitors air quality with respect to ambient, work zone, stack emissions, noise levels, illumination surveys, etc. We also assist industries to conform to applicable regulatory compliances in relation to their laboratories.

We have a wide reach to various sectors including power, petroleum, infrastructure, food, chemical, pharmaceutical and real estate sector.

We are accredited as an EIA consultant organisation under QCI-NABET Scheme for eight sectors which are river linking and irrigation project, thermal power plants, metallurgical industries (ferrous), distilleries, pulp and paper



industry (excluding manufacturing of paper from waste paper and manufacture of paper from ready pulp without bleaching), sugar industry, ports harbours, jetties, marine terminals, break waters and dredging and highways.

#### ***Infrastructure Consulting Division (IC Division)***

Our IC Division focuses on providing architectural, detailed design, project management consultancy and mechanical electric plumbing (**MEP**) services from concept to completion (except contracting) for industrial, institutional, commercial and residential projects. We have successfully completed agri-infrastructure and cluster infrastructure development projects. Our IC Division also provides support for civil and allied works to the other divisions of our Company. Our IC Division provides services like architectural services, technical support, engineering services, site visits and evaluations, till the completion of the assignment, to our B&F Division and ECS Division. During last five Financial Years we have successfully completed more than 74 assignments comprising setting up of food testing lab, architectural and detailed engineering, preparation of structural drawings, appraisal reports and project management services.

The services provided include:

- *Architectural:* Landscaping, preparation of master plan, approvals and liaison with the concerned government authority, preparation of estimation, bill of quantities and tender work
- *Detailed engineering:* Design of RCC work, structural engineering audits/ analysis
- *Project management consultancy:* Total supervision, bill checking, quality control, material planning and co-ordination
- *MEP:* Design and preparation of drawings for mechanical, electrical, plumbing and fire-fighting

#### ***Banking and Finance (B&F Division)***

We had set up the B&F Division to tap the growing needs of the banking and financial sector from technical consultancy space. We have team of ex-bankers, technical experts and financial experts. We believe that our relationship with bankers and our in-house skilled professionals offer aggressive growth opportunities in this sector. In the last five Financial Years, we have completed more than 400 assignments including four assignments for international companies, majorly comprising preparation of TEV studies, TEF, DPR and valuation.

This division provides services to several public, private and co-operative banks which have empanelled us as technical consultants. We provide services to State Bank of India (Mumbai), Central Bank of India, Punjab National Bank, Dena Bank, Bank of Baroda (Karnataka), Bank of Baroda (Maharashtra and Goa), Bank of Baroda (North Gujarat Zone), Bank of Baroda (South Gujarat Zone), Allahabad Bank, UCO Bank and State Bank of Patiala, pursuant to our empanelment with such banks. Our services include preparation of DPR, TEV studies, financial restructuring, loan syndication, due diligence, lender's engineer services, assets and business valuation etc.

We have offered services to clientele like Sterling Biotech Limited, Ajanta Pharma Limited, Shri. Vile Parle Kelvani Mandal, Adlabs Entertainment Limited, PMT Machines Limited, Naine Minerals and Resources Pte. Limited, Mahalaxmi TMT Private Limited and Kalika Steel Alloys Private Limited.

We have also been appointed as consultants by Technology Development Board to carry out due diligence and TEV studies of the projects to be financed by them.

#### ***Securitization and Financial Restructuring (SAFE)***

The enactment of the SARFAESI Act paved the way for our SAFE division to implement the provisions of SARFAESI Act. We offer consultancy and legal support services to the banks and financial institutions for successful resolution of Non-performing Accounts (**NPA**). The SAFE Division caters to clients at Maharashtra, Goa and Gujarat (viz., Mumbai, Pune, Solapur, Nagpur, Goa and Ahmedabad) in addition to handling few assignments at

New Delhi and Bangalore. In the last two Financial Years we have completed 625 assignments, received from banks, finance companies, asset reconstruction companies and public enterprises.

The services offered include:

- Due diligence of borrowers/guarantors and secured assets;
- Taking possession as an agent of the authorised officer in accordance with the provisions of SARFAESI Act, 2002;
- Arranging public sale of the assets as per any of the modes prescribed, receive sale proceeds, organise issue of sale certificates by authorized officer and complete all formalities prescribed;
- Follow-up of cases in Debt Recovery Tribunal, Debt Recovery Appellate Tribunal, Small Causes Court, High Court and other courts and tribunals;
- Acting as custodian of assets taken in possession of banks;
- Follow up with borrowers/ guarantors for recovery including through one time settlement;
- Arranging security of the assets/ units;
- Arranging for inspection of the assets prior to disposal;
- Carrying out valuation of assets (Stress Assets Valuation);
- Acting as monitoring agency in respect of sick units/ corporate debt restructuring units/ board for industrial and financial restructuring units;
- Vetting of one time settlement proposals/ restructuring; and
- Conducting title search of the secured assets of borrowers/ guarantors.

Till date, we have been empanelled with (i) public sector banks such as State Bank of India (Ahmedabad), Punjab National Bank, Bank of India, Central Bank of India, Oriental Bank of Commerce, Allahabad Bank and Bank of Baroda (South Gujarat zone); and (ii) asset reconstruction companies such as Asset Reconstruction Company (India) Limited (ARCIL).

### ***Biotechnology and Pharmaceutical (B&P Division)***

The B&P Division currently provides the following services:

#### ***Training***

Under the training vertical of this division we are currently offering 15 certificate and diploma level industry oriented courses in field of biotechnology, clinical research, Pharmaceuticals and related areas.

#### ***Business Incubation***

This vertical provides incubation services to new enterprises for providing access to the laboratories by providing consultancy and training services in various disciplines such as biotechnology, agriculture, food processing, ayurveda and pharmaceuticals. The Business Incubation centre also houses facilities for microbiology, tissue culture, genomics, plant tissue culture and bioinformatics laboratories. The Incubation centre is located at Agriculture College Campus, Shivajinagar, Pune.

This vertical provides assistance to research innovators, academics and entrepreneurs seeking to translate their scientific research and innovations into commercial enterprises. It provides a range of cost effective physical resources such as office space, laboratory space and administration to upcoming entrepreneurs in enabling them to achieve viable commercial presence and a platform whilst developing their new enterprise.

### *Consultancy*

The consultancy services under the B&P Division are primarily in relation to establishment of testing laboratories, establishment of units based on innovative and advanced technologies. The activities such as preparation of documentation required for the purpose of obtaining approvals from various regulatory bodies, DPR, preparation of the SOP and laboratory design are carried out under these assignments.

Under NMCP Scheme of Ministry of MSME, nine innovators were supported for their project to commercialise their ideas. Our Company guides these start up units in preparing business plans, devising market strategies and raising finance. Once these units are successfully launched, they initiate their independent operations.

### **Training Services**

A detailed description of our training and allied services is set forth below.

#### ***Entrepreneurship Training and Consultancy***

We have been conducting our training and counseling courses to assist individuals in building their business. We also conduct management development programs and other training programs under Corporate Social Responsibility. We have a team of trainer facilitators which comprises 27 employees who are ably supported by 45 associates. We conduct these programs through our offices located at Pune, Mumbai and Nagpur. Our training programmes are focused towards skill building and imparting knowledge. We have published 37 books and various course materials on different subjects. This facilitates wider brand visibility to us.

We are conducting various entrepreneurship development programs sponsored by various government departments, such as Department of Industries, Government of Maharashtra, Department of Science and Technology (**DST**), Government of India and Ministry of Food Processing Industry, Government of India. We also conduct fee-based vocational training programs.

#### ***MITCON e-School***

MITCON e-school started in 2000. Since 2002, MITCON e-School is a training provider for the MS-CIT course, an information technology literacy course. MITCON e-School offers other autonomous courses based on IT like computer basics, accounting software courses, DTP, computer hardware and networking courses, designing courses and software programming courses. These courses are also offered through franchisee network. Over the years MITCON e-School has expanded its network through franchisees across the state of Maharashtra. Currently, there are 131 authorised MITCON e-School franchisees predominantly in Maharashtra. MITCON e-School has two captive centres in Pune which offer high end training programmes like geographic information system, computer-aided design courses and Software Testing Course along with basic computer training programmes. One of our captive centres provides facility of international examinations to the students. MITCON e-School also offers Corporate Training Services. We have been conferred with 'Maharashtra IT Award -2008' by Government of Maharashtra. Maharashtra State Police Wireless is one of our clients.

MITCON e-School provides standardised course materials to its students. Further, for ease of convenience to students, the processes of student registration and examination are made available online.

### **Quality**

Over the past 15 years, we are an ISO certified company. This certification has made us a customer driven organization. All our departments and employees follow ISO disciplines. We regularly conduct training programmes

and review audits for our employees. Our systems run on corporate ERP, which provides quick and precise decision making ability thereby enhancing our quality of services.

### **Information Technology**

We rely on information technology to manage knowledge and enhance delivery efficiency. Our knowledge management system operates on a virtual private network and integrates data and research created by us and obtained from external sources, which can be accessed from a core database. We have a dedicated information technology team to control, coordinate and manage access to our knowledge database, enabling optimal use of our resources.

### **Business Continuity Plan**

We continue to strengthen and upgrade our disaster recovery facilities and capabilities. As part of our business continuity plan, we propose to set up our disaster recovery site at Pune to ensure proper end-to-end functioning of our systems and network. Brief details of our proposed clouding solution are as follows:

- (a) *Compute node:* A server grade system with less storage but more processing capabilities. Multiple compute nodes can work with consolidated processing power. Thus, processing power can get enhanced by just adding compute node without disturbing existing compute nodes.
- (b) *Storage node:* A server grade system with more storage capabilities but less processing power. Multiple storage nodes can work with redundancy and load balancing. Thus, capacities can get enhanced by just adding storage node without disturbing existing storage nodes.

### **Marketing**

The overall marketing of our Company's services is headed by Dr. Pradeep Bavadekar, the Managing Director, who is qualified and experienced in marketing discipline. Further, the head of each division provides input for enhancing marketing of the services provided by his respective team.

Generally, we attract customers by word of mouth or through websites. We maintain our website, which is updated regularly, for the purpose of capturing attention of large number of our customers based on the services provided and new areas proposed to be integrated into our Company's business. We have linked our website to social media sites such as Facebook, Linked-in, for better publicity. We ensure that all enquiries coming our way are professionally answered and converted into business.

We also participate in seminars and workshops, which give us a platform to interact with clients and expand our market recognition. We also advertise in leading national dailies and journals like Economic Times and Financial Express.

### **Registrations, Recognitions and Accreditations**

We are accredited with 'CARE-BEE Grade 1' assigned by CARE under ESCO grading of Bureau of Energy Efficiency indicating a 'very high' ability to carry out energy efficiency audits and undertake energy efficiency projects. We have also been authorised as an energy audit consultants of Gujarat Energy Development Agency (a Government of Gujarat organisation) (**GEDA**), for operating under GEDA's Energy Conservation Activities and Programs.

Our Company has been awarded a runners-up award at the Maharashtra IT Awards by the Government of Maharashtra in 2008 and the Incubator Award by Villgro possible in 2010.

Our Company is also accredited for conducting Debt Recovery Agent training by the Indian Institute of Banking and Finance.

Our Company was granted recognition as an environmental laboratory under the EPA by Ministry of Environment and Forests vide a Stand Order 692 (E) dated April 5, 2011, which is valid till April 4, 2016. Our Company is accredited as an EIA Consultant Organization by National Accreditation Board for Education and Training.

For further details, please refer to the sections “Government, Statutory and Business Approvals” and “History and other Corporate Matters” on pages 210 and 97 respectively of this Prospectus.

## Competition

As our Company is one of the few players that operate in the consultancy services sector providing services to the power, energy and carbon, environment management, infrastructure, banking and finance, securitization and financial restructuring and biotechnological and pharmaceutical divisions, there are no direct competitors of our Company. However, our Company has the following division wise competitors:

- **Power Division:** We face competition from the following entities:

Sr. No.	Companies
1.	AVANT-GARDE Engineers and Consultants (P) Limited, Chennai
2.	Vasantdada Sugar Institute, Pune
3.	J P Mukherji and Associates Private Limited, Pune

- **ECS Division:** We face competition from the following entities:

Sr. No.	Companies
1.	The Energy Research Institute, New Delhi
2.	Ernst and Young
3.	Infrastructure Leasing and Financial Services Limited (IL&FS), Mumbai
4.	AVANT-GARDE Engineers and Consultants (P) Limited, Chennai

- **EMES Division:** We face competition from the following entities:

Sr. No.	Companies
1.	Mahabal Enviro Engineers Private Limited
2.	Naik Enviro and Research
3.	Kadam Environmental Consultants, Vadodara

- **B&F Division:** We face two pronged competition which is from chartered accountants and financial consultants from organized and unorganized sector and small time players. Some of our competitors are:

Sr. No.	Companies
1.	Ernst & Young
2.	PriceWaterhouseCoopers Private Limited
3.	Deloitte Touche Tomatsu India Private Limited
4.	KPMG India Private Limited

- **B&P Division:** Our Company’s work in the B&P Division is mostly in the niche area of biotechnology training. We have very few competitors in this sector.

- **Entrepreneurship Training and Consultancy Division:** We face competition from the following entities:

Sr. No.	Companies
1.	Maharashtra Centre for Entrepreneurship Development (MCED)
2.	Industrial Technical Institute (ITI)

- Our Company's business incubation division does not have any competition.
- In the business of clinical research training, our only competitor is Jahangir Hospital's Center for clinical research. In the CSIR NET course, our Company has competition from Biotechnika, Bangalore and MC Square Institute.
- The competitors of MITCON e – School for MS – CIT are given below:

Sr. No.	Companies
1.	Parth Knowledge Network Private Limited, Navi Mumbai
2.	ETH Limited, Pune
3.	Maharashtra Center for Entrepreneurship Development, Aurangabad
4.	Yashwantrao Chavan Maharashtra Open University
5.	Aspire Networks Private Limited

- For the other courses our few branded competitors are Seed Infotech Limited, Jetking Infotrain, NIIT Technologies Limited, CAD/CAMGURU Solutions Private Limited, CAD Center - Indian Educational Enterprises (P) Limited, CMS, Mindscripts Technologies. Apart from these entities, several small computer training institutes are also our competitors.

### Intellectual Property

The name "MITCON" has been registered as a trademark under various classes of the Trade Marks Act and such registrations are currently valid, across India. We have made applications to register numerous other trademarks and logos in India. For details, please refer to the section "*Government, Statutory and Business Approvals*" on page 210 of this Prospectus.

### Employees

As of June 30, 2013 we had 213 employees. The following is a table showing the total number of employees (including employees on probation) as of the dates indicated below:

Category	As of			
	March 31, 2011	March 31, 2012	March 31, 2013	June 30, 2013
KMP	12	12	13	13
Consultants	69	90	99	102
Others	131	113	104	98
<b>Total</b>	<b>212</b>	<b>215</b>	<b>216</b>	<b>213</b>

Upon joining, our employees are given in-house induction, which covers all the aspects of our Company. In addition, we also conduct regular knowledge sharing sessions, wherein our employees share knowledge / experience on any special topic they have. Our consultants also attend various seminars, conferences and training programs across the country to sharpen their skills. None of our employees is a member of any labor union.

### Insurance

We maintain standard insurance policies for our physical assets and our employees, as required by applicable laws and regulations. We have a group medi-claim policy, group personal accident policy, money insurance policy and a general workman compensation policy for our employees. We also have a compact asset policy for our property located at our Registered Office along with the equipment and installations in it. The major risks covered for our business assets are fire, natural calamities, transit, burglary, implosion and explosion for boilers, electrical and machinery breakdown.

## Property

We own our Registered Office located at First Floor, Kubera Chambers, Shivajinagar, Pune 411 005. We also own our branch offices located at Office Premises No. 1402 and 1403, Dalamal Tower, Nariman Point, Mumbai 400 021 and Shree Ganesh Snehal Apartments, Chamber No. 102, First Floor, Mouza Ambazari, South Ambazari Road, Shardhanand Peth, Nagpur 440 001. In addition, we have eight offices across India (including one each in Ahmedabad, New Delhi, Chennai, Bangalore, Chinchwad and Nanded and two in Pune), which have been occupied by us on lease and leave and license arrangements. Term of these agreements range from one year to 33 years and involve license / rental fees based on the prevailing per-square-foot market rate.

Further, our Company proposes to acquire the following properties out of the Issue Proceeds of this Issue:

<b>Sr. No.</b>	<b>Location</b>	<b>Proposed Area (<i>in square feet</i>)</b>
<b>New Offices</b>		
1.	Ahmedabad	2,691
2.	Bangalore	1,869
3.	Chennai	3,140
4.	New Delhi	2,616
5.	Hyderabad	972
<b>Laboratories</b>		
6.	Ahmedabad	1,200
7.	Bangalore	1,200

For further details of these properties please refer to “*Objects of the Issue*” on page 34 of this Prospectus.

## **KEY INDUSTRY REGULATIONS AND POLICIES**

The following description is a summary of the key industry regulations and policies applicable to our Company. The information set below has been obtained from publications available in the public domain. The regulations set below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Our Company is engaged in the business of providing consultancy in power generation viz. wind, solar, small hydro, biomass, bagasse, coal and co-generation besides providing consultancy services in carbon credit, energy conservation, industrial infrastructure, environment engineering, food processing, sugar, textiles, chemicals, market research etc. to co-operatives, government and non-government organisations, small and medium enterprises and large industrial houses in India and abroad and providing training in information technology, biotechnology, entrepreneurship and management. For the purpose of the business undertaken by our Company, we may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For more information of such approvals, please refer to the section “*Government, Statutory and Business Approvals*” on page 210 of this Prospectus.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

### **Corporate Laws**

#### ***The Companies Act***

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

### **Business Related Laws**

#### ***The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act)***

The MSMED Act is for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. The MSMED Act provides a statutory, consultative mechanism at the national level with balanced representation of all sections of stakeholders and with a wide range of advisory functions. The MSMED Act also establishes specific funds for the promotion, development and enhancing competitiveness of the micro, small and medium enterprises, notification of schemes, effective ways for mitigating the problems of delayed payments to micro, small and medium enterprises. Any person who intends to establish a micro or small enterprise or a medium enterprise engaged in providing services or engaged in the manufacture or production of goods pertaining to any industry specified under the first schedule to the Industries (Development and Regulation) Act, 1951, shall file a memorandum of micro or small or medium enterprise, as the case may be, with such authority as may be specified by the state government or the Central Government.

#### ***Food Safety and Standards Act, 2006 (FSS Act)***

The FSS Act consolidates the laws relating to food and to establish the Food Safety and Standards Authority of India (**FSS Act**) for laying down science based standards for articles of food and to regulate their manufacturing, storage,



distribution, sale and import. The FSS Act makes it mandatory for all persons who intend to commence or carry on any food business to obtain a license from the designated officer under the FSS Act. In case the application for the license has been made and the designated officer has not rejected or accepted it within two months, the person may commence his business while the application is still pending. Consequences for the contravention of the provisions of the FSS Act are categorised on the basis of the nature of contravention and the penalty may range from imprisonment for six months and fine of ₹ 1,00,000 to imprisonment for seven years, which may extend to imprisonment for life and fine of an amount ₹10,00,000.

## **Labour Laws**

### ***Employee's Provident Funds and Miscellaneous Provisions Act, 1952 (EPFA)***

The EPFA provides for the institution of provident funds, pension fund and deposit-linked insurance fund and applies to every establishment which is a factory engaged in any industry (as specified in the Act) and any other establishment which employ twenty or more persons. Contravention of the EPFA by an employer is punishable by a term that may extend to three years but not less than one year and a fine of ₹ 10,000 in case of default of payment of employees' contribution which is deducted by the employer from the employees' wages.

### ***The Employee's State Insurance Act, 1948 (ESIA)***

The ESIA is applicable to all factories and to such establishments as the Central Government may notify, unless a specific exemption has been granted. The employers in such factories and establishments are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies, which are controlled by the Government, are exempt from the aforesaid requirement if the employees are receiving benefits, which are similar or superior to the benefits prescribed under the ESIA.

### ***Payment of Gratuity Act, 1972 (PGA)***

The PGA provides for payment of gratuity, to an employee, at the time of termination of his services. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years: (a) on his/her superannuation; (b) on his/her retirement or resignation; (c) on his/her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). The PGA establishes a scheme for the payment of gratuity to employees engaged in establishments in which 10 or more persons are employed or were employed on any day of the preceding 12 months; and in such other establishments, as the Central Government may, by notification, specify.

## **Taxation Laws**

### ***Income Tax Act, 1961 (Income Tax Act)***

The Income Tax Act deals with computation of tax liability of individuals, corporates, partnership firms and others. As per the provisions of Income Tax Act, the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Income Tax Act. The maintenance of books of accounts and relevant supporting documents and registers are mandatory under the Income Tax Act. Filing of returns of income is compulsory for all assesses. Furthermore, it requires every taxpayer to apply to the assessing officer for a permanent account number.

### ***Service Tax***

Chapter V of the Finance Act 1994 (as amended) and Chapter V-A of the Finance Act, 2003 requires that upon provision of certain listed services, a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

### ***Value Added Tax (VAT)***

VAT is a system of multi-point levies on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services. Each State that has introduced VAT has its own VAT Act under which persons liable to pay VAT must register and obtain a registration number from the Excise Tax Officer of the respective State.

## **Environmental Laws**

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

The EPA has been formulated by the GoI for the protection and improvement of the environment in India and for matters connected there with. The EPA is an umbrella legislation designated to provide a framework for the GoI to co-ordinate activities of various state and central authorities established under previous environmental laws. The scope of the EPA is very broad with the term “environment” being defined to include water; air and land; human beings; and other living creatures, plant, micro-organisms and property. The EPA vests the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and for preventing, controlling and abating environmental pollution. This includes the power to make rules for among other things, determining the quality of environment, standards for emission of discharge of environment pollutants from various sources, inspection of any premises, plan, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution. The EPA also prohibits any person carrying on any industry, operation or process from discharging or emitting or permitting to be discharged or emitted any environmental pollutants in excess of such standards as may be prescribed.

## **Other Applicable Laws**

### ***Trade Marks Act, 1999 (Trade Marks Act)***

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. The registration of a trademark is valid for a period of 10 years and can be renewed in accordance with the specified procedure. Application for trademark registry has to be made to controller-general of patents, designs and trade - marks who is the registrar of trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

## HISTORY AND OTHER CORPORATE MATTERS

### Brief History of our Company

Our Company was originally incorporated as Maharashtra Industrial and Technical Consultancy Organisation Limited pursuant to a Certificate of Incorporation dated April 16, 1982 issued by the Registrar of Companies, Bombay, Maharashtra. Our Company received the Certificate of Commencement of Business dated December 4, 1982 from the Registrar of Companies, Bombay, Maharashtra.

The name of our Company was changed to MITCON Consultancy Services Limited pursuant to a Fresh Certificate of Incorporation Consequent to Change of Name dated September 7, 2000 issued by the RoC. The change in name of our Company was undertaken to adequately reflect the range of services intended to be provided by our Company in the field of consultancy and ancillary sectors.

The name of our Company was further changed to MITCON Consultancy & Engineering Services Limited and a Fresh Certificate of Incorporation Consequent upon Change of Name dated October 15, 2010 was issued by the RoC.

Our Company is currently a deemed government company. In accordance with Section 619 (2) of the Act, our auditors are to be appointed by the Comptroller & Auditor General of India (CAG). The Senior Administrative Officer, on behalf of CAG, vide his letter dated August 20, 2013, approved the appointment of M/s. Joshi & Sahney as Auditors of our Company for FY 2013 – 2014, subject to appointment of a new auditor by CAG if our Company continued to be a government / deemed government company after November, 2013. Further, under Section 619 (3) (b) of the Act, CAG also has the power to conduct a test / supplementary audit on our Company. The Principal Director of Commercial Audit & Ex-officio Member, Audit Board – I, Mumbai, on behalf of CAG, conducted a supplementary audit of our Company for FY 2012 – 2013 and provided its comments on the accounts vide letter dated August 27, 2013 stating that nothing significant had come to his knowledge, which would give rise to any comment upon or supplement to the auditor's report.

For information on our Company's activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers and clients/ customers, please refer to the sections "Our Management", "Our Business" and "Industry Overview" on pages 126, 97 and 52, respectively of this Prospectus.

Our Company is a public company limited by shares and its Company Identification Number is U74140MH1982PLC026933. Our Company has 25 members as of the date of this Prospectus.

### Changes in our Registered Office

The registered office of our Company was originally located at 826/27 Budhwar Peth, Sonya Maruti Chowk, Pune 411 002. Following are the changes in the registered office of our Company since incorporation:

Date of Resolution	Details	Reason for change
September 1, 1984	Change in registered office from 826/27 Budhwar Peth, Sonya Maruti Chowk, Pune 411 002 to Udyog Bhavan, 1 <sup>st</sup> Floor, Pune Vidyapeeth Rasta, Pune 411 007	For operational convenience.
March 20, 1986	Change in registered office from Udyog Bhavan, 1 <sup>st</sup> Floor, Pune Vidyapeeth Rasta, Pune 411007 to Kubera Chambers, Plot No 4, Rajendra Prasad Road, Shivajinagar Police Station, Shivajinagar, Pune 411 005	Better economies of scale due to the ownership of the premises.

### Main Objects of our Company

The main objects of our Company as per our Memorandum of Association are:

“(1)

- (i) *To carry out or cause to be carried out through suitable agencies, market surveys of different areas, different products and commodities, and studies of industries, trades, professions and calling, to identify investment opportunities, consumption patterns and opportunities for entrepreneurs for self-employment and to collect or arrange for market intelligence and advice on adopting the appropriate marketing strategies and otherwise assist industries in marketing their products;*
- (ii) *To undertake any type of research and service in order promote the objectives of the Company for evaluating or dealing with marketing or investments and to undertake and carry on techno-economic or other studies or surveys for identification of the industrial potential and the development of industries.*
- (iii) *To carry on the business of consultants, architects, advisers, engineers including civil engineers, mechanical engineers, electrical engineers, structural engineers, automobile engineers, agricultural engineers, aeronautical engineers, chemical engineers, environmental engineers, developers, builders, engineering procurement construction (EPC) contractors, valuers, and to provide services including pre project surveys, carrying out site assessments, technical bid analysis, commercial evaluation, environment impact assessment, project planning, project management, scheduling, technology evaluation, feasibility study, vendor selection and appraisal, designing, planning, execution, erection, installation, commissioning, liaisoning, testing, supervision, inspection, site coordination to individuals, firms, bodies corporate, commercial enterprises, companies, corporations, government, semi government, local authorities, social, charitable, educational, organizations or institutions.*
- (iv) *To carry on the business, as consultants and advisers to company, government, central or state or any municipal or other body corporate or association or individual and in particular to provide consultancy services and assistance in various fields' namely systems, efficiency, policy, organization, reconstruction, development, expansion, general administration, personnel, secretarial, industrial relations, public relations, labour, commercial, statistical, and in general to render the management consultancy services, in India and abroad including but not restricted to staffing, flexi-staffing, appraisals, research, analysis, surveys, studies, organisational re-structuring and other activities relating to talent management and to make evaluation, feasibility studies, techno economic feasibility studies, project reports, forecasts, surveys and rehabilitation packages and for the purpose to run, establish, maintain, provide, operate, manage, supervise, arrange and to take on hire all necessary services facilities conveniences, equipments etc. and to do all incidental acts and things necessary for the attainment of the foregoing objects.*
- (v) *To impart and conduct vocational training programmes, corporate training programmes, training in entrepreneurship development, enterprise management, skill upgradation etc. with a view to promote self employment among educated/uneducated unemployed youth, existing and new entrepreneurs, improve efficiency and productivity of employees of various organizations.*
- (2) *To undertake preparation of, or cause to be prepared by suitable agencies, project profiles, feasibility studies and other pre-investment investigations in respect of industries and to help prospective entrepreneurs in preparing such reports.*
- (3) *To undertake project supervision and where necessary, render technical and administrative assistance for improving the working of industrial concerns.*
- (4) *To act generally as industrial, management and financial consultants and in particular, to advise prospective and existing entrepreneurs on the following matters or provide services regarding:*
  - (i) *Selection of products for manufacture, identification their market potentialities, preparation of feasibility and project reports, design engineering and layout of factories and manufacturing units;*
  - (ii) *Selection of plant and machinery;*

- (iii) *Construction and erection of factories and manufacturing units, technical know-how, procurement of raw materials, costing, pricing, marketing, accounting and labour relations and such other incidental or similar problems connected with manufacturing activity;*
  - (iv) *Diversification, modernisation and expansion programme and fuller utilisation of capacities;*
  - (v) *Establishment of ancillary units;*
  - (vi) *Rehabilitation of sick units;*
  - (vii) *Management and organizational matters, production and cost controls, sales, quality control and accounting system.*
- (5) *To advise prospective and existing entrepreneurs regarding:*
- (i) *The manner in which financial assistance for establishment and working of industries can be procured and to assist them in securing such assistance for financial and development institutions and Government agencies;*
  - (ii) *The formalities for registration with Directorate General of Technical Development, Directorate of Industries and other Government bodies and authorities, procedures for import of capital goods and raw materials and for obtaining various controlled commodities and for the development of exports; and to institute appropriate machinery for achieving the above, and*
  - (iii) *Laws relating to companies, factories, labour, taxation and such other laws connected or incidental thereto.*
- (6)
- (i) *To identify potential entrepreneurs and for that purpose provide or impart, on its own or as agents of Government and financial and development institutions, or to help other institutions, in organising entrepreneurial development training programmes and for this purpose organise courses in different aspects of management, industrial production cost controls, marketing, accountancy, labour management and technical guidance, at different centres;*
  - (ii) *To identify entrepreneurs for implementation of projects and provide technical and administrative assistance to them for promotion and management of industries.*
- (7) *To organise Information Cell and Data Bank relating to industrial and economic activities and to provide information for development of industries, exports and entrepreneurs.*
- (8)
- (i) *To help financial and development institutions in evaluation of industrial feasibility reports and of projects submitted to them for financial assistance;*
  - (ii) *To undertake techno-economic appraisal of projects on behalf of any person;*
  - (iii) *To undertake follow-up and supervision assignments of projects on behalf of the financial and development institutions and other agencies and to monitor their status to the principals, to assist the agencies in the recruitment of suitable personnel for the efficient working of the units and to appoint nominee Directors on the Boards of assisted units at the behest of the financial and development institutions or other agencies.*
- (9)
- (i) *To sponsor, conduct and accept sponsorship of research relating to industrial development;*

- (ii) *To advise on setting up and organising laboratories, design centres, machine shops and workshops, standardization units and to carry on the business of designing and testing.*

(10) *To provide technical service and advice for setting up of industrial estates.”*

#### **Amendments to our Memorandum of Association**

Since incorporation, the following changes have been made to our Memorandum of Association:

<b>Date of shareholders' resolution</b>	<b>Amendment</b>
June 23, 2000	<ul style="list-style-type: none"> <li>Change of name of our Company from 'Maharashtra Industrial and Technical Consultancy Organization Limited' to 'MITCON Consultancy Services Limited'.</li> <li>Clause III(C)(1) to Clause III(C)(3), as given below, were inserted to the other objects clause: <p><i>“1. To undertake and carry on in India and / or in any part of the world singly and / or jointly with others business of data transmission / data analysis / data processing / information technology and to acquire, develop, produce, generate, transmit, analyze, store, process, evaluate, edit, update, provide, supply, distribute, buy, sell, import, export or deal otherwise in data / information of any nature, kind, description in any form by use of any medium, electronic or otherwise.</i></p> <p><i>2. To undertake and carry on in India and / or in any part of the world singly and / or jointly with others business of consultancy and act as advisors in the field of energy management and to undertake, help, assist, facilitate identification, exploration and development of new sources of energy, improvement in existing sources of energy for achieving savings and economics in the field of consumption of energy of any nature, kind and description.</i></p> <p><i>3. To undertake and carry on in India and / or in any part of the world singly and / or jointly with others business of consultancy and act as advisors in the field of environment engineering / environment management and to undertake, help, assist, facilitate identification, exploration and development of new methods and techniques for preserving, Improving and protecting the environment.”</i></p> </li> <li>Clause V was amended to reflect the increase in the authorized share capital from ₹ 20,00,000 to ₹ 5,00,00,000.</li> </ul>
February 25, 2005	<p>The other objects clause of the Memorandum (Clause III(C)) was amended to include Clause III(C)(4) to Clause III(C)(7) which are as follows:</p> <p><i>“4. To identify agricultural graduates, agricultural technocrats, farmer entrepreneurs and to train and guide them in commercialization of bio-technologies; to provide libraries, laboratories, demonstrations and training classrooms, BT facilities for technologies available from various sources and arrange lectures of experts from commercial fields such as bankers, venture finances, IPRs and IT for development of bio-technology, technology transfer, incubation facility for entrepreneurs, biotech product development and commercialization.</i></p> <p><i>5. To carry on the business as manufacturers, dealers, importers, exporters, consultants, service providers of all kinds of package sewage, effluent treatment plants, air, water and soil quality for pollution control, air monitoring equipment with respect to Ambient Work zone and Stack emissions and to provide assistance/ follow up for securing consent to establish, operate and</i></p>

Date of shareholders' resolution	Amendment
	<p><i>environment clearance from state/ central authorities and to carry out environment audits, ISO audits and provide assistance in implementation.</i></p> <p>6. <i>To establish centres for training and services to youth and farmers/ entrepreneurs in food processing technologies, to provide laboratory facilities for food processing to the entrepreneurs/ trainees for increasing the skill in processed food by utilizing latest technologies and techniques and also undertake incubation facility for entrepreneurs, product development and commercialization in food processing through value addition and waste reduction and creating congenial environment for establishing food processing units.</i></p> <p>7. <i>To undertake and execute any trust for the purpose of establishing educational institutions and training youth and farmers/ entrepreneurs in food processing technologies and for commercialization of bio-technologies, the undertaking of which may seem desirable, and either gratuitously or otherwise and vest any real or personal property, right or interests acquired by or belonging to the Company in any Trust or Society or Company on behalf of or for the benefit of the Company and with or without any declared trust in favour of the Company."</i></p>
August 26, 2005	<p>The other objects clause of the Memorandum (Clause III(C)(8)(a)) was amended to include Clause III(C)(8) which are as follows:</p> <p><i>"8. To work as 'Enforcement Agent', 'Recovery Agent', 'Appraisal Agent', 'Direct Sales Agent', 'Custodian of seized assets' for the Banks, FI's, HFCs, other agencies and institutions including individuals and assist them in furtherance of their businesses and or recovery of their dues, inter alia, through Due Diligence Studies, Taking possessions of the charged assets, Sales/Disposal thereof, inter alia, under the provisions of SARFAESI Act, carry out appraisal of loan proposals / valuation of assets / businesses, take inventory of assets, arrange for dismantling, storage, transport etc. of the charged or other assets, appoint &amp; instruct advocates for purposes connected with the above matters and complete the requisite legal &amp; other formalities and or do every other act, acts, thing or things towards or incidental or pertaining to or arising out of or connected with the aforesaid either on its own or through sub-contractors."</i></p>
September 24, 2007	<ul style="list-style-type: none"> <li>• Clause III(B)(32) was inserted to the other objects clause: <p><i>"To guarantee the payment of money unsecured or secured by or payable under or in respect of promissory notes, bonds, debenture-stocks, mortgages, charges, obligations, instructions and securities of any Company or of any person, whether incorporated or not and generally to guarantee or become surety for the performance of any contracts or obligations."</i></p> </li> <li>• Clause III(C)(9) was inserted to the other objects clause: <p><i>"To carry on the business of power generation and its distribution by means of conventional as well as non-conventional methods including power generation by petrol, diesel, coal, oil, hydraulic, magnetic, electronic, solar, wind mill, vegetation and for the purpose of manufacture, assemble, fabricate, design, buy, sell, import, export, plant and machinery, equipment and tools."</i></p> </li> </ul>
August 10, 2009	<p>Clause III(C)(8) was renumbered as Clause III(C)(8)(a) and Clause III(C)(8)(b), as given below, was inserted to the other objects clause:</p> <p><i>"To work as Court Receiver including for Hon'ble Debt Recovery Tribunals and Hon'ble High Courts in the country, Hon'ble Supreme Court of India and do and undertake all activities Court</i></p>

Date of shareholders' resolution	Amendment
	<p><i>Receiver is expected or required to undertake and or discharge.</i></p> <p><i>In particular, without prejudice to generality of the above, to carry out following duties and functions</i></p> <p><i>Take possession of all the properties including movable and immovable and sell the acquired properties, when so ordered, subject to acceptance of final bid by the Tribunal / Court; Maintain and manage such properties and keep the same in tenatable repairs, collect rent and outstanding and give receipts and discharge thereon and meet the liabilities thereon; Protect and preserve stocks, securities, jewellery, shares, bonds etc.; Recover and realize the dues from the third person (s); Maintain the account of receipts and expenditure; Get accounts audited and submit report to the Tribunal / Court; Prepare the statement including financial statements as per the nature of securities and properties, filing of Income Tax Return, Wealth Tax etc.; Keep the properties in tenatable etc. to host the architect, contractors, lawyers, Income Tax consultants, share brokers, valuers, auctioneers etc.; And do such other duties as the fact &amp; circumstances of the case may require; To institute and or defend legal actions under order of Tribunals / Courts; Pay periodical visits to the properties for a general check up and submit reports to the DRT / Courts.”</i></p>
August 20, 2010	<ul style="list-style-type: none"> <li>• Change of name of our Company from ‘MITCON Consultancy Services Limited’ to ‘MITCON Consultancy &amp; Engineering Services Limited’.</li> <li>• Clause III(A)(1)(III) was inserted to the main objects clause as follows: <p><i>“The Company was further authorized to carry on the business of consultants, architects, advisers, engineers including civil engineers, mechanical engineers, electrical engineers, structural engineers, automobile engineers, agricultural engineers, aeronautical engineers, chemical engineers, environmental engineers, developers, builders, engineering procurement construction (EPC) contractors, valuers, and to provide services including pre project surveys, carrying out site assessments, technical bid analysis, commercial evaluation, environment impact assessment, project planning, project management, scheduling, technology evaluation, feasibility study, vendor selection and appraisal, designing, planning, execution, erection, installation, commissioning, liaisoning, testing, supervision, inspection, site coordination to individuals, firms, bodies corporate, commercial enterprises, companies, corporations, government, semi government, local authorities, social, charitable, educational, organizations or institutions.”</i></p> </li> </ul>
February 10, 2012	<ul style="list-style-type: none"> <li>• Clause III(B)(4) was inserted to the other objects clause: <p><i>“To invest and deal from time to time in shares, stocks, debentures, debenture stocks, bonds, fixed deposits, mutual funds, government securities, commercial papers, instruments, securities, movable or immovable property of whatever nature and kind and to vary or otherwise deal with such investments from time to time.”</i></p> </li> <li>• Clause III(B)(33) was inserted to the other objects clause: <p><i>“To lend and advance, deposit money or give credit, with or without interest, with or without security, on such terms and conditions as may seem expedient and /or to give guarantees or indemnities in respect of the sums borrowed by any person, firm, company, corporation, society, body corporate, association, charitable trust, or any other entity.”</i></p> </li> </ul>
April 25, 2013	<p><i>Clause III(A)(1)(iv) and (v) were inserted to the main objects clause:</i></p> <p><i>“(iv) To carry on the business, as consultants and advisers to company, government, central or state or any municipal or other body corporate or association or individual and in particular to</i></p>



<b>Date of shareholders' resolution</b>	<b>Amendment</b>
	<p><i>provide consultancy services and assistance in various fields' namely systems, efficiency, policy, organization, reconstruction, development, expansion, general administration, personnel, secretarial, industrial relations, public relations, labour, commercial, statistical, and in general to render the management consultancy services, in India and abroad including but not restricted to staffing, flexi-staffing, appraisals, research, analysis, surveys, studies, organisational re-structuring and other activities relating to talent management and to make evaluation, feasibility studies, techno economic feasibility studies, project reports, forecasts, surveys and rehabilitation packages and for the purpose to run, establish, maintain, provide, operate, manage, supervise, arrange and to take on hire all necessary services facilities conveniences, equipments etc. and to do all incidental acts and things necessary for the attainment of the foregoing objects.</i></p> <p><i>(v) To impart and conduct vocational training programmes, corporate training programmes, training in entrepreneurship development, enterprise management, skill upgradation etc. with a view to promote self employment among educated/uneducated unemployed youth, existing and new entrepreneurs, improve efficiency and productivity of employees of various organizations."</i></p>

## Major events

The table below sets forth some of the major milestones in the history of our Company:

<b>Sr. No.</b>	<b>Year</b>	<b>Particulars</b>
1.	1993 - 1994	<ul style="list-style-type: none"> <li>Our Company was appointed as Indian counterpart of an American consultant, Chemonics to implement in India a US \$200 lacs program funded by United States Agency for International Development to promote private sector investment in post-farm horticulture.</li> </ul>
2.	2000 - 2001	<ul style="list-style-type: none"> <li>Our Company created its own brand of IT education by setting up MITCON e-SCHOOL to take IT literacy to masses.</li> </ul>
3.	2001 - 2002	<ul style="list-style-type: none"> <li>Indian Renewable Energy Development Agency Limited (<b>IREDA</b>) adjudged our Company as the Best Business Development Associate in the 'Technical Consultant Organisation' category.</li> </ul>
4.	2002 - 2003	<ul style="list-style-type: none"> <li>Our Company jointly promoted a Bio-technology Business Incubation center in Pune in association with Asia Pacific Center for Transfer of Technology (APCTT) and Department of Science and Technology, Government of India.</li> </ul>
5.	2004 - 2005	<ul style="list-style-type: none"> <li>Our Company bagged an assignment on DSIR Commerce initiative to promote High Technology Cooperation and Trade between India and CIS countries.</li> </ul>
6.	2006 - 2007	<ul style="list-style-type: none"> <li>Our Company started a new division for Banking &amp; Finance consultancy in October, 2006.</li> </ul>
7.	2007 - 2008	<ul style="list-style-type: none"> <li>Our Company set up its own 0.75 MW wind turbine generator at Idukki in Kerala.</li> <li>Our Company, in association with Sakal Papers, Pune, launched the "Maharashtra Udyogini Awards" to felicitate annually women entrepreneurs from urban and rural Maharashtra.</li> </ul>
8.	2008 - 2009	<ul style="list-style-type: none"> <li>Bureau of Energy Efficiency, Government of India as well as Reliance Energy hired the Energy Services of our Company.</li> <li>MITCON e – School was awarded Maharashtra IT Award in HR by the government of Maharashtra.</li> </ul>
9.	2009 - 2010	<ul style="list-style-type: none"> <li>MITCON succeeded in getting a major assignment from Tamil Nadu Electricity Board for promoting 225 MW co-generation power in 17 sugar</li> </ul>

Sr. No.	Year	Particulars
		mills.
		<ul style="list-style-type: none"> <li>Our Company introduced additional business lines like Energy Service Company (<b>ESCO</b>).</li> </ul>
10.	2010 - 2011	<ul style="list-style-type: none"> <li>Our Company successfully completed QCI-NABET accreditation process, which is mandatory for EIA consultants.</li> <li>Our Company won the Villgro National Award for Best Incubator, 2010.</li> <li>Our Company established a Food Processing Training Centre at its laboratory in Pune.</li> </ul>
11.	2011 - 2012	<ul style="list-style-type: none"> <li>Our Company crossed revenue of ₹ 50,00,00,000.</li> </ul>
12.	2012 - 2013	<ul style="list-style-type: none"> <li>Our Company started a new consultancy line for obtaining ISO 50001 (EnMS) in industries.</li> <li>Our Company became a deemed government company pursuant to one of our key shareholders i.e. IFCI Limited, becoming a government company.</li> </ul>

### Awards and Recognitions

Year	Particulars
2000	Our Company was awarded a runners-up award at the Maharashtra IT Awards by the Government of Maharashtra for the exemplary performance of MITCON e-school in developing IT literacy in Maharashtra.
2002	Our Company was awarded the Best Business Development Associate of IREDA 2001-2002 under the category of “ <i>Technical Consultancy Organisation</i> ”
2006	Our Company was awarded by Lokmat Sakhi Mancha & Womens and Child Welfare Association
2009	Our Company was awarded by Maharashtra State Agri and Rural Tourism Co-Op Federation Limited ( <b>MART</b> ), Pune for its contribution for rural development through Agricultural Tourism
2010	Our Company was awarded the Incubator Award by Villgro possible
2010	Dr. Pradeep Bavadekar, as a representative of our Company, was awarded the Business Express Shree Award by Business Express Shree Foundation
2010	Our Company was honoured for great contribution in Entrepreneurship Development under Rajashri Shahu Entrepreneurship Development Programme
2011	Dr. Pradeep Bavadekar was honoured with The Enterprise of the Future from the Institute of Management Consultants of India

### Shareholders

For details regarding the shareholders of our Company, please refer to the section “*Capital Structure*” on page 25 of this Prospectus.

### Changes in the activities of our Company during the last five years

There has been no change in the major activities conducted by our Company during the last five years, which may have a material effect on the profits.

### Defaults or Rescheduling of borrowings with financial institutions/ banks

As on date of this Prospectus, there have been no defaults or rescheduling of borrowings with the financial institutions / banks in the past by our Company.

### Revaluation of Assets

Except as disclosed below, our Company has not revalued its assets since inception.

<b>Sr. No.</b>	<b>Particulars</b>	<b>Revaluation Year</b>	<b>Revalued amount (In ₹)</b>
1.	Office premises at First Floor, Kubera Chambers, Shivajinagar, Pune 411 005	1999 – 2000	2,39,53,918.00

#### **Subsidiaries**

As on date our Company does not have any subsidiaries.

#### **Trust promoted by our Company**

MITCON Foundation is registered under the Societies Registration Act, 1860 vide its certificate of registration dated July 13, 1998 and the Bombay Public Trust Act, 1860 vide its certificate of registration dated September 24, 1998. MITCON Foundation is primarily engaged in providing management courses and vocational training. The Directors of our Company are the trustees of MITCON Foundation.

#### **Injunctions or Restraining Order against our Company**

Our Company is not operating under any injunction or restraining orders as on the date of this Prospectus.

#### **Strategic and Financial Partners**

As on the date of this Prospectus, our Company does not have any strategic or financial partners.

#### **Subsidiaries, Joint Ventures and Partnerships**

As of the date of this Prospectus, our Company has no Subsidiaries, joint ventures or partnerships.

#### **Shareholders' / Joint Venture Agreement**

As of the date of this Prospectus, our Company has not entered into any shareholders' or joint venture agreements.

#### **Other Agreements**

As of the date of this Prospectus, our Company has not entered into any agreements, which are not in the ordinary course of business.

## **OUR SUBSIDIARIES**

As on the date of this Prospectus, our Company does not have any subsidiaries.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association of our Company require that the Board of Directors shall not have less than three Directors and not more than 12 (twelve) Directors. Our Board currently comprises six Directors.

The details of our Directors as on the date of this Prospectus are set forth below:

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/ Partnerships/Trusteeships/ Proprietorships
1.	<b>Mr. Anand T. Kusre</b> (S/o. Mr. Trimbak Kusre)  <i>Chairman and Independent Director (Nominee of ICICI Bank Limited)</i>  <i>Address:</i> 902, Yashowan, Flat No. 96A, T. H. Kataria Marg, Mahim, Mumbai 400 016  <i>Occupation:</i> Service  <i>Nationality:</i> Indian  <i>Term:</i> Liable to retire by rotation  <i>DIN:</i> 00818477	64	<ul style="list-style-type: none"> <li>• ITCOT Consultancy &amp; Services Limited</li> <li>• Gujarat Industrial and Technical Consultancy Organization Limited</li> <li>• IPCA Laboratories Limited</li> <li>• Entrepreneurship Development Center</li> <li>• Entrepreneurship Development Institute of India</li> <li>• MITCON Foundation</li> </ul>
2.	<b>Dr. Pradeep Bavadekar</b> (S/o. Mr. Raghunath Bavadekar)  <i>Managing Director</i>  <i>Address:</i> Raghukul, 3, Vikramsheela Co-Operative Housing Society, Panchwati, Pashan, Pune 411 008  <i>Occupation:</i> Service  <i>Nationality:</i> Indian  <i>Term:</i> Five years w.e.f. July 1, 2013  <i>DIN:</i> 00879747	57	<ul style="list-style-type: none"> <li>• MITCON Foundation</li> <li>• Cogeneration Association of India</li> </ul>
3.	<b>Mr. Omprakash Bundellu</b> (S/o. Mr. Venkataswamy Bundellu)  <i>Independent Director (Nominee of SIDBI)</i>  <i>Address:</i> 16/61, Ashiyana, Off Link Road, Oshiwara, Next to Infinity Mall, Jogeshwari (West), Mumbai 400 102  <i>Occupation:</i> Professional	63	<ul style="list-style-type: none"> <li>• Credit Analysis &amp; Research Limited</li> <li>• CARE Kalypto Risk Technologies &amp; Advisory Services Private Limited</li> <li>• Principal Trustee Company Private Limited</li> <li>• Laxmi Organic Industries Limited</li> <li>• MITCON Foundation</li> </ul>

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/ Partnerships/Trusteeships/ Proprietorships
	<p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 00032950</p>		
4.	<p><b>Mr. Ashok D. Mahajan</b> (S/o. Mr. Dagadu Mahajan)</p> <p><i>Independent Director (Nominee of SICOM Limited)</i></p> <p><i>Address:</i> 304, Geetanjali Co-operative Housing Society, Opposite Patkar School Ground, Rajaji Road, Lane 2, Dombivli (E), Thane, Maharashtra 421 201</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 02239716</p>	57	<ul style="list-style-type: none"> <li>• Maharashtra Vikrikar Rokhe Pradhikaran Limited</li> <li>• SICOM Trustee Company Private Limited</li> <li>• MITCON Foundation</li> </ul>
5.	<p><b>Mr. Surajit Roy</b> (S/o. Late Mr. Dhruba Kumar Roy)</p> <p><i>Independent Director (Nominee of IFCI Limited)</i></p> <p><i>Address:</i> J-1860, 2<sup>nd</sup> Floor, Chittaranjan Park, New Delhi 110 019</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>DIN:</i> 03033426</p>	53	<ul style="list-style-type: none"> <li>• MPCON Limited</li> <li>• HARDICON Limited</li> <li>• Rajasthan Consultancy Organisation Limited</li> <li>• Ambience Hospitality Management Private Limited</li> <li>• Palace Hotels (India) Private Limited</li> <li>• MITCON Foundation</li> <li>• MPCON Finestar</li> </ul>
6.	<p><b>Mr. Harkesh Kumar Mittal</b> (S/o. Mr. Somnath Mittal)</p> <p><i>Independent Director</i></p> <p><i>Address:</i> D-8, Tower 9, New Moti Bagh, New Delhi 110 023</p> <p><i>Occupation:</i> Service</p> <p><i>Nationality:</i> Indian</p>	53	<ul style="list-style-type: none"> <li>• Venture Centre, NCL, Pune</li> <li>• Global Innovation &amp; Technology Alliance</li> <li>• MITCON Foundation</li> <li>• Entrepreneurship Development Center</li> </ul>

Sr. No.	Name, Father's/Husband's Name, Designation, Address, Occupation, Nationality, Term and DIN	Age (in years)	Other Directorships/ Partnerships/Trusteeships/ Proprietorships
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*Term:* Liable to retire by rotation

*DIN:* 02159322

None of the Directors of our Company are related to each other.

### **Brief Biographies of the Directors**

**Mr. Anand T. Kusre**, aged 64 years, is the Chairman of our Company. He holds a Masters of Technology from Indian Institute of Technology, Bombay, Maharashtra. He has over 25 years of experience in technology development and commercialization. He specialises in providing mentorship and guidance to start-ups, organizing entrepreneurship development programmes and providing consultancy services to small and medium enterprises, sectoral case studies (especially in the field of bio-technology), covering growth technology issues and policies.

**Dr. Pradeep Bavadekar**, aged 57 years, is the Managing Director of our Company since 1995 and has greatly contributed in expanding the business and operations of our Company. He holds a Masters of Business Administration in Marketing Management and a Ph. D. in Business Administration from University of Pune. He has over 30 years of work experience in the field of manufacturing, sales & marketing, management and technical consultancy.

**Mr. Omprakash Bundellu**, aged 63 years, is an Independent Director of our Company. He holds a Master's degree in Science and a Master's degree in Financial Management from University of Mumbai. He has more than 39 years of experience in commercial banking and development banking. He was associated with IDBI Bank as a Deputy Managing Director and has served as a director on the board of several other companies. Presently, he is an independent director on the board of other companies like Credit Analysis & Research Limited, CARE Kalypso Risk Technologies & Advisory Services Private Limited, Principal Trustee Company Private Limited, Laxmi Organic Industries Limited.

**Mr. Ashok D. Mahajan**, aged 57 years, is an Independent Director of our Company. He holds a Bachelor's degree in Petrochemical Technology from Nagpur University and holds a diploma in financial and business management from Mumbai University. At present, he is working with SICOM Limited, a premier financial institution as head of the Corporate Advisory Services department. He joined SICOM Limited in 1984 and has worked in various departments like Project Division, Project Appraisals and Project Finance. He has over three decades of experience and exposure in various industries like chemicals, auto industry, agro industries and engineering industry. He has also worked as head of Infrastructure Finance Division in risk assessment mitigation and financing of PPP projects. Before joining SICOM Limited, he worked in Ilac (Calico) Chemicals as Production in charge for about four years.

**Mr. Surajit Roy**, aged 53 years, is an Independent Director of our Company. He holds a Masters in Arts (History) from Delhi University. He has over 25 years of experience in civil services and private sector enterprises. He acted as a volunteer of the United Nations in Cambodia. He had served in Department of Social Welfare, served in Department of Excise and served as a joint secretary in the Health & Family Welfare Department, Government of Delhi. He was also the Executive Vice-President of DLF Homes Developers Limited and Chief Operating Officer in Ansal API Limited.

**Mr. Harkesh Kumar Mittal**, aged 53 years, is an Independent Director of our Company. He holds a Masters in Business Management from IIM, Ahmedabad and a Bachelors of Science degree with specialization in Dairy Technology from National Dairy Research Institute, Karnal. He has over 30 years of experience in promoting innovation and entrepreneurship with the Department of Science & Technology, Government of India. He has made significant contribution in involving the private sectors (national and international) in the field of innovation and entrepreneurship development in India. He is a member of the Global Councils of the World Economic Forum,

Davos on fostering entrepreneurship, a member of the India US Endowment Board, the Member-Secretary National Committee on Angel Investment and Early Stage VC Funding of the Planning Commission. He is also the alumni of the National Dairy Research Institute and the Indian Institute of Management, Ahmedabad.

### **Confirmations**

None of the Directors are or were directors of any listed company, whose shares have been or were suspended from being traded on the recognized stock exchanges in India, during the term of their directorship in any such company, during the last five years preceding the date of filing of this Prospectus.

None of the Directors are or were directors of any listed company which has been or was delisted from any recognized stock exchange in India during the term of their directorship in such company.

### **Relationships between our Directors**

Our Directors are not related to each other.

### **Arrangements with key shareholders / customers / suppliers**

Except as disclosed below, our Directors do not have any arrangements with key shareholders / customers / suppliers of our Company.

<b>Name</b>	<b>Arrangement</b>	<b>Key Shareholder / Customer / Supplier</b>
Mr. Anand T. Kusre	Nominee Director representing ICICI Bank Limited	Shareholder
Mr. Omprakash Bundellu	Nominee Director representing SIDBI	Shareholder
Mr. Ashok D. Mahajan	Nominee Director representing SICOM Limited	Shareholder
Mr. Surajit Roy	Nominee Director representing IFCI Limited	Shareholder

### **Service contracts with our Directors providing benefits upon termination**

Except statutory benefits upon termination of his employment in our Company or retirement and the contractual benefits that our Managing Director is entitled to in accordance with the agreement entered into by our Company with the Managing Director, none of the other Directors are entitled to any benefits upon termination of employment. Except for the agreement entered into by our Company with the Managing Director, there are no service contracts entered into between our Company and the Directors providing for benefits upon termination of employment.

### **Details of the Borrowing Powers**

In terms of the Articles of Association, the Board may, from time to time, at its discretion, by a resolution passed at a meeting of the Board, raise or borrow any sum or sums of money for the purposes of our Company and subject to the provisions of the Companies Act, may secure payment or repayment of the same in such manner and terms as may be thought fit by the Board. Provided however, where the money to be borrowed together with the money already borrowed (apart from temporary loan obtained from our Company's bankers in the ordinary course of business) exceeds the aggregate of the paid up capital of our Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of our Company in a general meeting.

In this regard, pursuant to an EGM resolution dated March 29, 2004 passed by the shareholders of our Company, the Board has been authorised to borrow moneys, from time to time, for the purpose of our Company's business up to an aggregate amount of ₹ 50,00,00,000.



## Compensation paid to our Directors

### Remuneration to our Executive Director:

The details of the remuneration paid to the Executive Director, Dr. Pradeep Bavadekar, during the last Fiscal Year are as follows:

Particulars	Remuneration
Aggregate Salary	Basic salary, dearness allowance and housing rent allowance aggregating to an amount of ₹ 4,20,000 per month.
Variable Remuneration	The variable remuneration will be the difference between the fixed remuneration and 5% of net profits of our Company for a Financial Year OR ₹ 30,00,000, whichever is higher.
Perquisites	₹ 11,25,695
Provident Fund / Superannuation Fund	Such amount to the extent these either singly or put together are not taxable under the Income Tax Act.
Gratuity	Amount not exceeding half a month's salary for each completed year of service, which will be computed from the date on which Dr. Pradeep Bavadekar joined our Company.
Leave	Leave accumulated that can be encashed is subject to maximum accumulation of 360 days.
Reimbursement of expenses	All travelling, lodging, boarding, communication and other out of pocket expenses at actuals.
Company car and Telephone	Company will provide a car with a driver for official use, cost of telephone at his residence (excluding personal long distance calls)
Personal accident insurance	Company will pay for the benefit of the Managing Director / his successors; an accident insurance policy for such value that annual premium of such accident insurance policy shall not exceed ₹ 5,000.

### Remuneration to Non - Executive Directors:

Our Company pays sitting fees of ₹ 10,000 per meeting to non executive Directors, as enumerated below, for attending the meetings of the Board and for attending meetings of the committees of the Board. Details of the remuneration paid to the non executive Directors in the Fiscal Year 2012 – 2013 are as set forth below:

S. No	Name of the Director	Sitting Fees (₹)
1.	Mr. Anand T. Kusre	50,000
2.	Mr. Omprakash Bundellu	50,000
3.	Mr. Ashok D. Mahajan	50,000
4.	Mr. Surajit Roy	30,000
5.	Mr. M. V. Ashok*	50,000
6.	Mr. C. D. Kalkar**	10,000

\* Mr. M. V. Ashok resigned as a Director on July 8, 2013.

\*\* Mr. C. D. Kalkar resigned as a Director on December 24, 2012.

## Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares under the terms of our Articles of Association.

Set forth below is the shareholding of our Directors in our Company as on the date of this Prospectus:

Sr. No.	Name of Directors	Number of Equity Shares
1.	Dr. Pradeep Bavadekar	5,60,000
<b>Total</b>		<b>5,60,000</b>

### Interest of Directors

All of our Directors may be deemed to be interested to the extent of remuneration and fees payable to them for services rendered as Directors of our Company such as attending meetings of the Board or a committee thereof and to the extent of reimbursement of expenses payable to them for services rendered as an officer or employee of our Company, if any, under our Articles of Association.

Our Directors may also be regarded as interested in the Equity Shares, if any, that may be subscribed by or allotted to their relatives or the companies, firms, trusts in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Our Directors have no interest in any property acquired by our Company in the two years preceding the date of this Prospectus. Our Company has neither entered into any contracts or arrangements during the preceding two years in which the Directors are interested directly or indirectly nor payments have been made to them in respect of these contracts or arrangements.

Except as stated in “*Related Party Transactions*” on page 142 of this Prospectus, our Directors do not have any other interest in the business of our Company.

### Change in our Board of Directors in the preceding three years

The changes in our Board of Directors in the preceding three years prior to the date of this Prospectus are as follows:

Name	Date of Appointment	Date of Cessation	Reason
Mr. Ramesh Prasad Singh	N.A.	September 24, 2010	Nomination withdrawn by the appointing authority
Ms. Manju Jain	September 24, 2010	N.A.	Appointment as an Additional Director (Nominee Director representing IFCI Limited)
Ms. Manju Jain	N.A.	December 30, 2010	Nomination withdrawn by the appointing authority
Mr. Ramabadran Parthasarathy	December 30, 2010	N.A.	Appointment as an Additional Director (Nominee Director representing IFCI Limited)
Mr. Ashok Vishwanathan Methil	September 19, 2011	N.A.	Appointment as an Additional Director
Mr. Pillarisetti Satish	N.A.	September 19, 2011	Nomination withdrawn by the appointing authority
Ms. Radhika Rastogi	September 19, 2011	N.A.	Appointment as an Additional Director (Nominee Director representing MSSIDC)
Mr. Dominic Philip	N.A.	September 19, 2011	Nomination withdrawn by the appointing authority
Ms. Radhika Rastogi	N.A.	June 22, 2012	Resignation
Mr. Ramabadran Parthasarathy	N.A.	September 25, 2012	Nomination withdrawn by the appointing authority
Mr. Surajit Roy	September 25, 2012	N.A.	Appointment as an Additional Director (Nominee Director representing IFCI Limited)
Mr. Chandrashekhar Damodar	N.A.	December 24, 2012	Nomination withdrawn by

Name			Date of Appointment	Date of Cessation	Reason
Kalkar					the appointing authority
Mr.	Ashok	Vishwanathan	N.A.	July 8, 2013	Resignation
Methil					

## Corporate Governance

The provisions of the Listing Agreement for listing on SME Platform of NSE, in relation to corporate governance and the SEBI Regulations in relation to corporate governance are applicable to our Company at the time of seeking in - principle approval of NSE. Our Company has taken steps to comply with such provisions, as contained in the Listing Agreement, particularly those relating to composition of Board of Directors, constitution of committees such as an audit committee, a Shareholders' / Investors' Grievance Committee, etc. Further, our Company undertakes to take all necessary steps to comply with all the requirements of the regulatory framework on corporate governance and adopt the corporate governance code as per Clause 52 of the Listing Agreement and as per the SEBI Regulations.

Our Company has constituted its Board of Directors in compliance with the Companies Act and the Listing Agreement to be entered into with Stock Exchange and in accordance with best practices in corporate governance. Our Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas.

Currently, our Board of Directors has six Directors and the Chairman of the Board of Directors is a non executive Director. In compliance with Clause 52 of the Listing Agreement, our Company has five independent Directors and one non-independent Director on our Board. Accordingly not less than one-third of the Board of Directors comprises non-executive as well as independent Directors.

## Committees of our Board

### (a) *Audit Committee*

The members of the Audit Committee are:

1. Mr. A. T. Kusre, Chairman;
2. Mr. O. V. Bundellu; and
3. Mr. A. D. Mahajan.

The Audit Committee was constituted by a meeting of the Board of Directors held on March 19, 2013. Mr. Madhav Oak is the secretary to the Audit Committee.

### *Scope and terms of reference*

The scope and function of the audit committee is in accordance with Clause 52 of the Listing Agreement and Section 292A of the Companies Act. The audit committee acts as a link between the management, the statutory, cost and internal Auditors and the Board of Directors and oversees the financial reporting process.

Audit Committee's terms of reference include the following:

1. Overseeing our 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 our Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
3. Approval of payment to our statutory auditors for any other services rendered by them;

4. Reviewing, with the management, the annual financial statements before submission to our Board for approval, with particular reference to:
  - 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;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in this draft audit report;
5. Reviewing, with the management, the half yearly financial statements before submission to our Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and making appropriate recommendations to our Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with our internal auditors about any significant findings and follow up thereon;
10. 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;
11. Discussion with our Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
15. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses and the appointment, removal and terms of remuneration of the chief internal auditor; and

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

Our audit committee is empowered, pursuant to its terms of reference, to:

1. Investigate any activity within its terms of reference;
2. Seek any information from any employee;
3. Obtain outside legal or other professional advice; and
4. Secure the attendance of outsiders with relevant experience and expertise, if it considers necessary.

Our Audit Committee shall mandatory review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by our management;
3. Management letters / letters of internal control weaknesses issued by our statutory Auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of our chief internal Auditor.

The Audit Committee is required to meet at least four times in a year under Clause 52 of the Listing Agreement.

The Audit Committee last met on July 12, 2013.

**(b) Shareholders' / Investors' Grievance Committee**

The members of the Shareholders' / Investors' Grievance Committee are:

1. Mr. A. T. Kusre, Chairman;
2. Mr. O. V. Bundellu;
3. Mr. A. D. Mahajan; and
4. Dr. Pradeep Bavadekar.

The Shareholders' / Investors' Grievance Committee was constituted by a meeting of the Board of Directors held on March 19, 2013.

*Scope and terms of reference*

The Shareholders / Investors Grievance Committee is responsible for the redressal of shareholder grievance in accordance with Clause 52 of the Listing Agreement. It shall look into all matters related with the transfer of shares, issue of share certificates, non-receipt of annual report and non-receipt of declared dividends.

Functions of the Shareholders' / Investors' Grievance Committee:

1. To approve and register transfer and/ or transmission of all classes of shares;
2. Redressal of shareholders and investor complaints e.g. transfer of shares, non receipt of balance sheet/ annual report, non-receipt of declared dividend, interest, notices etc.;

3. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
4. To sub-divide, consolidate and issue duplicate share certificates on behalf of our Company; and
5. To do all such acts, things, or deeds as may be necessary or incidental to the exercise of the above powers.

**(c) *Remuneration Committee***

The members of the Remuneration Committee are:

1. Mr. A. T. Kusre, Chairman;
2. Mr. O. V. Bundellu;
3. Mr. A. D. Mahajan; and
4. Mr. H. K. Mittal.

The Remuneration Committee was constituted by a meeting of the Board of Directors held on June 27, 2005. The Board confirmed the constitution of this committee in its meeting held on July 12, 2013. In this meeting, the Board also appointed the new members of the committee.

*Scope and terms of reference*

1. Appointment, re-appointment, determination, fixation of the remuneration (including salaries and salary adjustments, incentives/benefits bonuses, stock options) and revision in the remuneration payable to the Managing Director of our Company from time to time.
2. Compensation and performance targets.
3. Other key issues / matters as may be referred by the Board or as may be necessary in view of the provisions of the Listing Agreement or any statutory provisions.

The Remuneration Committee last met on March 19, 2013.

**(d) *IPO Committee***

The members of the IPO Committee are:

1. Mr. A. T. Kusre;
2. Mr. O. V. Bundellu;
3. Mr. A. D. Mahajan; and
4. Dr. Pradeep Bavadekar.

The IPO Committee was constituted by a meeting of the Board of Directors held on March 19, 2013.

*Scope and terms of reference*

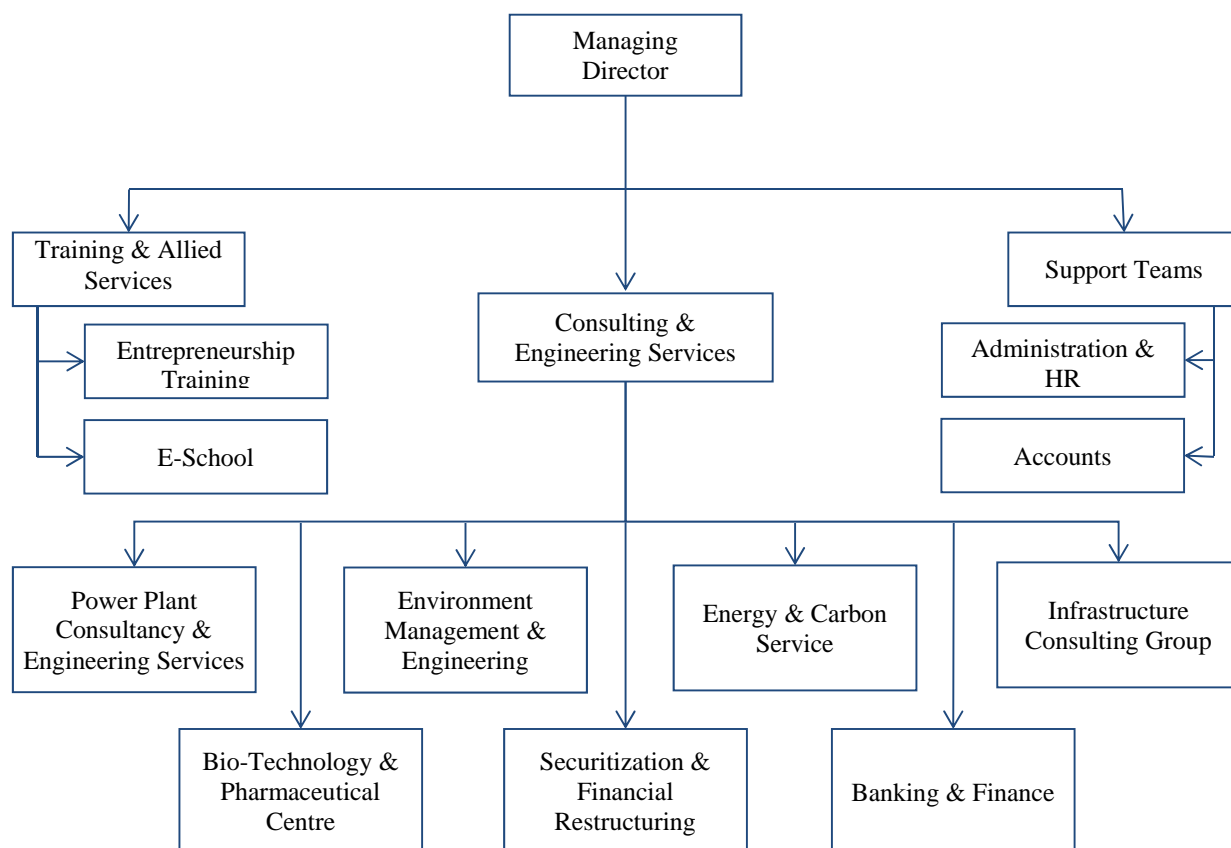
1. To decide on the actual size of the Issue, including any reservation on a firm or competitive basis, timing, pricing and all the terms and conditions of the issue of the shares, including the price, and to accept any amendments, modifications, variations or alterations thereto;
2. To appoint and enter into arrangements with the lead managers, underwriters to the Issue, brokers to the Issue, escrow collection bankers to the Issue, market maker, registrars, legal advisors (domestic and international) and any other agencies, intermediaries or persons;
3. To finalise and settle and to execute and deliver or arrange the delivery of the Draft Prospectus, the final Prospectus, issue agreement with the lead managers, memorandum of understanding with the registrar,

underwriting agreement, escrow agreement, stabilization agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Issue;

4. To issue advertisements in such newspapers as it may deem fit and proper about the future prospects of the company and the proposed issue conforming to the guidelines issued by SEBI;
5. To open a separate current account(s) with a scheduled bank(s) to receive applications along with application monies in respect of the Issue or any other account with any name and style as required during or after the process of the forthcoming IPO of our Company;
6. The opening of a bank account of our Company in the name and style of “MITCON Consultancy & Engineering Services Limited – Refund Account” for the handling of refunds for the Issue;
7. To do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, allocation, finalizing the basis of allocation and allotment of the shares as permissible in law, issue of share certificates in accordance with the relevant rules;
8. To make any applications to the FIPB, RBI and any other authorities, as may be required, for the purpose of issue of shares by our Company to non-resident investors, including NRIs and FIIs;
9. To make applications for listing of the equity shares of our Company in one or more stock exchange(s) and to execute and to deliver or arrange the delivery of the listing agreement(s) and any other documentation to the concerned stock exchange(s);
10. To finalise the basis of allotment and to allot the shares to the successful allottees;
11. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
12. To do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;
13. To authorise and approve the incurring of expenditure and payment of fees in connection with the Issue;
14. To approve and adopt the Draft Prospectus and any other offering document for the public issue as required under Section 60 and other relevant provisions of the Act and to file the same with the Registrar of Companies (“ROC”) and SEBI, as the case may be, and to make any corrections or alterations therein; and
15. To do all such acts, deeds and things as may be required to dematerialise the equity shares of our Company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) limited and such other agencies, authorities or bodies as may be required in this connection.

The IPO Committee last met on August 16, 2013.

## Management organization structure



## Key Management Personnel

The details of our Key Management Personnel other than our Managing Director, as on the date of this Prospectus are as follows:

Name		Designation		Qualification	Previous Employment		Total Years of Experience (including relevant experience)	Date of joining	Fixed salary paid in Fiscal 2013 (₹)
Mr. Sunil Natu		Senior Vice President,	Vice President, Power Division	B.E. (Mechanical)	SKF (Associated Bearing Company Limited)	India	32	October 5, 1984	24,08,256
Mr. Dilip Kulkarni		Senior Vice President,	Vice President, Banking & Finance Division	B. Com.	State Bank of India	India	39	September 7, 2006	10,03,440



Name	Designation	Qualification	Previous Employment	Total Years of Experience (including relevant experience)	Date of joining	Fixed salary paid in Fiscal 2013 (₹)
Mr. Chandrashekhar Bhosle	Senior Vice President, Training & Entrepreneurship Division	B. Sc. (Chemistry, Microbiology & Zoology), National Trainers' Course	Maharashtra Centre for Entrepreneurship Development	25	April 1, 2004	8,67,840
Mr. Sanjay Shevkar	Executive Vice President, Environment Engineering	M. Sc. (Environmental Science)	SENES Consultants India Private Limited	18	April 19, 2010	8,94,960
Mr. Chandrashekhar Kulkarni	Assistant Vice President, Bio-Pharma Division	M. Sc. (Microbiology), D.C.A., PGDBM, IPPRA	BAIF Development Research Foundation	13	August 1, 2007	7,43,088
Mr. Deepak Zade	Senior Vice President, Energy & Carbon Services Division	M. Tech. (Energy Management), B.E. (Mechanical)	N.A.	14	May 1999	14,45,496
Mr. Parag Pawar	Executive Vice President, School	B. Sc., MBA (Personnel Management)	M/s Spectrum Enterprises, Worldwide Immigration Consultancy Services Limited	13	April 1, 2004	8,46,144
Mr. Prasad Pawar	Executive Vice President, Infrastructure Division	B. E. (Civil)	Encore Engineering Private Limited	14	June 11, 2010	5,07,144
Mr. S. Shankarraman	Senior Vice President, SAFE Division	B. Sc., Bachelor of Laws	Indian Institute of Banking and Finance, Mumbai	36	April 1, 2010	5,96,640
Mr. Ram Mapari	Controller of Finance	B.Com., DBM	Kinetic Engineering Limited	25	August 23, 1988	8,62,416
Mr. Vasant Todkar	Chief Manager	B.A.	Plastro Plasson Industries (India) Limited, Paranjape Autocast Private Limited, Maharashtra Scooters Limited	30	January 8, 2007	4,58,328

Name	Designation	Qualification	Previous Employment	Total Years of Experience (including relevant experience)	Date of joining	Fixed salary paid in Fiscal 2013 (₹)
Mr. Shailesh Borwankar	Chief Manager (Human Resources)	B. Sc. (Chemistry), DISM	TransTech Projects Private Limited	18	February 1, 2010	4,58,328
Mr. Madhav Oak	Company Secretary	B. Com., C.S., Bachelor of Laws	Smartchem Technologies Limited	7	February 14, 2013	92,322
Mr. Manish Kanojia	Executive Vice President-Corporate Business, Mumbai	B.Sc. (Chemistry), PGDM	YES Bank Limited	12	October 3, 2012	5,31,607

#### Relationship of Key Management Personnel

None of the Key Management Personnel mentioned above are related to our Directors or any other Key Management Personnel.

#### Arrangements with key shareholders/customers/suppliers

None of our Key Management Personnel have been selected or appointed pursuant to any arrangement / understanding with key shareholders / customers / suppliers.

#### Shareholding of Key Management Personnel

Other than as set forth below, none of our Key Management Personnel hold any Equity Shares in our Company as on the date of this Prospectus:

Sr. No.	Name of Key Management Personnel	Number of Equity Shares
1.	Mr. Sunil Natu	60,000
2.	Mr. Ram Mapari	40,000
3.	Mr. Deepak Zade	20,000

#### Bonus or Profit Sharing Plan for our Key Management Personnel

Our Company does not have any bonus and profit sharing plans for our Key Management Personnel. Our Company has an annual performance based incentive policy.

#### Interests of Key Management Personnel

Except as disclosed in this chapter, none of our Key Management Personnel have any interest in our Company other than to the extent of remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business / employment and to the extent of Equity Shares held by them in our Company. Other than as disclosed herein, we have not paid / given any benefit to our Key Management Personnel, in the two preceding years from the date of this Prospectus. Further, our Company does not intend to make any such payment/give any such benefit to any Key Management Personnel as on the date of this Prospectus.

None of the Key Management Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

**Details of loans taken by Key Management Personnel / Directors / Employees**

None of our Key Management Personnel have availed any loans from our Company as on the date of this Prospectus.

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

Other than as set forth below, there has been no change in the Key Management Personnel of our Company in the 3 years preceding the date of this Prospectus:

<b>Name</b>	<b>Date of Appointment</b>	<b>Date of Cessation</b>	<b>Reason</b>
Mr. Prasad Pawar	June 11, 2010	N.A.	Appointment
Mr. Rajendra Ghorpade	N.A.	July 20, 2011	Resignation
Mr. Jayant Patwardhan	N.A.	January 3, 2012	Resignation
Mr. Ashish Bangar	N.A.	March 3, 2012	Resignation
Mr. Madhav Oak	February 14, 2013	N.A.	Appointment

**Payments or benefits to the employees of our Company**

Except for remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the course of their employment, our Company does not provide any other benefits to our employees.

**Employee Stock Option or Employee Stock Purchase Scheme**

Our Company does not have any employee stock option scheme/employee stock purchase scheme or other similar scheme giving options in our Equity Shares to our employees.

**Employees**

Our Company had 213 employees on its rolls as on June 30, 2013.

## MAJOR SHAREHOLDERS

Our Company is a professionally managed company and does not have any identifiable promoter (as defined under the SEBI Regulations).

### Major shareholder

ICICI Bank Limited is the only shareholder who holds more than 15% Equity Shares of our Company.

The details of the shareholding of the major Shareholder as of the date of this Prospectus are as follows:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage (%)
1.	ICICI Bank Limited	15,20,000	19.00

For further details, please refer to the section “*Capital Structure*” on page 25 of this Prospectus.

## **RELATED PARTY TRANSACTIONS**

For details of related party transactions, please refer to the section “*Financial Statements - Related Party Transactions*” on page 144 of this Prospectus.

## DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by the shareholders of our Company, in their discretion and will depend on a number of factors, including but not limited to the earnings, general financial conditions, capital requirements, results of operations, contractual obligations, overall financial position, applicable Indian legal restrictions, our Articles of Association, the Companies Act and other factors considered relevant by our Board of Directors. Our Board may choose to distribute interim dividends as and when it considers appropriate. Our Company has no formal dividend policy.

The dividends declared by our Company on the Equity Shares during the last five Financial Years are detailed in the following table:

Particulars	Fiscal 2013	Fiscal 2012	Fiscal 2011	Fiscal 2010	Fiscal 2009
Face value per Equity Share (₹)	100	100	100	100	100
Dividend paid per Equity Share (₹)	50	50	50	35	30
Dividend paid* (₹)	25,00,000	25,00,000	25,00,000	17,50,000	15,00,000

\* Excluding dividend distribution tax

Our Company has consistently paid dividends in the past 19 years.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amount, if any, in the future.

## SECTION V – FINANCIAL STATEMENTS

### AUDITOR'S REPORT ON FINANCIAL INFORMATION (As required by Part II of Schedule II to the Companies Act, 1956)

To,

The Board of Directors  
MITCON Consultancy & Engineering  
Services Ltd.,  
Kubera Chambers, Shivajinagar,  
Pune 411 005.  
Maharashtra  
India

Dear Sirs,

We have examined the restated financial information of MITCON Consultancy & Engineering Services Limited (the 'Company') for the one month period ended April 30, 2013 and for the years ended on March 31, 2013, 2012, 2011, 2010, and 2009 annexed to this report for the purpose of inclusion in the offer document. This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the Prospectus being issued by the Company in connection with the proposed Initial Public Offering ('IPO') of equity shares.

This financial information has been prepared in accordance with the requirements of:

- i) Paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act');
- ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'Regulations') and the related amendments issued by the Securities and Exchange Board of India ('SEBI') as amended to date.

This financial information has been compiled by the management from the audited financial statements of the Company for the one month period ended April 30, 2013 and for the years ended March 31, 2013, 2012, 2011, 2010, and 2009.

We have examined such financial information in accordance with the requirements of:

- i) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and
- ii) The terms of reference received from the company vide letter dated 20<sup>th</sup> September 2013 requesting us to carry out work of such financial information proposed to be included in the offer document of the Company in connection with its proposed IPO.

#### **A. *Financial information as per the Restated Summary Statements of the Company:***

1. We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at April 30, 2013, March 31, 2013, 2012, 2011, 2010, and 2009, the attached Summary Statement of Profits and Losses, As Restated (refer Annexure II) of the Company for the one month period ended April 30, 2013 and for the years ended March 31, 2013, 2012, 2011, 2010, and 2009 and also the Statement of Cash flows, As Restated (refer Annexure III) for the one month period ended April 30, 2013 and for the years ended March 31, 2013, 2012, 2011, 2010, and 2009 collectively referred to as 'Restated Summary Statements of the Company'. These Restated Summary Statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of

the Company which are appropriate and are more fully described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

2. The Restated Summary Statements of the Company for the years ended March 31, 2011, 2010 and 2009 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as at and for the years ended March 31, 2011, 2010 and 2009 which have been audited by M/s Sharad P. Joshi, Chartered Accountant and accordingly reliance has been placed on the financial information examined by him for the said years. The financial report included for these years is based solely on the reports submitted by him. We make no representation / opinion regarding those audited financial statements. The Restated Summary Statements of the Company for the period ended April 30, 2013 and for the years ended March 31, 2013 and 2012 are based on the financial statements of the Company, which have been audited by us.
3. Based on the above and also as per the reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s Sharad P. Joshi, Chartered Accountant, as referred in Para 2 above, we state that:
  - a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;
  - b) The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the accounting policies being adopted by the Company as at April 30, 2013, as stated in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;
  - c) The Restated profits have been arrived at after making such material adjustments and regroupings as, in our opinion, are appropriate in the period/year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;
  - d)
    - (i) The Restated Summary Statements of the company for the years ended March 31, 2011, 2010 and 2009 have been restated after necessary adjustments on account of audit qualifications in the Auditor's report as stated in Note No.3.g of the Statement of Notes to Restated Summary Statements of the company in Annexure IV.
    - (ii) As discussed in Note No.4.b of the Statement of Notes to Restated Summary Statements, other audit qualifications in the Auditor's Report and in the Annexure to the Auditors' Report as per Companies (Auditor's Report) Order, 2003 (as amended) for the financial years ended March 31, 2011, 2010 and 2009 which do not require any corrective adjustment in the financial information pertained to :
      - Auditor's Report for the years ended March 31, 2011, 2010 and 2009 regarding balances of Sundry debtors, Loans and Advances and Sundry Creditors being subject to confirmation and reconciliation.
      - Annexure to Auditor's Report for the years ended March 31, 2011, 2010 and 2009 regarding strengthening of the internal audit system with regard to coverage of area of operations and frequency of report and as regards to strengthening of internal control in relation to recording of sales and cut off procedures and for authorization, authentication, verification and documentation of accounting transactions.
  - e) Emphasis of matter, in respect of which our opinion is not qualified included in Auditor's Report for the one month period ended April 30, 2013 and for the year ended March 31, 2013 is given in Note no. 7 (c) of Annexure IV which does not require adjustment to the Restated Financial Information and is as below –

“Company has received show cause cum demand notice dated 16th April 2013 from the Commissioner of Central Excise Pune - III, calling upon the Company to Show cause as to why an



amount of INR 146.40 lacs should not be charged / demanded and recovered from it for the period from 1st July 2011 to 31st March 2012 (being part of the period for which Company did not pay service tax). This claim is disputed and being contested by the Company by filing written submission on 10th July 2013 before The Commissioner, Central Excise & Service Tax, Pune III.”

- f) There are no extra-ordinary items which need to be disclosed separately in the Restated Summary Statements of the Company.
4. We have not audited any financial statement of the company as of any date or for any period subsequent to April 30, 2013. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the company as of any date or for any period subsequent to April 30, 2013.

**B. *Other financial information:***

5. We have examined the following ‘Other financial information’ as prepared by the management and approved by the Board of Directors and annexed to this report in respect of the one month period ended April 30, 2013 and years ended March 31, 2013, 2012, 2011, 2010 and 2009 of the Company, proposed to be included in the offer document. In respect of the financial years ended March 31st 2011, 2010 and 2009 this information has been included based on the Audited Financial Statements of the Company which were audited by M/s Sharad P. Joshi, Chartered Accountant and whose Auditor’s Reports have been relied upon by us for the said years:

- (i) Statement of Notes to Restated Summary Statements of the Company (Annexure IV);
- (ii) Statement of Long Term Borrowings, As Restated (Annexure V);
- (iii) Statement of Long Term Provisions, As Restated (Annexure VI);
- (iv) Statement of Short Term Provisions, As Restated (Annexure VII);
- (v) Statement of Short Term Borrowings, As Restated (Annexure VIII);
- (vi) Statement of Trade Payables, As Restated (Annexure IX);
- (vii) Statement of Other Current Liabilities, As Restated (Annexure X);
- (viii) Statement of Other Non-Current Liabilities, As Restated (Annexure XI);
- (ix) Statement of Share Capital, As Restated (Annexure XII);
- (x) Statement of Reserves and Surplus, As Restated (Annexure XIII);
- (xi) Statement of Deferred Tax Liabilities (Net), As Restated (Annexure XIV);
- (xii) Statement of Long Term Loans and Advances, As Restated (Annexure XV);
- (xiii) Statement of Short Term Loans and Advances, As Restated (Annexure XVI);
- (xiv) Statement of Other Non Current Assets, As Restated (Annexure XVII);
- (xv) Statement of Current Investments, As Restated (Annexure XVIII);
- (xvi) Statement of Non-Current Investments, As Restated (Annexure XIX);
- (xvii) Statement of Inventories, As Restated (Annexure XX);

- (xviii) Statement of Trade Receivables, As Restated (Annexure XXI);
  - (xix) Statement of Cash and Bank Balances, As Restated (Annexure XXII);
  - (xx) Statement of Other Current Assets, As Restated (Annexure XXIII);
  - (xxi) Statement of Revenue from operations, As Restated (Annexure XXIV);
  - (xxii) Statement of Other Income, As Restated (Annexure XXV);
  - (xxiii) Statement of Operating Costs, As Restated (Annexure XXVI)
  - (xxiv) Statement of Employee Benefit Expense, As Restated (Annexure XXVII)
  - (xxv) Statement of Finance Cost, As Restated (Annexure XXVIII);
  - (xxvi) Statement of Other Expenses, As Restated (Annexure XXIX);
  - (xxvii) Capitalisation Statement, As Restated (Annexure XXX);
  - (xxviii) Statement of Tax Shelter, As Restated (Annexure XXXI);
  - (xxix) Statement of Accounting Ratios, As Restated (Annexure XXXII)
  - (xxx) Statement of Dividend paid, As Restated (Annexure XXXIII)
  - (xxxi) Statement of Related Parties Transactions, As Restated (Annexure XXXIV)
  - (xxxii) Statement of Contingent Liabilities and Commitments, As Restated (Annexure XXXV)
6. In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above (read with respective Significant Accounting Policies and Statement of Notes to Restated Summary Statements in Annexure IV) and also as per reliance placed by us on the Audited Financial Statements of the Company which were audited by M/s. Sharad P. Joshi, Chartered Accountant, as referred to in Paragraph 2 above and prepared after making the adjustments and regrouping as considered appropriate have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
  7. 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 M/s Sharad P. Joshi or by us nor should it be construed as a new opinion on any of the financial statements referred to therein.
  8. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
  9. This report is intended solely for your information and for inclusion in the Prospectus in connection with the proposed IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For JOSHI & SAHNEY  
CHARTERED ACCOUNTANTS  
Firm Registration No: 104359W

H.M.JOSHI  
Partner  
Membership No. 031689  
Place: Pune  
Date: 07.10.2013

**Annexure I - SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

<i>(Amount in INR lacs)</i>								
Sr. No.	Particulars	Annexure	As at 30th April 2013	As at 31 March				
				2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>A.</b>	<b>Non current assets</b>							
	<b>Fixed assets</b>							
	Tangible assets		1,785.95	1,796.80	1,853.92	1,860.78	1,417.58	1,077.49
	Less: Revaluation Reserve		186.53	186.85	190.75	194.65	198.55	202.45
	Net Block after adjustment for Revaluation Reserve		1,599.42	1,609.95	1,663.17	1,666.13	1,219.03	875.04
	Intangible Assets		127.70	130.31	136.60	42.66	45.45	25.81
	Non-current Investments	Annexure XIX	-	0.75	0.75	46.05	46.05	46.05
	Long term loans and advances	Annexure XV	241.11	257.29	172.86	138.61	60.44	38.38
	Other non-current assets	Annexure XVII	693.38	328.91	428.01	266.40	212.73	252.73
	<b>Total non current assets</b>		<b>2,661.61</b>	<b>2,327.21</b>	<b>2,401.39</b>	<b>2,159.85</b>	<b>1,583.70</b>	<b>1,238.01</b>
<b>B.</b>	<b>Current assets</b>							
	Current investments	Annexure XVIII	372.05	368.67	298.45	189.66	159.46	102.13
	Inventories	Annexure XX	37.92	33.80	29.05	-	-	-
	Trade receivables	Annexure XXI	1,453.09	1,436.94	1,055.76	724.18	709.97	345.03
	Cash and bank balances	Annexure XXII	1,455.51	2,042.07	1,688.26	1,462.12	1,223.09	956.46
	Short term loans and advances	Annexure XVI	253.63	172.92	186.63	158.30	165.83	89.47
	Other current assets	Annexure XXIII	102.32	0.49	2.08	3.47	5.51	22.32
	<b>Total current assets</b>		<b>3,674.52</b>	<b>4,054.89</b>	<b>3,260.23</b>	<b>2,537.73</b>	<b>2,263.86</b>	<b>1,515.41</b>
<b>C.</b>	<b>Non current liabilities</b>							
	Long term borrowings	Annexure V	-	-	-	-	-	2.94
	Deferred Tax Liabilities (Net)	Annexure XIV	205.04	205.04	240.13	245.58	265.48	146.42
	Other Non-current Liabilities	Annexure XI	19.78	19.78	15.21	13.26	10.50	-
	Long term provisions	Annexure VI	-	-	52.15	33.99	36.37	22.75
	<b>Total non current liabilities</b>		<b>224.82</b>	<b>224.82</b>	<b>307.49</b>	<b>292.83</b>	<b>312.35</b>	<b>172.11</b>
<b>D.</b>	<b>Current liabilities</b>							

	Short term borrowings	Annexure VIII	-	-	-	-	2.94	3.48
	Trade payables	Annexure IX	392.04	478.77	657.03	611.20	850.07	460.97
	Other current liabilities	Annexure X	145.05	119.39	171.26	251.87	206.57	269.30
	Short term provisions	Annexure VII	128.55	116.86	40.20	37.07	27.77	21.55
	<b>Total current liabilities</b>		<b>665.64</b>	<b>715.02</b>	<b>868.49</b>	<b>900.14</b>	<b>1,087.35</b>	<b>755.30</b>
	<b>Net Worth (A+B-C-D)</b>		<b>5,445.67</b>	<b>5,442.26</b>	<b>4,485.64</b>	<b>3,504.61</b>	<b>2,447.86</b>	<b>1,826.01</b>
	<b>Represented by:</b>							
<b>E.</b>	<b>Share capital</b>	Annexure XII	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>
<b>F.</b>	<b>Reserves and surplus</b>	Annexure XIII	5,582.20	5,579.11	4,626.39	3,649.26	2,596.41	1,978.46
	<b>Less: Revaluation Reserve</b>		186.53	186.85	190.75	194.65	198.55	202.45
	<b>Reserves &amp; Surplus (Net of revaluation reserves)</b>		<b>5,395.67</b>	<b>5,392.26</b>	<b>4,435.64</b>	<b>3,454.61</b>	<b>2,397.86</b>	<b>1,776.01</b>
	<b>Net Worth (E+F)</b>		<b>5,445.67</b>	<b>5,442.26</b>	<b>4,485.64</b>	<b>3,504.61</b>	<b>2,447.86</b>	<b>1,826.01</b>

The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

This is the Summary Statement of Assets and Liabilities, As Restated, referred to in our report of even date.

**For Joshi & Sahney**  
**Chartered Accountants**  
**Firm registration number: 104359W**

H M Joshi  
Partner  
Membership No. 031689  
Place: Pune  
Date: October 7, 2013

**For and on behalf of the Board**

A. T. Kusre  
Chairman

Dr. Pradeep Bavadekar  
Managing Director

Ram Mapari  
Controller of Finance

Madhav Oak  
Company Secretary

Place: Mumbai  
Date : - October 7, 2013

## Annexure II - SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amount in INR lacs)							
Particulars	Annexure	For the Period ended 30th April, 2013	For the year ended 31 March				
			2013	2012	2011	2010	2009
			INR	INR	INR	INR	INR
<b>Revenue</b>							
Revenue from operations	Annexure XXIV	178.56	4,666.57	5,384.11	4,810.84	3,748.06	2,727.40
Other income	Annexure XXV	12.94	153.01	127.13	107.05	110.00	118.95
<b>Total Revenue</b>		<b>191.50</b>	<b>4,819.58</b>	<b>5,511.24</b>	<b>4,917.89</b>	<b>3,858.06</b>	<b>2,846.35</b>
<b>Expenses</b>							
Operating Costs	Annexure XXVI	22.26	1,397.91	1,955.38	1,628.05	1,329.02	883.08
Employee benefit expense	Annexure XXVII	98.65	1,150.88	1,172.69	955.76	705.93	533.31
Finance cost	Annexure XXVIII	0.23	5.30	8.62	5.35	12.49	6.90
Depreciation expense - Tangible Assets		10.63	126.68	128.31	102.70	104.19	98.21
Less: Transferred from Revaluation Reserve		(0.32)	(3.90)	(3.90)	(3.90)	(3.90)	(3.90)
Amortization expense - Intangible Assets		2.60	27.98	8.89	8.44	11.07	7.94
Other expenses	Annexure XXIX	53.43	710.00	813.45	651.54	592.27	494.36
<b>Total Expenses</b>		<b>187.48</b>	<b>3,414.85</b>	<b>4,083.44</b>	<b>3,347.94</b>	<b>2,751.07</b>	<b>2,019.90</b>
<b>Profit before tax</b>		<b>4.02</b>	<b>1,404.73</b>	<b>1,427.80</b>	<b>1,569.95</b>	<b>1,106.99</b>	<b>826.45</b>
<b>Tax</b>							
Current tax		0.63	442.61	457.19	499.83	333.46	211.09
Fringe benefit tax		-	-	-	-	-	7.30
Deferred tax		-	(35.09)	(5.45)	(19.90)	119.06	64.70
<b>Total Tax Expenses</b>		<b>0.63</b>	<b>407.52</b>	<b>451.74</b>	<b>479.93</b>	<b>452.52</b>	<b>283.09</b>
<b>Net profit as restated</b>		<b>3.39</b>	<b>997.21</b>	<b>976.06</b>	<b>1,090.02</b>	<b>654.47</b>	<b>543.36</b>

Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

This is the Summary Statement of Profits and Losses, As Restated, referred to in our report of even date.

**For Joshi & Sahney**  
**Chartered Accountants**  
**Firm registration number: 104359W**

H M Joshi  
 Partner  
 Membership No. 031689

**For and on behalf of the Board**  
 A. T. Kusre  
 Chairman

Dr. Pradeep Bavadekar  
 Managing Director

Ram Mapari  
 Controller of Finance

Place: Pune  
Date: October 7, 2013

Madhav Oak  
Company Secretary  
Place: Mumbai  
Date : October 7, 2013

**Annexure III - STATEMENT OF CASH FLOWS, AS RESTATED**
*(Amount in INR lacs)*

Particulars	For the period ended 30th April 2013	(Amount in INR lacs)				
		For the year ended 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net profit before tax, as restated	4.02	1,404.73	1,427.80	1,569.95	1,106.99	826.45
Adjustments for:						
Depreciation and amortization	12.91	150.75	133.30	107.24	111.36	102.24
Finance Cost	0.23	5.30	8.62	5.35	12.49	6.90
Loss on sale of fixed assets	-	5.78	6.58	1.12	3.96	3.33
Interest income	(10.22)	(111.14)	(74.26)	(38.94)	(40.75)	(39.22)
Dividend Income	(2.63)	(20.53)	(18.72)	(8.81)	(7.34)	(6.26)
<b>Operating profit before working capital changes</b>	<b>4.31</b>	<b>1,434.89</b>	<b>1,483.32</b>	<b>1,635.91</b>	<b>1,186.71</b>	<b>893.44</b>
Adjustments for Increase / Decrease in						
Long Term Provisions	-	(52.15)	18.15	(2.37)	13.61	3.59
Short Term Provisions	11.70	76.47	3.22	0.62	3.31	0.31
Trade Payable	(86.73)	(178.26)	45.83	(238.87)	389.10	41.42
Other Current Liabilities	25.66	(51.87)	(80.61)	45.31	(62.74)	34.91
Other Long Term Liabilities	-	4.57	1.94	2.77	10.50	-
Long Term Loan and Advances	16.17	(84.42)	(34.25)	(78.17)	(22.07)	(11.95)
Short Term Loan and Advances	(71.65)	15.03	13.00	25.15	(53.50)	(35.06)
Other Non Current Assets	(364.47)	99.10	(161.60)	(53.68)	40.00	(40.00)
Inventories	(4.11)	(4.75)	(29.05)	-	-	-
Trade Receivable	(16.15)	(381.18)	(331.58)	(14.21)	(364.94)	(103.05)
Other Current Assets	(101.83)	1.59	1.39	2.03	16.82	(16.63)
	<b>(591.41)</b>	<b>(555.87)</b>	<b>(553.56)</b>	<b>(311.42)</b>	<b>(29.91)</b>	<b>(126.46)</b>
Cash generated from operations	<b>(587.10)</b>	<b>879.02</b>	<b>929.76</b>	<b>1,324.49</b>	<b>1,156.80</b>	<b>766.98</b>
Income taxes paid (including fringe benefit tax)	(9.70)	(443.92)	(498.49)	(517.48)	(356.29)	(218.07)
<b>Net Cash from Operating activities</b>	<b>(596.80)</b>	<b>435.10</b>	<b>431.27</b>	<b>807.01</b>	<b>800.51</b>	<b>548.91</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchases of fixed assets including out of Grants	(0.05)	(123.04)	(240.20)	(574.29)	(496.56)	(90.99)
Sale of Fixed Assets	-	9.39	1.68	12.05	5.27	7.32
Sale of Asset under grant cash receipt	-	1.45	-	1.47	0.19	2.19
Net Purchase and Sale of Investments	(2.63)	(70.23)	(63.49)	(30.20)	(57.34)	(102.13)
Interest income	10.22	111.14	74.26	38.94	40.75	39.22
Dividend Income	2.63	20.53	18.72	8.81	7.34	6.26
<b>Net cash used in investing activities</b>	<b>10.17</b>	<b>(50.76)</b>	<b>(209.03)</b>	<b>(543.22)</b>	<b>(500.35)</b>	<b>(138.13)</b>



<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>							
Changes in Long Term Borrowings	-	-	-	-	(2.94)	(3.49)	
Changes in Short Term Borrowings	-	-	-	(2.94)	(0.55)	(2.88)	
Interest Paid	(0.23)	(5.30)	(8.62)	(5.35)	(12.49)	(6.90)	
Payment of Dividend	-	(29.06)	(29.15)	(20.47)	(17.55)	(14.62)	
Receipt of Grants from Government	0.30	3.83	41.67	4.00	-	-	
<b>Net Cash from/used in financing activities</b>	<b>0.07</b>	<b>(30.53)</b>	<b>3.90</b>	<b>(24.76)</b>	<b>(33.53)</b>	<b>(27.89)</b>	
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(586.56)</b>	<b>353.81</b>	<b>226.14</b>	<b>239.03</b>	<b>266.63</b>	<b>382.89</b>	
<b>Opening cash and cash equivalents</b>	<b>2,042.07</b>	<b>1,688.26</b>	<b>1,462.12</b>	<b>1,223.09</b>	<b>956.46</b>	<b>573.57</b>	
<b>Closing cash and cash equivalents*</b>	<b>1,455.51</b>	<b>2,042.07</b>	<b>1,688.26</b>	<b>1,462.12</b>	<b>1,223.09</b>	<b>956.46</b>	

Note:

The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

This is the Summary Statement of Cash Flows, as Restated, referred to in our report of even date.

**For Joshi & Sahney**  
**Chartered Accountants**  
**Firm registration number: 104359W**

H M Joshi  
Partner  
Membership No. 031689  
Place: Pune  
Date: October 7, 2013

**For and on behalf of the Board**  
A. T. Kusre  
Chairman

Dr. Pradeep Bavadekar  
Managing Director

Ram Mapari  
Controller of Finance

Madhav Oak  
Company Secretary

Place: Mumbai  
Date : October 7, 2013

**Annexure V - STATEMENT OF LONG TERM BORROWINGS, AS RESTATED***(Amount in INR lacs)*

Particulars					As at 30 <sup>th</sup> April 2013		(Amount in INR lacs)				
							As at 31 March				
							2013	2012	2011	2010	2009
							INR	INR	INR	INR	INR
Secured											
Vehicle Loans From:											
ICICI Bank					-	-	-	-	-	-	2.94
(Secured Vehicles)	Against	Hypothecation	of	Specific							
Total					-	-	-	-	-	-	2.94

**Note:** The repayment terms including interest rates on vehicle loans are as per the agreements with the respective banks

**Annexure VI - STATEMENT OF LONG TERM PROVISIONS, AS RESTATED***(Amount in INR lacs)*

Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Provision for Leave Encashment	-	-	52.15	33.99	36.37	22.75
<b>Total</b>	-	-	<b>52.15</b>	<b>33.99</b>	<b>36.37</b>	<b>22.75</b>

**Annexure VII - STATEMENT OF SHORT TERM PROVISIONS, AS RESTATED***(Amount in INR lacs)*

Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Proposed Dividend	25.00	25.00	25.00	25.00	17.50	15.00
Tax on proposed dividend	4.25	4.25	4.06	4.15	2.97	2.55
Provision for Leave encashment	84.32	84.32	11.14	7.92	7.30	4.00
Provision for Gratuity	14.98	3.29	-	-	-	-
<b>Total</b>	<b>128.55</b>	<b>116.86</b>	<b>40.20</b>	<b>37.07</b>	<b>27.77</b>	<b>21.55</b>

**Annexure VIII - STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED***(Amount in INR lacs)*

		(Amount in INR lacs)				
Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Term Loans						
Loans from ICICI	-	-	-	-	2.94	3.48
(Secured Against Hypothecation of Specific Vehicles)						
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.94</b>	<b>3.48</b>

**Note:** The repayment terms including interest rates on vehicle loans are as per the agreements with the respective banks.

**Annexure IX - STATEMENT OF TRADE PAYABLE, AS RESTATED***(Amount in INR lacs)*

Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Trade payables - Due to creditors for goods & services	392.04	478.77	657.03	611.20	850.07	460.97
<b>Total</b>	<b>392.04</b>	<b>478.77</b>	<b>657.03</b>	<b>611.20</b>	<b>850.07</b>	<b>460.97</b>

**Annexure X - STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED***(Amount in INR lacs)*

Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Other payables</b>						
Advance from Customers	91.61	60.45	84.47	86.83	96.26	158.48
PF contribution Payable	13.74	13.70	11.91	9.24	6.92	-
ESIC payable	0.29	0.29	0.11	0.15	0.05	0.06
TDS & Service Tax Payable	23.59	22.14	41.32	96.22	69.23	63.41
Security Deposits	14.49	14.72	16.88	44.88	31.82	41.74
Payables for Capital Purchases	1.33	8.09	16.57	14.55	2.29	5.61
<b>Total</b>	<b>145.05</b>	<b>119.39</b>	<b>171.26</b>	<b>251.87</b>	<b>206.57</b>	<b>269.30</b>

**Annexure XI - STATEMENT OF OTHER NON-CURRENT LIABILITIES, AS RESTATED***(Amount in INR lacs)*

Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Security Deposits	19.78	19.78	15.21	13.26	10.50	-
<b>Total</b>	<b>19.78</b>	<b>19.78</b>	<b>15.21</b>	<b>13.26</b>	<b>10.50</b>	<b>-</b>

**Annexure XII - STATEMENT OF SHARE CAPITAL, AS RESTATED***(Amount in INR lacs)*

Particulars	As at 30 <sup>th</sup> April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Authorised:</b>						
150,00,000 Equity Shares of INR 10/- each.	1,500.00	-	-	-	-	-
500,000 Equity Shares of INR 100/- each.	-	500.00	500.00	500.00	500.00	500.00
<b>Issued, Subscribed and Paid up:</b>						
5,00,000 Equity Shares of INR 10/- each.	50.00	-	-	-	-	-
50,000 Equity Shares of INR 100/- each.	-	50.00	50.00	50.00	50.00	50.00
<b>Total</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>	<b>50.00</b>

**Changes in Face Value of each Equity Share and increase in Authorised Share Capital**

At the Extra Ordinary General Meeting of the Shareholders of the Company held on April 25, 2013:

- i. Each existing Equity Share of INR 100/- has been subdivided into 10 Equity Shares of INR 10/- each and consequently the authorised share capital of Company INR 5,00,00,000/- now comprises of 50,00,000 Equity Shares of INR 10/- each.
- ii. The Authorised Share Capital of the Company has been increased from INR 5,00,00,000/- divided into 50,00,000 Equity Share of INR 10/- each to INR 15,00,00,000/- divided into 1,50,00,000 Equity Shares of INR 10/- each.

**Notes:**

**a) Reconciliation of the equity share capital:**

*(Amount in INR lacs)*

Particulars	As at		As at		As at		As at		As at		As at	
	30th April, 2013		31st March 2013		31st March 2012		31st March 2011		31st March 2010		31st March 2009	
	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount	No of shares	Amount
No of Equity shares outstanding at the beginning of the period / year (Face Value of INR 100/-)	50,000	50.00	50,000	50.00	50,000	50.00	50,000	50.00	50,000	50.00	50,000	50.00
No of Equity shares outstanding at the end of the period Face Value of INR 10/- (On subdivision of each existing equity share of the Company of INR 100 /- into 10 equity shares of INR 10/-)	500,000	50.00	-	-	-	-	-	-	-	-	-	-
No of Equity shares outstanding at the end of the year (Face Value of INR 100/-)	-	-	50,000	50.00	50,000	50.00	50,000	50.00	50,000	50.00	50,000	50.00

**b) Rights, preferences and restrictions attached to shares:**

The company has one class of Equity Shares having a par value of INR 10/- ( Previous years INR 100/-) per share. Each equity holder is entitled to one vote per share and has a right to receive dividend as recommended by Board of Directors subject to necessary approval from the shareholders.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

**c) Number of Equity shares held by each shareholder holding more than 5% shares in the company are as follows:**

Particulars	Number of shares as at 30th April, 2013	% of shares held	Number of shares as at 31st March, 2013	% of shares held	Number of shares as at 31st March, 2012	% of shares held	Number of shares as at 31st March, 2011	% of shares held	Number of shares as at 31st March, 2010	% of shares held	Number of shares as at 31st March, 2009	% of shares held
	of INR 10/- each		of INR 100/- each		of INR 100/- each		of INR 100/- each		of INR 100/- each		of INR 100/- each	
ICICI Bank Ltd.	95,000	19.00%	9,500	19.00%	9,500	19.00%	9,500.00	19.00%	9,500	19.00%	9,500	19.00%
Small Industries Development Bank of India	62,500	12.50%	6,250	12.50%	6,250	12.50%	6,250.00	12.50%	6,250	12.50%	6,250	12.50%
IFCI Limited	62,500	12.50%	6,250	12.50%	6,250	12.50%	6,250.00	12.50%	6,250	12.50%	6,250	12.50%
SICOM Ltd.	50,000	10.00%	5,000	10.00%	5,000	10.00%	5,000.00	10.00%	5,000	10.00%	5,000	10.00%
Dr. Pradeep Bavadekar	35,000	7.00%	3,500	7.00%	3,500	7.00%	3,500.00	7.00%	2,625	5.25%	2,625	5.25%

**d) Post April 30, 2013 change in Share Capital is as below:**

**Issue of Bonus Shares and capitalisation of Reserves**

75,00,000 Equity Shares of INR 10/- each have been issued on June 7, 2013 as fully paid up bonus shares in the proportion of 15 Equity Shares for every 1 Equity Share held, by utilisation of balance in Accumulated Profits. Consequently the issued, subscribed and paid up equity share capital of the Company stands increased to INR 800 Lacs divided into 80,00,000 Equity Shares of INR 10/- each.

**Annexure XIII - STATEMENT OF RESERVES AND SURPLUS, AS RESTATED**

*(Amount in INR lacs)*

Particulars	As at 30th April 2013	As at 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>Capital Grants :</b>						
<b>Capital Grant received from :</b>						
<b>1) Department of Science &amp; Technology, Government. of India for Export Facilitation Centre</b>						
As per last Balance Sheet	1.26	1.50	1.75	2.02	2.29	2.56
Less :- Depreciation during the year	0.02	0.24	0.25	0.27	0.27	0.27
<b>Closing Balance</b>	<b>1.24</b>	<b>1.26</b>	<b>1.50</b>	<b>1.75</b>	<b>2.02</b>	<b>2.29</b>
<b>2) Dept. of Science &amp; Technology, Government of India for Setting up Bio - Technology Laboratory</b>						
As per last Balance Sheet	42.50	57.16	64.30	72.04	69.26	83.28
Add: Previous year regrouping (Transfer)	-	-	-	-	8.32	-
Add: Sale Realisation	-	1.45	-	1.47	0.04	2.19
Less : WDV of the equipments sold / discarded	-	12.94	3.01	4.75	0.49	10.50
Less :- Depreciation during the year	0.24	3.17	4.13	4.46	5.09	5.71
<b>Closing Balance</b>	<b>42.26</b>	<b>42.50</b>	<b>57.16</b>	<b>64.30</b>	<b>72.04</b>	<b>69.26</b>
<b>3) Asian Pacific Centre for Technology Transfer</b>						
As per last Balance Sheet	2.95	3.00	3.05	3.10	17.66	18.08
Add: Sale of equipments	-	-	-	-	0.15	-
Less: Previous year regrouping (Transfer)	-	-	-	-	8.99	-
Less : WDV of the equipments sold / discarded	-	-	-	-	5.67	-
Less :- Depreciation during the year	-	0.05	0.05	0.05	0.05	0.42
<b>Closing Balance</b>	<b>2.95</b>	<b>2.95</b>	<b>3.00</b>	<b>3.05</b>	<b>3.10</b>	<b>17.66</b>
<b>4) Ministry of Food processing Industry, Government of India</b>						
<b>For setting up Food Processing Training Centre</b>						
As per last Balance Sheet	5.07	5.29	3.94	-	-	-
Add: Additions during the year	-	-	1.55	4.00	-	-
Less :- Depreciation during the year	0.02	0.22	0.20	0.06	-	-
<b>Closing Balance</b>	<b>5.05</b>	<b>5.07</b>	<b>5.29</b>	<b>3.94</b>	<b>-</b>	<b>-</b>
<b>5) Department of Science &amp; technology, Government Of India, IBC</b>						
As per last Balance Sheet	-	-	-	0.49	0.59	0.72
Add: Additions during the year	-	-	-	-	-	-
Add : Interest received	-	-	-	-	-	-
Less :- Depreciation during the year	-	-	-	-	0.10	0.13

Particulars	As at 30th April 2013	As at 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
Less :- Transferred to General Reserve	-	-	-	0.49	-	-
<b>Closing Balance</b>	-	-	-	-	<b>0.49</b>	<b>0.59</b>
<b>6) Technology Development Board, Govt. of India</b>						
As per last Balance Sheet	43.95	40.12	-	-	-	-
Add: Additions during the year	-	-	40.00	-	-	-
Add : Interest received	0.30	3.83	0.12	-	-	-
<b>Closing Balance</b>	<b>44.25</b>	<b>43.95</b>	<b>40.12</b>	-	-	-
<b>Revaluation Reserve:</b>						
As per last Balance Sheet	186.85	190.75	194.65	198.55	202.45	206.35
Less: Utilised for set off against Depreciation	0.32	3.90	3.90	3.90	3.90	3.90
<b>Closing Balance</b>	<b>186.53</b>	<b>186.85</b>	<b>190.75</b>	<b>194.65</b>	<b>198.55</b>	<b>202.45</b>
<b>General Reserve:</b>						
As per last Balance Sheet	842.59	692.59	534.59	384.10	264.10	179.10
Add: Transfer from Surplus in Statement of Profit & Loss	-	150.00	158.00	150.00	120.00	85.00
Add: Transfer from Capital Grant account	-	-	-	0.49	-	-
<b>Closing Balance</b>	<b>842.59</b>	<b>842.59</b>	<b>692.59</b>	<b>534.59</b>	<b>384.10</b>	<b>264.10</b>
<b>Surplus in Statement of Profit &amp; Loss</b>						
As per last Balance Sheet	4,453.94	3,635.98	2,846.98	1,936.11	1,422.11	981.30
<b>Add: Profit for the year</b>	<b>3.39</b>	<b>997.21</b>	<b>976.06</b>	<b>1,090.02</b>	<b>654.47</b>	<b>543.36</b>
Less: Appropriations						
Proposed Dividend	-	25.00	25.00	25.00	17.50	15.00
Tax on Proposed Dividend	-	4.25	4.06	4.15	2.97	2.55
Transfer to General Reserve	-	150.00	158.00	150.00	120.00	85.00
<b>Closing Balance</b>	<b>4,457.33</b>	<b>4,453.94</b>	<b>3,635.98</b>	<b>2,846.98</b>	<b>1,936.11</b>	<b>1,422.11</b>
<b>Total</b>	<b>5,582.20</b>	<b>5,579.11</b>	<b>4,626.39</b>	<b>3,649.26</b>	<b>2,596.41</b>	<b>1,978.46</b>

#### Annexure XIV - STATEMENT OF DEFERRED TAX LIABILITIES (NET), AS RESTATED

(Amount in INR lacs)						
Particulars	As at 30th April 2013	As at 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>Deferred Tax Liability (A)</b>						
Depreciation/amortisation	233.91	233.91	262.17	283.55	296.24	163.45
<b>Deferred Tax Asset (B)</b>						
Provision for Leave encashment	28.87	28.87	22.04	37.97	30.76	17.03
<b>Deferred Tax Liabilities (Net) [C] (A-B)</b>	<b>205.04</b>	<b>205.04</b>	<b>240.13</b>	<b>245.58</b>	<b>265.48</b>	<b>146.42</b>

#### Annexure XV - STATEMENT OF LONG TERM LOANS AND ADVANCES AS RESTATED

(Amount in INR lacs)						
Particulars	As at 30th April 2013	As at 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
<b>Unsecured, considered good</b>						
Capital Advances	22.37	22.00	13.20	3.68	-	-
Security deposits	218.46	235.01	158.84	132.76	40.00	35.41

Prepaid Expenses	0.28	0.28	0.82	2.17	20.44	2.97
Dues from Directors and Relatives of Directors	-	-	-	-	-	-
<b>Total</b>	<b>241.11</b>	<b>257.29</b>	<b>172.86</b>	<b>138.61</b>	<b>60.44</b>	<b>38.38</b>

#### Annexure XVI - STATEMENT OF SHORT TERM LOANS AND ADVANCES, AS RESTATED

<i>(Amount in INR lacs)</i>						
Particulars	As at 30th April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Unsecured, Considered good</b>						
Prepaid Expenses	19.46	19.10	19.37	17.01	0.19	10.90
Advance to others	24.71	9.23	6.17	19.78	49.38	39.73
Security deposits	48.49	31.44	41.37	7.96	44.26	4.14
Travel Advances to staff	12.20	4.23	1.90	0.98	0.60	0.08
<b>Balances With Revenue Authorities:</b>						
Income Tax	112.23	103.17	101.85	60.53	40.39	16.44
Fringe Benefit Tax	1.90	1.90	1.90	1.90	4.40	5.50
Service Tax	34.64	3.85	14.07	50.14	26.61	12.68
Dues from Directors and Relatives of Directors	-	-	-	-	-	-
<b>Total</b>	<b>253.63</b>	<b>172.92</b>	<b>186.63</b>	<b>158.30</b>	<b>165.83</b>	<b>89.47</b>

#### Annexure XVII - STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED

<i>(Amount in INR lacs)</i>						
Particulars	As at 30th April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Unsecured, Considered good</b>						
i) Service Tax Refund receivable (FY10-11)	-	53.68	53.68	53.67	-	-
ii) Service Tax Refund receivable (FY11-12)	-	37.50	37.50	-	-	-
iii) Long Term Receivables from related party MITCON Foundation - Against Sale of Land (See Note below)	212.73	212.73	212.73	212.73	212.73	212.73
<b>Other Bank Balances</b>						
Deposits with more than 12 months maturity	480.65	25.00	124.10	-	-	40.00
<b>Total</b>	<b>693.38</b>	<b>328.91</b>	<b>428.01</b>	<b>266.40</b>	<b>212.73</b>	<b>252.73</b>

#### Note:

Company has given corporate bank guarantee for Term loan taken by MITCON Foundation, being Related Party, from Bank of Baroda, Shivaji Nagar Branch for INR 788.20 lacs. **(Loan Outstanding against this Guarantee as on April 30, 2013 is INR 28.27 lacs)** Company has given commitment to Bank of Baroda that the amount receivable from MITCON Foundation shall not be recovered by Company until the loan from Bank of Baroda is fully repaid.

#### Annexure XVIII - STATEMENT OF CURRENT INVESTMENTS, AS RESTATED

<i>(Amount in INR lacs)</i>						
Particulars	As at 30th April 2013	As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Non-Trade, Unquoted (At Cost)</b>						
453, 9.80% Regular Income Bonds of ICICI Bank	-	-	45.30	-	-	-

Limited, of face Value INR 10 thousand each						
Investments in Mutual Funds	371.30	368.67	253.15	189.66	159.46	102.13
<b>Other Investments:</b>						
<b>In Government Securities -</b>						
National Savings Certificates	0.75	-	-	-	-	-
<b>Total</b>	<b>372.05</b>	<b>368.67</b>	<b>298.45</b>	<b>189.66</b>	<b>159.46</b>	<b>102.13</b>

#### Annexure XIX - STATEMENT OF NON-CURRENT INVESTMENTS, AS RESTATED

Particulars	As at 30 <sup>th</sup> April 2013	(Amount in INR lacs)				
		As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Non-Trade, Unquoted (At Cost)</b>						
453, 9.80% Regular Income Bonds of ICICI Bank Limited, of face Value INR 10 thousand each	-	-	-	45.30	45.30	45.30
<b>Other Investments:</b>						
In Government Securities -						
National Savings Certificates	-	0.75	0.75	0.75	0.75	0.75
<b>Total</b>	<b>-</b>	<b>0.75</b>	<b>0.75</b>	<b>46.05</b>	<b>46.05</b>	<b>46.05</b>

#### Annexure XX - STATEMENT OF INVENTORIES, AS RESTATED

Particulars	As at 30 <sup>th</sup> April 2013	(Amount in INR lacs)				
		As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Inventory of Printed Course Material	37.92	33.80	29.05	-	-	-
<b>Total</b>	<b>37.92</b>	<b>33.80</b>	<b>29.05</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Annexure XXI - STATEMENT OF TRADE RECEIVABLES, AS RESTATED

Particulars	As at 30 <sup>th</sup> April 2013	(Amount in INR lacs)				
		As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Unsecured, considered good</b>						
Debts outstanding for a period exceeding six months from the date they are due for payment	513.50	478.55	26.10	115.86	71.50	82.36
Others	939.59	958.39	1,029.66	608.32	638.47	262.67
Dues from Directors and Relatives of Directors	-	-	-	-	-	-
<b>Total</b>	<b>1,453.09</b>	<b>1,436.94</b>	<b>1,055.76</b>	<b>724.18</b>	<b>709.97</b>	<b>345.03</b>

#### Annexure XXII - STATEMENT OF CASH AND BANK BALANCES, AS RESTATED

Particulars	As at 30 <sup>th</sup> April 2013	(Amount in INR lacs)				
		As at 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR



<b>Cash and cash equivalents</b>						
Cash on hand	3.40	2.50	3.81	5.66	2.89	3.15
Cheques, drafts on hand	5.32	75.06	390.70	449.81	405.18	333.85
<b>Balance with Bank</b>						
Balances with banks (including deposits with less than 3 months maturity)	464.33	756.46	427.79	368.81	621.05	230.20
<b>Other bank balances</b>						
- Deposits with original maturity of more than three months but less than 12 months	697.75	923.34	701.76	590.68	193.97	389.26
- Margin Money for Bank Guarantees	241.16	241.16	124.09	47.16	-	-
- Earmarked balances	43.55	43.55	40.11	-	-	-
<b>Total</b>	<b>1,455.51</b>	<b>2,042.07</b>	<b>1,688.26</b>	<b>1,462.12</b>	<b>1,223.09</b>	<b>956.46</b>

#### Annexure XXIII - STATEMENT OF OTHER CURRENT ASSETS, AS RESTATED

(Amount in INR lacs)

Particulars		As at 30th April 2013	(Amount in INR lacs)				
			As at 31 March				
			2013	2012	2011	2010	2009
			INR	INR	INR	INR	INR
<b>Unsecured, Considered Good</b>							
i) Service Tax Refund	Receivable (F.Y. 2010-11)	53.68	-	-	-	-	-
ii) Service Tax Refund	Receivable (F.Y. 2011-12)	37.50	-	-	-	-	-
(See Note No. 7(b))							
<b>Interest accrued on</b>							
ICICI Bonds		-	-	1.73	2.78	1.73	1.72
Fixed deposits		10.64	-	-	0.45	3.69	20.54
National Savings Certificates		0.50	0.49	0.35	0.24	0.09	0.06
<b>Total</b>		<b>102.32</b>	<b>0.49</b>	<b>2.08</b>	<b>3.47</b>	<b>5.51</b>	<b>22.32</b>

#### Annexure XXIV - STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED

(Amount in INR lacs)

Particulars	For the Period ended 30 <sup>th</sup> April 2013	For the year ended 31 March				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
Sale of services	177.75	4,618.58	5,336.17	4,765.47	3,696.15	2,682.41
Other Operating Revenues - Wind Power Generation	0.81	47.99	47.94	45.37	51.91	44.99
<b>Total</b>	<b>178.56</b>	<b>4,666.57</b>	<b>5,384.11</b>	<b>4,810.84</b>	<b>3,748.06</b>	<b>2,727.40</b>

(Amount in INR lacs)

Details of Sale of Services	30 <sup>th</sup> April 2013	2012-13	2011-12	2010-11	2009-10	2008-09
Consultancy fees	104.39	2,645.80	3,026.38	2,870.17	2,238.53	1,568.56
Income from vocational Training	29.08	1,427.45	1,699.67	1,305.33	919.32	640.66
Income from IT Courses	30.44	364.26	459.00	432.17	404.36	374.97
Income from Laboratories	13.84	181.07	151.12	157.80	133.94	98.22
<b>Total</b>	<b>177.75</b>	<b>4,618.58</b>	<b>5,336.17</b>	<b>4,765.47</b>	<b>3,696.15</b>	<b>2,682.41</b>

**Annexure XXV - STATEMENT OF OTHER INCOME, AS RESTATED**

<i>(Amount in INR lacs)</i>								
Particulars	For the Period ended 30 <sup>th</sup> April 2013	For the year ended 31 March					Nature : Recurring / Non Recurring	Related / Not Related to business Activity
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR		
Interest Income from Bank Deposits	10.22	107.32	60.49	34.41	36.21	34.71	Recurring	Not related
Interest Income from current investments	-	3.82	4.44	-	-	-	Recurring	Not related
Interest Income from long term investments	-	-	9.33	4.54	4.52	4.51	Recurring	Not related
Dividend Income from current investments	2.63	20.53	18.72	8.81	7.34	6.26	Recurring	Not related
Capital Gain on Sale of Investement	-	-	2.17	-	-	-	Non-recurring	Not related
Net gain on foreign currency transaction	0.01	0.84	0.20	-	-	0.25	Recurring	Not related
Sundry provisions and credit balances no longer required, written back	-	15.88	28.66	51.68	51.07	64.23	Recurring	Not related
Other non-operating income	0.08	4.62	3.12	7.61	10.86	8.99	Recurring	Not related
<b>Total</b>	<b>12.94</b>	<b>153.01</b>	<b>127.13</b>	<b>107.05</b>	<b>110.00</b>	<b>118.95</b>		

**Annexure XXVI - STATEMENT OF OPERATING COSTS, AS RESTATED**

<i>(Amount in INR lacs)</i>							
Particulars	For the Period ended 30th April, 2013	For the year ended 31 March					
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR	
Expenses on IT, VTP Training Activities	9.19	810.10	1,331.53	975.57	657.95	426.25	
Changes in Inventory of printed course material							
Opening Stock	33.80	29.05	-	-	-	-	
Less Closing Stock	37.92	33.80	29.05	-	-	-	
<b>(Increase) in Inventory of printed course material</b>	<b>(4.12)</b>	<b>(4.75)</b>	<b>(29.05)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Professional fees to Associates	17.19	582.17	652.90	652.48	671.07	456.83	
Engineering, Procurement & construction (EPC) Expenses	-	10.39	-	-	-	-	
<b>Total</b>	<b>22.26</b>	<b>1,397.91</b>	<b>1,955.38</b>	<b>1,628.05</b>	<b>1,329.02</b>	<b>883.08</b>	

**Annexure XXVII - STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED**
*(Amount in INR lacs)*

Particulars	For the Period ended 30th April, 2013	For the year ended 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
Salaries, wages and bonus	76.03	1,007.31	1,029.94	852.83	625.36	464.35
Contribution to provident and other funds	19.56	105.85	110.69	80.64	60.77	54.40
Staff welfare expenses	3.06	37.72	32.06	22.29	19.80	14.56
<b>Total</b>	<b>98.65</b>	<b>1,150.88</b>	<b>1,172.69</b>	<b>955.76</b>	<b>705.93</b>	<b>533.31</b>

**Annexure XXVIII - STATEMENT OF FINANCE COST, AS RESTATED**
*(Amount in INR lacs)*

Particulars	For the Period ended 30th April, 2013	For the year ended 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
Interest expenses	0.03	0.30	-	0.18	4.87	3.18
Other Borrowing Costs	0.20	5.00	8.62	5.17	7.62	3.72
<b>Total</b>	<b>0.23</b>	<b>5.30</b>	<b>8.62</b>	<b>5.35</b>	<b>12.49</b>	<b>6.90</b>

**Annexure XXIX - STATEMENT OF OTHER EXPENSES, AS RESTATED**
*(Amount in INR lacs)*

Particulars	For the Period ended 30th April, 2013	For the year ended 31st March,				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
Power and fuel	4.64	52.36	44.55	35.01	28.41	24.58
Office Rent	5.12	72.01	61.71	57.56	51.40	33.73
<b>Repairs and maintenance -</b>						
Buildings	0.35	7.77	23.20	7.71	13.30	3.89
Office & Other Equipment	1.08	26.01	20.85	16.27	20.42	10.74
Others	0.07	11.19	7.23	15.74	5.05	7.72
Insurance	0.60	8.42	7.26	4.64	4.53	5.07
Rates & Taxes	0.15	4.01	2.62	2.24	1.50	0.75
<b>Auditor's Remuneration</b>						
Statutory Audit	0.28	3.37	3.31	1.00	0.75	0.75
Certification	0.09	0.04	0.11	-	-	-
Management services	-	-	-	0.50	-	-
<b>Administrative And General Expenses</b>						
Advertisement	5.37	74.18	133.42	106.32	72.03	53.97
Books & Periodicals Subscriptions and Membership	0.34	15.98	8.89	3.93	8.93	5.57
Fees						
Computer Stationery, Consumables	1.04	26.22	38.51	27.70	22.54	26.02

General Expenses	0.92	12.23	16.11	13.66	23.04	18.29
Laboratory Consumables	-	3.67	9.16	6.01	6.36	3.75
Postage , Fax and Courier	0.95	15.02	14.12	14.83	16.58	11.53
Printing, Stationery and Xerox	4.75	56.86	47.52	46.31	49.92	41.96
Security Expenses	2.59	11.31	7.11	7.72	6.47	7.86
Telephone, Mobile Expenses	2.43	33.59	30.45	26.69	26.86	24.27
Business Promotion Expenses	1.03	10.92	22.62	20.94	17.06	16.57
Housekeeping Expenses	0.58	6.03	9.58	8.70	7.79	-
Bad Debts written off	-	-	52.68	15.20	27.84	37.54
Donations	-	2.06	0.53	1.01	0.82	1.10
Directors Sitting Fees	-	2.40	2.75	0.69	0.34	0.31
Loss on disposal of Assets	-	5.78	6.58	1.12	3.96	3.33
Registration and Legal Fees	-	18.41	7.50	5.17	3.65	2.00
Net loss on foreign currency transactions	1.52	-	-	1.38	1.14	-
Travelling Expenses	19.53	230.16	235.08	203.49	171.58	153.06
<b>Total</b>	<b>53.43</b>	<b>710.00</b>	<b>813.45</b>	<b>651.54</b>	<b>592.27</b>	<b>494.36</b>

#### Annexure XXX - CAPITALISATION STATEMENT, AS RESTATED

Particulars	(Amount in INR lacs)		
	Pre IPO as at	As adjusted for Bonus	Post IPO
	30/04/2013 INR	(Refer Note 2 below)	(Refer Note 3 below)
<b>Borrowings:</b>			
Short-term	-		-
Long Term	-		-
<b>Total Debt</b>	-		-
<b>Shareholders funds:</b>			
Share Capital	50.00	800.00	1,210.00
Reserves and Surplus (Net of Revaluation Reserve)	5,395.67	4,645.67	6,736.67
<b>Total Shareholders Funds</b>	<b>5,445.67</b>	<b>5,445.67</b>	<b>7,946.67</b>

#### Notes:

- 1) The figures disclosed above are based on the Restated Summary Statements of the company.
- 2) The figures have been derived after considering the issue of bonus shares on June 7, 2013 in the ratio of 15 bonus shares for every one share held to shareholders holding Equity Shares of the Company on record date i.e. April 25, 2013.
- 3) The figure of Reserves and Surplus in the Company's Post IPO capitalisation data has been updated only in respect of Securities Premium to be generated on account of proposed fresh issue of shares under IPO.

**Annexure XXXI - STATEMENT OF TAX SHELTER, AS RESTATED**
*(Amount in INR lacs)*

Particulars	For the Period ended 30th April, 2013	For the year ended 31 March				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
Profit before tax, As Restated (A)	4.02	1,404.73	1,427.80	1,569.95	1,106.99	826.45
Tax rate - statutory rate (B)	32.445	32.445	32.445	33.218	33.990	33.990
Tax as per actual rate on profits (C = A*B )	1.30	455.76	463.25	521.51	376.27	280.91
Adjustments						
<b>Tax impact of permanent differences</b>						
Donation not allowable as per the provisions of the Income-tax Act, 1961	-	0.07	0.03	0.17	0.19	0.20
Dividend Income Exempt	(0.84)	(6.65)	(6.07)	(2.93)	(2.49)	(2.13)
Capital Gain considered separately	-	-	(0.70)	-	-	-
Deduction under section 80-JJA of the Income-tax Act, 1961	-	-	-	-	-	(0.73)
Loss on sale of Assets	-	1.88	2.14	0.37	1.35	1.13
Interest on tax	-	0.10	-	-	1.40	-
<b>Total tax impact of permanent difference (D)</b>	<b>(0.84)</b>	<b>(4.60)</b>	<b>(4.60)</b>	<b>(2.39)</b>	<b>0.45</b>	<b>(1.53)</b>
<b>Tax impact of timing differences</b>						
Difference between tax depreciation and book depreciation	0.17	(19.20)	(13.21)	(32.21)	(16.36)	(69.82)
Provision for retirement benefits (Leave encashment)	-	6.82	6.94	-	-	-
Tax impact of restatement adjustments	-	(2.61)	42.80	(44.83)	16.76	4.52
<b>Total tax impact of timing difference (E)</b>	<b>0.17</b>	<b>(14.99)</b>	<b>36.53</b>	<b>(77.04)</b>	<b>0.40</b>	<b>(65.30)</b>
<b>Net adjustments F=(D+E)</b>	<b>(0.67)</b>	<b>(19.59)</b>	<b>31.93</b>	<b>(79.43)</b>	<b>0.85</b>	<b>(66.83)</b>
<b>Adjusted tax liability (C+F)</b>	<b>0.63</b>	<b>436.17</b>	<b>495.18</b>	<b>442.08</b>	<b>377.12</b>	<b>214.08</b>
<b>Total tax as per return of income</b>	<b>-</b>	<b>436.17</b>	<b>495.18</b>	<b>442.08</b>	<b>377.12</b>	<b>214.08</b>

**Notes:**

1. The aforesaid Statement of Tax Shelters has been prepared as per the Summary Statement of Profits and Losses, As Restated of the Company.
2. The above statement should be read with the Notes to the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Summary Statement of Cash Flows, As Restated as appearing in Annexure IV.
3. The permanent / timing differences for the years ended March 31, 2013, 2012, 2011, 2010 and 2009 have been computed based on acknowledged copies of Income Tax Returns of the respective years.
4. The permanent/ timing differences for the period ended April 30, 2013 have been determined on the basis of provisional computation of the total income prepared by the company and are subject to change that may be considered at the time of filing of final return of income for the assessment year 2014-15.

# Annexure XXXII - STATEMENT OF ACCOUNTING RATIOS, AS RESTATED

Particulars	For the Period ended 30th April, 2013	For the year ended 31st March,				
		2013 INR	2012 INR	2011 INR	2010 INR	2009 INR
Net Worth (INR in lacs)	5,445.67	5,442.26	4,485.64	3,504.61	2,447.86	1,826.01
Restated Profit After Tax (INR in lacs)	3.39	997.21	976.06	1,090.02	654.47	543.36
Total number of shares outstanding at the end of the period / year after considering Sub-division * (Nos.)	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000
Number of shares outstanding during the period / year after considering Sub-division and Bonus issue* (Nos.)	80,00,000	80,00,000	80,00,000	80,00,000	80,00,000	80,00,000
<b>Earnings Per Share INR 10/- each</b>						
Basic & Diluted Earning Per Share after considering Sub-division and Bonus issue* (INR)	0.04	12.47	12.20	13.63	8.18	6.79
Return On net Worth (%)	0.06%	18.32%	21.76%	31.10%	26.74%	29.76%
Net Assets Value Per Share of INR 10/- each after considering Sub-division and Bonus issue* (INR)	68.07	68.03	56.07	43.81	30.60	22.83
Face Value after considering Sub-division* (INR)	10	10	10	10	10	10

## Notes:

- \* As per the requirements of Para 44 of Accounting Standard - AS 20 "Earning Per Share", number of shares have been derived considering sub-division on April 25, 2013 of Equity Share of INR 100/- into 10 Equity Shares of INR 10/- each and issue of bonus shares on June 07, 2013 in the ratio of 15:1 to the share holders holding Equity Shares of the Company on record date April 25,2013.

## 2) The ratios have been computed as below:

$$\text{Earnings Per Share - Basic \& Diluted} = \frac{\text{Net Profit After Tax As Restated}}{\text{Number of Equity Shares Outstanding for the Year}}$$

$$\text{Net Asset Value Per Share (INR)} = \frac{\text{Net Worth As Restated As At Year End}}{\text{Number of Equity Shares as at Year End}}$$

$$\text{Return On Net Worth (\%)} = \frac{\text{Net Profit After Tax As Restated}}{\text{Net Worth as Restated as at Year End}}$$

- The figures disclosed above are based on the Restated Summary Statements of the Company.

### Annexure XXXIII - STATEMENT OF DIVIDEND, AS RESTATED

Particulars	For the Period ended 30 <sup>th</sup> April 2013	(Amount in INR lacs)				
		For the year ended 31 March*				
		2013	2012	2011	2010	2009
		INR	INR	INR	INR	INR
<b>Dividend on Equity Shares</b>						
Dividend in % - Final	-	50%	50%	50%	35%	30%
Proposed Dividend	-	25.00	25.00	25.00	17.50	15.00
Dividend Tax	-	4.25	4.06	4.15	2.97	2.55

**Note:**

\* Face Value of the Equity Shares - INR 100/-

### ANNEXURE XXXIV – STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED

Names of the Related parties and Nature of Relationships as per the Accounting Standard 18- "Related Party Disclosures"

Related parties, as defined under Clause 3 of Accounting Standard (AS 18) "Related Party Disclosures" prescribed by Companies (Accounting Standards) Amendment Rules, 2006, have been identified on the basis of representation made by the Management and taken on record by the Board of Directors.

Sr No.	Particulars	For the period 1st April to 30th April 2013	Year ended				
			2012-13	2011-12	2010-11	2009-10	2008-09
			Amount	Amount	Amount	Amount	Amount
1	Related parties where control exists						
	Charitable Trust promoted by the Company	MITCON Foundation	MITCON Foundation	MITCON Foundation	MITCON Foundation	MITCON Foundation	MITCON Foundation
2	Key Managerial Personnel ( KMP)	Dr. Pradeep Bavadekar, Managing Director	Dr. Pradeep Bavadekar, Managing Director	Dr. Pradeep Bavadekar, Managing Director	Dr. Pradeep Bavadekar, Managing Director	Dr. Pradeep Bavadekar, Managing Director	Dr. Pradeep Bavadekar, Managing Director
		Mr. Ram Mapari, Controller of Finance	Mr. Ram Mapari, Controller of Finance	Mr. Ram Mapari, Controller of Finance	Mr. Ram Mapari, Controller of Finance	Mr. Ram Mapari, Controller of Finance	Mr. Ram Mapari, Controller of Finance
		Mr. Madhav Oak, Company Secretary	Mr. Madhav Oak, Company Secretary	-	-	-	-

Note: KMP - As per definition in Companies Act, 2013 effective from September 12, 2013.

**Transactions with related party:**

Sr No.	Nature of transactions / relationship / Name of Related Party	As at / for the period ended	(Amount in INR lacs)				
			As at / Year ended				
			2012-13	2011-12	2010-11	2009-10	2008-09
.							

		30th April 2013				
		Amount	Amount	Amount	Amount	Amount
<b>1</b>	<b>Salary * / perquisites / Dividend</b>					
	<b>Key Management Personnel (KMP) **</b>					
	<b>Dr. Pradeep Bavadekar, Managing Director</b>					
	<b>Remuneration</b>	<b>5.16</b>	73.51	80.64	75.59	44.37
	<b>Dividend</b>	<b>-</b>	1.75	1.56	0.92	0.66
	<b>Mr. Ram Mapari, Controller of Finance</b>					
	<b>Salary</b>	<b>1.32</b>	16.92	16.68	13.92	9.60
	<b>Dividend</b>	<b>-</b>	0.13	0.13	0.09	0.06
	<b>Mr. Madhav Oak, Company Secretary</b>					
	<b>Salary</b>	<b>0.64</b>	1.01	-	-	-
	<b>Total</b>	<b>7.12</b>	<b>93.32</b>	<b>99.01</b>	<b>90.52</b>	<b>54.69</b>
<b>2</b>	<b>Transactions / Expenses incurred on behalf of MITCON Foundation</b>	<b>-</b>	28.11	93.00	12.43	17.09
	<b>Total</b>	<b>-</b>	<b>28.11</b>	<b>93.00</b>	<b>12.43</b>	<b>17.09</b>
<b>3</b>	<b>Guarantees given outstanding</b>					
	<b>MITCON Foundation. (Loan Outstanding against this Guarantee as on 30.04.2013 is Rs. 28.27 Lacs)</b>	788.20	788.20	788.20	788.20	788.20
	<b>Total</b>	<b>788.20</b>	<b>788.20</b>	<b>788.20</b>	<b>788.20</b>	<b>788.20</b>
<b>4</b>	<b>Accounts Receivable Outstanding</b>					
	<b>MITCON Foundation Against Sale of Land</b>	212.73	212.73	212.73	212.73	212.73
	<b>Total</b>	<b>212.73</b>	<b>212.73</b>	<b>212.73</b>	<b>212.73</b>	<b>212.73</b>
<b>5</b>	<b>Accounts Payable Outstanding</b>					
	<b>Dr. Pradeep Bavadekar, Managing Director</b>					
	<b>Remuneration</b>	12.14	12.13	19.16	32.63	8.99
	<b>Mr. Ram Mapari, Controller of Finance</b>					
	<b>Salary</b>	5.70	5.69	5.91	5.11	3.82
	<b>Mr. Madhav Oak, Company Secretary</b>					
	<b>Salary</b>	0.51	0.54	-	-	-
	<b>Total</b>	<b>18.35</b>	<b>18.36</b>	<b>25.07</b>	<b>37.74</b>	<b>12.81</b>

Notes:

1) \* As the liabilities for gratuity and leave encashment are provided on actuarial basis for the Company as a whole, the amounts pertaining to the KMP are not included above.

2) \*\* KMP - As per definition in Companies Act ,2013 effective from September 12, 2013.



**ANNEXURE XXXV – STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED**

**Contingent Liability not provided for**

Particulars	As at 30th April, 2013	(Amount in INR lacs)				
		31st March, 2013	31st March, 2012	As at 31st March 2011	31st March 2010	31st March 2009
Corporate Guarantee to Bank given on behalf of MITCON Foundation. <b>(Loan Outstanding against this Guarantee as on April 30, 2013 is INR 28.27 Lacs)</b>	788.20	788.20	788.20	788.20	788.20	788.20
Guarantees given by bankers to customer	105.41	97.73	146.37	151.00	117.20	16.68
Show Cause cum Demand Notice dated 16.4.2013 received from Commissioner of Central Excise, Pune - III, pertaining to the period 01/07/2011 to 31/03/2012 aggregating to INR 146.40 Lacs. This claim is disputed by the Company and is being contested before the Service Tax Authorities.	146.4	-	-	-	-	-
ESIC Demand in Appeal	-	-	-	-	1.31	1.31

**Capital Commitments**

Particulars	As at 30 <sup>th</sup> April, 2013	(Amount in INR lacs)				
		31st March, 2013	31st March, 2012	As at 31st March 2011	31st March 2010	31st March 2009
i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advance) in respect of purchase of:						
Tangible Fixed Assets	-	6.15	8.80	22.27	285.00	-
Intangible Fixed Assets	1.33	2.49	5.42	-	-	-

## **Annexure IV - STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY**

### **1 SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 Basis of preparation of financial statements**

The 'Summary Statement of Assets and Liabilities, As Restated', of the Company as at April 30, 2013, March 31, 2013, 2012, 2011, 2010, and 2009, the 'Summary Statement of Profits and Losses, As Restated', and the 'Statement of Cash Flows, As Restated', for the period/years ended April 30, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 (collectively referred to as 'Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The financial statements have been prepared and presented under the historical cost convention (except for revaluation of certain fixed assets), on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extent applicable.

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Accordingly the Company has presented the financial statements as at April 30, 2013, March 31, 2013 and for the year ended March 31, 2012 along with the comparatives as at March 31, 2011 following the requirement of Revised Schedule VI. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures pertaining to year ended March 31, 2010 and March 31, 2009 in accordance with the requirements of Revised Schedule VI.

The Company has prepared these Restated Summary Statements along with related notes in accordance with the requirements of the Guidance Note on Revised Schedule VI and has reclassified previous year figures accordingly.

#### **1.2 Revenue recognition**

**A** Revenue from Consultancy / Incubation / Environment Laboratory Services is recognised as per the terms of the specific contracts.

**B** Revenue from training programs is accounted as follows: -

- a) Fees from the participants are accounted for on accrual basis i.e. admission of participant to course.
- b) Revenue from Government sponsored training programs is recognized on accrual basis.
- c) Revenue from training activities conducted on behalf of Maharashtra Knowledge Corporations Limited (MKCL), being not reasonably determinable, is recognised on receipt basis (See note 11).

**C** Revenue from Wind energy generation is recognised based on units generated.(Net of rebate)

**D** Interest income is recognised on a time proportion basis.

**E** Dividend income is recognised only when the company's right to receive the payment is established.

### **1.3 Use of estimates**

Estimates and assumptions used in the preparation of the financial statements are based on management's evaluation of the relevant facts and circumstances as of date of the Financial Statements, which may differ from the actual results at a subsequent date. Any revision to accounting estimates is recognized prospectively in current and future period.

### **1.4 Fixed assets**

**a** Fixed assets are stated at cost of acquisition less accumulated depreciation and those which were revalued as on 01.09.1999 are stated at the values determined by the valuer less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.

**b** Intangible assets are stated at the consideration paid for acquisition and customisation thereof less accumulated amortisation.

### **1.5 Depreciation**

**a** Depreciation on tangible and intangible fixed assets has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, pro rata to the period of use.

**b** Depreciation on revalued asset has been adjusted against revaluation reserve.

### **1.6 Government Grants**

Government grants in the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds. Utilisation thereof is as per covenants of grants received.

Such grants are reduced to the extent of depreciation charged and loss on sale or discard of fixed assets purchased therefrom. Further interest received from investment of unutilised grant are added to respective grants.

### **1.7 Operating lease**

Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

### **1.8 Investments**

**A** Long term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.

**B** Current investments are stated at lower of cost or market value. The determination of carrying amount of such investment is done on the basis of specific identification.

### **1.9 Retirement benefits**

#### **A Short term employee benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia,

performance pay etc. and the same are recognised in the period in which the employee renders the related service.

**B Employment benefits:**

**i) Defined contribution plans:**

The company has Defined Contribution Plans for post employment benefit in the form of Provident Fund / Pension Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund / Pension Fund are classified as defined contribution plans as the company has no further obligation beyond making contributions. The company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

**ii) Defined benefit plans:**

**a Funded plan:**

The company has defined benefit plan for post employment benefit in the form of gratuity for the employees which are administered through Life Insurance Corporation of India. Liability for the said defined plan is provided on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

**b Non funded plan:**

The company has defined benefit plan for the employment benefit in the form of leave encashment for the employees. Liability for above defined benefit plan is provided on the basis of the valuation as at the Balance Sheet date carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

**iii)** The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss for the period / year without resorting to any amortization.

**1.10 Income Tax**

**a Current taxation:**

Provision is made for income Tax annually, based on the tax liability computed after considering tax allowances and exemptions.

**b Deferred tax**

Deferred tax is recognised, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date.

**1.11 Earnings per share**

Earnings per share are calculated by dividing the restated net profit or loss for the period / year attributable to equity shareholders by the number of Equity Shares outstanding during the period / year. The numbers of

Equity Shares outstanding during the period / year are adjusted for events of subdivision of Equity Shares and issue of bonus shares.

#### **1.12 Foreign currency transaction**

##### **a Initial recognition :**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

##### **b Exchange differences :**

Exchange differences arising on the settlement of foreign currency transactions are recognised as income or as expense in the year in which they arise.

#### **1.13 Provisions, contingent liabilities and contingent assets:**

**Provisions** are recognised for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of a past event,
- b) a probable outflow of resources is expected to settle the obligation; and
- c) the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

**Contingent Liability** is disclosed in case of

- a) a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations;
- b) a present obligation arising from past events, when no reliable estimate is possible; and
- c) a possible obligation arising from past events where the probability of outflow of resources is not remote.

**Contingent Assets** are neither recognised, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance sheet date.

#### **1.14 Inventories**

Inventory in the nature of printed course material are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

#### **1.15 Share issue expenses**

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

#### **1.16 Segment Reporting**

The company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization. The operating segments are the segments for which separate financial information is available and for which operating Profit/Loss amounts are evaluated regularly by the Management in deciding how to allocate resource and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

## 1.17 Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of the company are segregated.

## 2. TABLE HIGHLIGHTING MATERIAL ADJUSTMENTS:

- 2.1 The summary of results of material restatements made in audited financial statements of the Company for the respective years and their impact on the profits of the Company is as under:

Figures in bracket represent increase in profits.

		<i>(Amount in INR lacs)</i>						
Particulars	Notes	For the period ended	For the year ended 31st March,					
		30 April 2013,	2013	2012	2011	2010	2009	
		INR	INR	INR	INR	INR	INR	
<b>Profit after Tax as per Audited Financial Statements</b>		<b>3.39</b>	991.79	1,088.07	996.76	679.19	542.18	
<b>Adjustments due to change in accounting estimates</b>								
Change in rate of depreciation of Wind Turbine Generator	2.1.1	-	-	(70.47)	23.47	23.47	23.47	
<b>Adjustments due to change in Accounting Policy</b>								
Provision for Leave Encashment	2.1.2	-	-	-	(1.76)	16.92	3.90	
<b>Other Adjustments</b>								
Prior Period adjustments with respect to accounting of income	2.1.3	-	-	-	37.82	20.01	(25.08)	
Prior Period adjustments with respect to accounting of Expenses	2.1.4	-	-	-	(38.83)	20.58	5.80	
Bad Debts written off	2.1.5	-	(59.01)	35.28	(20.73)	(1.13)	29.53	
Bad Debts Recovered	2.1.6	-	23.00	-	-	-	-	
Sundry Provisions and credit balances written back	2.1.7	-	27.98	82.90	(50.67)	(30.53)	(19.29)	
Liability written back- Service Tax	2.1.8	-	-	30.57	(30.57)	-	-	
Claim for Service Tax refund	2.1.9	-	-	53.68	(53.68)	-	-	
Contribution to Super Annuation Fund	2.1.10	-	-	-	-	-	(5.03)	

<b>Tax related Adjustments</b>							
Deferred tax - Expense / (income)	2.1.11	-	-	22.86	(7.21)	(13.73)	(9.30)
Income Tax for earlier years - Expense / (income)	2.1.12	-	-	-	4.07	5.67	(1.27)
Provision for Tax - Expense / (income)	2.1.13	-	2.61	(42.81)	44.83	(16.54)	(3.91)
<b>Total</b>		-	(5.42)	112.01	(93.26)	24.72	(1.18)
<b>Restated Profit after Tax</b>		<b>3.39</b>	997.21	976.06	1,090.02	654.47	543.36

## Notes on Material Adjustments

### Changes in Accounting Estimates

#### 2.1.1 Change in rate of depreciation on Wind Turbine Generator

Upto the Financial year ended March 31, 2011 the Company was not recognising triple shift working of Wind Turbine Generator. During the year ended March 31, 2012, the Company in recognition of triple shift working of the said asset changed the rate of depreciation from single shift usage to triple shift usage for the said asset.

Accordingly, in Restated Summary Statements, the depreciation figures appearing in the audited financial statements for the years ended March 31, 2011, 2010 and 2009 have been restated to provide impact in each of the respective financial years due to the change in said rate. Accordingly, the net block of fixed assets has decreased and accumulated depreciation has increased for the financial years ended March 31, 2011, 2010 and 2009 .

#### Change in Accounting Policy

#### 2.1.2 Leave Encashment

During the years ended March 31, 2011, 2010 and 2009 the Company had not provided for any liability towards leave encashment as per the requirements of the notified Accounting Standard - AS 15 (Revised 2005) - "Accounting for Employee Benefits" which requires accrual basis of accounting. For the year ended March 31, 2012 the Company has recorded the leave encashment provision in accordance with AS 15. Accordingly for the purposes of Restated Summary Statements this treatment has been applied retrospectively. Further, the opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

### Other Adjustments

#### 2.1.3 Prior Period adjustments with respect to accounting of income

In the audited financial statements for the years ended March 31, 2011, 2010 and 2009 certain items of income have been identified as income pertaining to earlier years.

Accordingly, in Restated Summary Statements, such prior period income has been appropriately adjusted in the respective year to which the transaction pertains. Further, the opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

#### 2.1.4 Prior period adjustments with respect to accounting of expenses

In the audited financial statements for the year ended March 31, 2011, 2010 and 2009 certain items of expenses have been identified as expenses pertaining to earlier years.

Accordingly, in Restated Summary Statements, such prior period expenses have been appropriately adjusted in the respective year to which the transaction pertains. Further, the opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

#### **2.1.5 Bad Debts Written off**

In the audited financial statements for the year ended March 31, 2013, 2012, 2011, 2010 and 2009 certain debtors pertaining to earlier years have been identified as irrecoverable by the management of the Company and written off as bad debts.

Accordingly, in Restated Summary Statements, such bad debts have been appropriately adjusted in the relevant year. Further, the opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

#### **2.1.6 Bad debts recovered**

In the audited financial statements for the year ended March 31, 2013, certain bad debts have been recovered which were identified as irrecoverable by the Management and written off as bad during earlier year.

Accordingly, in Restated Summary Statements, such recovery has been appropriately adjusted in the opening retained earnings as at April 1, 2008.

#### **2.1.7 Sundry Provisions & Credit balances written back**

In the audited financial statements for the year ended March 31, 2013 and March 31, 2012 certain provisions identified as excess and credit balances no longer required pertaining to earlier years have been written back.

Accordingly, in Restated Summary Statements, such provisions and credit balances has been appropriately adjusted in the respective years to which the transaction pertains. Further, the opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

#### **2.1.8 Liability Written back- Service Tax**

In the audited financial statements for the year ended March 31, 2012 Unpaid Service Tax Liability for Financial year 2010-11 has been written back and has been recognised as revenue (See note no. 7(a) Annexure IV). Accordingly, in Restated Summary Statements, this revenue has been appropriately adjusted in the financial year 2010-11.

#### **2.1.9 Claim for Service Tax Refund**

In the audited financial statements for the year ended March 31, 2012 Service Tax Refund Receivable for Financial year 2010-11 has been recognised as revenue (See note no. 7(b) Annexure IV). Accordingly, in Restated Summary Statements, this revenue has been appropriately adjusted in the financial year 2010-11.

#### **2.1.10 Contribution to Superannuation Fund**

In the audited financial statements for the year ended March 31, 2009 certain portion of contribution to super annuation fund has been identified as expense pertaining to earlier years.

Accordingly, the opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

#### **2.1.11 Deferred Tax**



In Restated Summary Statements, Deferred Tax has been recomputed for the years ended March 31, 2012, 2011, 2010 and 2009 to give effect of restatement on account of Leave Encashment adjustments and change in rate of depreciation with respect to Wind Turbine Generator. Further, opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of such items incurred prior to March 31, 2008.

#### **2.1.12 Tax Related Adjustments**

##### **Income tax for earlier years**

During the years ended March 31, 2011, 2010 and 2009 certain taxes have been accounted for pertaining to earlier years based on assessment orders received from Income-tax authorities. For the purpose of the Restated Summary Statements, such items have been appropriately adjusted to the respective years to which they relate. Further, opening retained earnings as at April 1, 2008 have been adjusted to reflect the impact of such items incurred prior to March 31, 2008.

#### **2.1.13 Provision for Tax**

Provision for Tax has been recomputed to give tax effect on adjustments made as detailed above and has been adjusted in Restated Summary Statements.

### **3 Material Reclassification / Adjustments / Regrouping**

Appropriate reclassifications / adjustments/ regrouping have been made in the Summary Statement of Assets and Liabilities, As Restated, Summary Statement of Profits and Losses, As Restated and Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company for the period ended April 30, 2013 and the requirements of the SEBI Regulations. Material reclassifications/ adjustments/ regrouping made are as under.

- a. During the year ended March 31, 2012, the Revised Schedule VI notified under the Companies Act, 1956 , has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous years' figures have been re-grouped/re-classified wherever applicable.
- b. Intangible assets which had been included under Computer Software as part of Tangible assets as at March 31, 2011, 2010 and 2009 have been regrouped under Intangible assets in the Summary Statement of Assets and Liabilities, As Restated.
- c. **Revalued Asset and Revaluation Reserve**

During the years ended March 31, 2011, 2010 and 2009 the Company had not provided depreciation on revalued portion of building which was provided for the first time for the year ended March 31, 2012 with corresponding adjustment to revaluation reserve.

Accordingly, in Restated Summary Statements, depreciation on such portion of revalued assets has been appropriately adjusted to balance of revaluation reserve in the respective years. Further, the opening balance of revaluation reserve as at April 1, 2008 have been adjusted to reflect the impact of the amounts pertaining prior to March 31, 2008.

However as per the requirement of Clause (IX) (B) 9 (f) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by Securities and Exchange Board of India (SEBI), the Statement of Assets and Liabilities, As Restated, for the period / year ended April 30, 2013, March 31, 2013, 2012, 2011, 2010, and 2009 have been prepared after deducting the balance in revaluation reserve from the carrying amount of Fixed Assets and Reserves & Surplus.

- d. Investments in National Savings Certificate which had been included under Current Assets as at March 31, 2011, 2010 and 2009 have been regrouped under Investments in the Summary Statement of Assets and Liabilities, As Restated.
- e. In the audited financial statements for the years ended March 31, 2011, 2010 and 2009, Prior period Expenses/ Income have been reflected in the Statement of Profit & Loss after netting out. In the Restated Summary Statements such expenses have been adjusted in the appropriate expense account and such income has been reclassified as Sundry Provisions & Credit Balances written back in the respective years.
- f. In the audited financial statements for the year ended March 31, 2012, Service tax liability written back was included in sundry provisions and credit balances no longer required written back. In the Restated Summary Statements for the year ended March 31, 2011, this has been included in sale of services.
- g. **Qualification in Auditor's Report - Change in Accounting Policy**

The Auditors Report for the years ended March 31, 2011, 2010 and 2009 referred to non-provision of liability towards Leave Encashment. For the year ended March 31, 2012 the Company has recorded the leave encashment provision in accordance with AS 15. For the purposes of Restated Summary Statements, provision for leave encashment has been appropriately reflected in each respective year.

#### **4 Non-adjusting items**

##### **a. Gratuity Actuarial Valuation - Change in Accounting Policy**

During the years ended March 31, 2011, 2010 and 2009 the Company had not determined liability towards gratuity as per the requirements of the notified Accounting Standard - AS 15 (Revised 2005) - "Employee Benefits" which requires accrual basis of accounting. During the year ended March 31, 2013 and 2012 the Company has determined liability towards gratuity on actuarial basis in accordance with AS 15. For the purposes of restatement, the company has ascertained gratuity liability on actuarial basis as required by AS 15 year wise for years ended March 31, 2011, 2010 and 2009. As per such actuarial valuation, For the years ended March 31, 2011, 2010 and 2009, no provision is required for gratuity liability.

##### **b. Qualification in Auditor's Report**

Certain qualifications in the Auditor's Report and in the Annexure to the Auditors' Report as per Companies (Auditor's Report) Order, 2003 (as amended) for the financial years ended March 31, 2011, 2010 and 2009 which do not require any corrective adjustment in the financial information pertained to:

- i) Auditor's Report for the years ended March 31, 2011, 2010 and 2009 regarding balances of Sundry debtors, loans and advances and sundry creditors being subject to confirmation and reconciliation.
- ii) Annexure to Auditor's Report for the years ended March 31, 2011, 2010 and 2009 regarding strengthening of the internal audit system with regard to coverage of area of operations and frequency of report and as regards to strengthening of internal control in relation to recording of sales and cut off procedures and for authorization, authentication, verification and documentation of accounting transactions.

#### **5 Non disclosure items**

The management is unable to ascertain the value of inventory of printed course material, if any, as at the end of March 31, 2011, 2010 and 2009 as this was being charged off to the Statement of Profit and Loss as expense in the respective year. Consequently no adjustment has been made for this item in the Restated Summary Statements.

- 6 The Restated Summary Statements have been adjusted for the tax impact of the restatement adjustments identified above.

## **OTHER SIGNIFICANT NOTES**

### **7(a) Unpaid Service Tax Liability written back**

Upon issue of notification number 03/ 2010 dated 27th February 2010 by CBEC, withdrawing exemption from levy of service tax on fees from Vocational Training Programmes (VTPs) the Company recognised service tax liability on revenue from VTPs which was to be paid to the credit of Central Government on receipt of fees.

However, subsequent to clarification from TRU, (as mentioned in Note No. 7(b) below) the unpaid service tax liability amounting to INR 30.57 lacs relating to period from 01st January 2011 to 31st March 2011, in respect of such fees has been written back and recognised as revenue during the year ended 31st March 2012.

### **7 (b) Claim for Service Tax Refund**

Central Board of Excise and Customs (CBEC) issued notification number 03/2010 dated 27th February 2010 withdrawing exemption from levy of service tax on Vocational Training Programmes. Consequently the Company paid service tax without charging the same for such programmes.

As per clarification obtained from CBEC on applicability of Service Tax on Vocational Training programmes conducted under centrally sponsored schemes, these services fall under commercial training and coaching services and are liable to Service tax.

However, as per clarification received from the Tax Research Unit (TRU), Department of Revenue, Ministry of Finance, Government of India, the Vocational Training Programmes conducted by the Company under Centrally Sponsored Schemes fall under Business Auxiliary Services. This service provided by the Company is in relation to Educational training and hence exempt from levy of service tax under exemption notification number 14/2004 ST dated 10th September 2004. Based on this clarification, the Company did not pay service tax for the period 1st July 2011 to 30th June 2012 and has claimed refund of Service Tax paid for the period 1st August 2010 till 30th June 2011 aggregating to INR 91.18 lacs.

An amount of INR 53.68 lacs pertaining to the financial year 2010-11 and INR 37.50 lacs pertaining to financial year 2011-12 (aggregating to INR 91.18 lacs as aforesaid) appears as receivable under Other Current Assets for the period ended April 30, 2013 (Other Non-current Assets for financial year 2012-13 & 2011-12).

The claim for refund was initially rejected by Service Tax Department, Pune. The Company's appeal against the said order to Service tax Appellate Authority been decided in favour of the Company by the Commissioner (Appeals - III ), Central Excise Pune on 31-03-2013 and refund of Rs. 89.49 lacs was granted to the Company by Service tax Department on 02/09/2013. However the Service Tax Department is in Appeal with Customs, Central Excise and Service Tax Appellate Tribunal against the order of the Commissioner (Appeals - III), Central Excise Pune. Necessary adjustments, if any, for refund will be effected in the books of account of the Company only on the final disposal of pending Appeal.

- 7 (c) However, the Company has received show cause cum demand notice dated 16th April 2013 from the Commissioner of Central Excise Pune - III, calling upon the Company to Show cause as to why an amount of INR 146.40 lacs should not be charged / demanded and recovered from it for the period from 01st July 2011 to 31st March 2012 (being part of the period for which Company did not pay service tax). This claim is disputed and being contested by the Company by filing written submission on 10th July 2013 before the Commissioner, Central Excise & Service tax, Pune III.

### **8 Asset Revaluation Reserve**

In accordance with Clause (IX)(B)9(f) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by Securities and Exchange Board of India (SEBI), the Statement of Assets and Liabilities, As Restated, for the period / years ended April 30, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 have been prepared after deducting the balance in revaluation reserve from the carrying amount of Fixed Assets and Reserves & Surplus.

## 9 Change in name of the Company

The name of the Company has been changed from "MITCON Consultancy Services Limited" to "MITCON Consultancy & Engineering Services Limited" pursuant to the new certificate of Incorporation dated 15 October 2010 issued by the Registrar of Companies, Pune.

## 10 Receivable from MITCON Foundation

An amount of INR 212.73 lacs is receivable from MITCON Foundation, a Trust promoted by and under the same management of the Company, against sale of land. The Company has given undertaking to Bank of Baroda that the said receivable shall not be recovered by the Company until the Term Loan availed of by MITCON Foundation from the Bank is repaid in full. In the opinion of the Management this receivable is good and fully recoverable.

## 11 Tuition fees received from MKCL

MITCON is a Training provider to Maharashtra Knowledge Corporation Limited (MKCL) for their MSCIT and other courses. Fees of these training courses are directly collected by MKCL. On completion of these training programmes Tuition fees are shared by MKCL with the Company as per the Terms of Agreement. However as the Company's share of fees is not independently determinable by the Company prior to actual receipt thereof, these are accounted for on receipt basis.

## 12. Payments to Auditors (Net of Service Tax)

(Amount in INR lacs)

Particulars	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
For Audit	0.25	3.00	3.00	1.00	0.75	0.75
For Certification	0.08	0.04	0.10	-	-	-
For Management Services		-	-	0.50	0.25	0.20
<b>Total</b>	<b>0.33</b>	<b>3.04</b>	<b>3.10</b>	<b>1.50</b>	<b>1.00</b>	<b>0.95</b>

## 13. Director's Remuneration

(Amount in INR lacs)

Particulars	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Director's Remuneration		5.16	73.51	80.64	75.59	61.07
<b>Total</b>		<b>5.16</b>	<b>73.51</b>	<b>80.64</b>	<b>75.59</b>	<b>44.37</b>

## 14. Expenditure and earnings in foreign currencies

(Amount in INR lacs)

Expenditures In Foreign Currency	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Travelling expenses	-	0.28	0.33	0.79	-	1.24
Software Purchases	-	-	-	0.59	6.57	-

Workshop Fees	-	1.09	-	-	-	-
Subscription & Membership Fees	-	0.47	1.30	0.29	0.30	0.36
<b>Total</b>	-	<b>1.84</b>	<b>1.63</b>	<b>1.67</b>	<b>6.87</b>	<b>1.60</b>

*(Amount in INR lacs)*

Earnings In Foreign Currency	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Professional fees	-	40.67	66.00	124.49	30.07	86.28
Income from training activity	-	-	0.64	-	-	-
Reimbursement of Expenses	-	0.42	2.28	6.21	-	-
<b>Total</b>	-	<b>41.09</b>	<b>68.92</b>	<b>130.70</b>	<b>30.07</b>	<b>86.28</b>

15. The Company has no suppliers covered under The Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act).

**16. Disclosure pursuant to Accounting Standard (AS 15) - Revised 2005 "Employee Benefits"**

**A. Defined contribution plans:**

The company has recognized the following amounts in the Statement of Profit & Loss for the period / year:

*(Amount in INR lacs)*

Particulars	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Contribution to Employees Provident Fund	5.28	59.45	52.95	38.44	25.70	20.28
Contribution to Employees Family Pension Fund	1.18	14.93	14.58	12.94	10.58	9.36

**B. Defined benefit plans - Gratuity**

The company makes annual contribution to the insurance management fund, a funded defined benefit plan for qualifying employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 month. Vesting occurs only upon completion of 5 years of service except in case of death or permanent disability. The present value of defined benefit obligation and the related current service cost are measured using the projected Unit Credit Method with actuarial valuation being carried out at the balance sheet date.

*(Amount in INR lacs)*

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Present value of defined benefit obligation at the beginning of the period /year	141.16	100.51	80.29	61.45	44.99	31.63
Interest cost	0.94	8.29	6.52	4.87	3.10	2.50
Current service cost	2.61	26.09	19.23	14.31	9.75	9.15
Past Services Cost	-	-	-	-	13.65	-
Actuarial losses / (gains)	8.15	12.15	-	0.72	(6.19)	1.70
Benefits paid	-	(5.89)	(5.30)	(1.06)	(3.85)	-
<b>Present value of defined benefit</b>	<b>152.86</b>	<b>141.15</b>	<b>100.74</b>	<b>80.29</b>	<b>61.45</b>	<b>44.98</b>

obligation at the close of the period / year

(Amount in INR lacs)

Changes in the fair value of plan assets and the reconciliation thereof:	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Fair value of plan assets at the beginning of the period /year	137.87	123.92	96.48	75.57	58.18	43.01
Add :expected return on plan assets	1.03	11.24	9.45	7.39	5.74	4.34
Add / (less) : actuarial (losses) / gains	(1.03)	0.76	0.91	0.49	0.54	0.40
Add : contributions by employer	-	7.84	22.38	14.08	14.96	10.44
Less: benefits paid	-	(5.89)	(5.30)	1.06	(3.85)	-
Fair value of plan assets at the close of the period /year	<b>137.87</b>	<b>137.87</b>	<b>123.92</b>	<b>98.59</b>	<b>75.57</b>	<b>58.19</b>

(Amount in INR lacs)

Amount recognized in the Balance Sheet:	Period ended 30th April, 2013	Year ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Present Value of Obligation as at the end of period /year	152.86	141.16	100.51	80.29	61.45	44.99
Fair Value of Plan Assets as at the end of period /year	137.87	137.87	123.92	96.48	75.57	58.18
Funded Status	(14.99)	(3.29)	23.41	16.19	14.12	13.19
Current Liability	-	3.29	-	-	-	-
Non - Current Liability	-	137.87	100.51	80.29	61.45	44.99
Unrecognised Actuarial (gains) / losses	-	-	-	-	-	-
<b>Net Asset / ( Liability)</b>	<b>(14.99)</b>	<b>(3.29)</b>	<b>23.41</b>	<b>16.19</b>	<b>14.12</b>	<b>13.19</b>

Only net liability is provided in the books of account of the Company

(Amount in INR lacs)

Amounts recognised in the statement of Profit and Loss are as follows:	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Current service cost	2.61	26.09	19.23	14.31	9.75	9.15
Past Service Cost	-	-	-	-	13.65	-
Interest cost	0.94	8.29	6.52	4.87	3.10	2.50
Expected return on plan assets	(1.03)	(11.24)	(9.45)	(7.39)	(5.74)	(4.34)
Curtailment cost/(Credit)	-	-	-	-	-	-
Settlement Cost/(Credit)	-	-	-	-	-	-
Net Actuarial (Gain)/Loss recognised in the period /year	9.18	11.40	(1.15)	0.23	(6.74)	1.30
Expenses Recognised in the Statement of Profit & Loss at the end of period /year	<b>11.70</b>	<b>34.54</b>	<b>15.15</b>	<b>12.02</b>	<b>14.02</b>	<b>8.61</b>

(Amount in INR lacs)

Amount for the current (Period / Year):	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09

Present value of obligation	152.86	141.16	100.51	80.29	61.45	44.99
Plan assets	137.87	137.87	123.92	96.48	75.57	58.18
<b>Surplus / (Deficit)</b>	<b>(14.99)</b>	<b>(3.29)</b>	<b>23.41</b>	<b>16.19</b>	<b>14.12</b>	<b>13.19</b>

*(Percentage)*

Broad categories of plan assets as a percentage of total assets	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Insured managed funds	100%	100%	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

*(Percentage)*

Actuarial assumptions	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Discount rate	7.70%	8.00%	8.50%	8.40%	8.00%	7.20%
Rate of increase in Compensation levels	8.50%	8.50%	5.00%	5.00%	5.00%	5.00%
Rate of return on plan assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Expected Average remaining working lives of employees ( years )	8.34	8.39	8.29	8.38	8.24	8.40

- C. The liability for the Leave Encashment as defined in AS 15 (revised 2005) has been provided on actuarial basis. Para 132 of AS 15 (revised 2005) does not require any specific disclosure except where the expense resulting from compensated absences is of such size, nature of incidence that its disclosure is relevant under other accounting standard. In the opinion of the management, the expenses resulting from leave encashment are not significant and hence no disclosure is prepared under various paragraph of AS 15 (revised 2005). Unfunded liability as at April 30, 2013 is INR 83.93 lacs.
17. The Company has entered into operating lease arrangements for office space. Lease arrangements provide for cancellation by either party or by the Company and also contain a clause for renewal of the lease agreement. Lease payments on cancellable operating lease arrangements are debited to Statement of Profit and Loss.

*(Amount in INR lacs)*

Lease payments debited to the Statement of Profit and Loss	Period ended 30th April, 2013	Year Ended				
		2012-13	2011-12	2010-11	2009-10	2008-09
Cancellable leases						
Lease rent for office	5.12	72.01	61.71	57.56	51.40	33.73

## 18. Events Subsequent to April 30, 2013

### Issue of Bonus Shares and capitalisation of Reserves

75,00,000 Equity Shares of INR 10/- each have been issued and allotted on June 7, 2013 as fully paid up bonus shares in the proportion of 15 Equity Shares for every one Equity Share held by utilisation of balance in Accumulated Profits. Consequently the issued, subscribed and paid up capital of the Company stands increased to INR 800 lacs divided into 80,00,000 Equity Shares of INR 10/- each.

## 19. Segment Reporting

Based on the guiding principle given in the Accounting Standard-17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company’s Primary Segments are

1 Consultancy and Training

2 Wind Power Generation

The above business segments have been identified considering:

- The nature of the products/ operation
- The related risks and returns
- The internal financial reporting systems of the organization.

(Amount in INR lacs)

Particulars	Period ended 30th April, 2013	Year ended 31st March, 2013	Year ended 31st March, 2012	Year ended 31st March, 2011	Year ended 31st March, 2010	Year ended 31st March, 2009
<b>Segment Revenue</b>						
Consultancy and Training	177.75	4,618.59	5,336.17	4,765.47	3,696.15	2,682.41
Wind Power Generation	0.81	47.99	47.94	45.37	51.91	44.99
<b>Revenue from Operations</b>	<b>178.56</b>	<b>4,666.58</b>	<b>5,384.11</b>	<b>4,810.84</b>	<b>3,748.06</b>	<b>2,727.40</b>
<b>Segment Results :</b>						
Profit(+)/Loss(-) before tax and interest from each segment						
Consultancy and Training	(5.23)	1,264.68	1,312.88	1,474.91	1,007.69	713.01
Wind Power Generation	(3.47)	(7.65)	(3.59)	(6.67)	1.79	1.39
<b>Total Segment result</b>	<b>(8.70)</b>	<b>1,257.03</b>	<b>1,309.29</b>	<b>1,468.24</b>	<b>1,009.48</b>	<b>714.40</b>
Unallocable income net of unallocable expenditure	2.72	41.86	62.20	72.64	73.79	84.24
Interest Income	10.22	111.14	64.93	34.41	36.21	34.71
<b>Total</b>	<b>4.24</b>	<b>1,410.03</b>	<b>1,436.42</b>	<b>1,575.29</b>	<b>1,119.48</b>	<b>833.35</b>
Less: Interest	0.22	5.30	8.62	5.34	12.49	6.90
<b>Total Profit before Tax</b>	<b>4.02</b>	<b>1,404.73</b>	<b>1,427.80</b>	<b>1,569.95</b>	<b>1,106.99</b>	<b>826.45</b>
<b>Less Provision for Tax</b>						
Current Tax (including FBT)	0.63	442.61	457.19	499.83	333.46	218.39
Deferred Tax	-	(35.09)	(5.45)	(19.90)	119.06	64.70
<b>Profit After Tax, as restated</b>	<b>3.39</b>	<b>997.21</b>	<b>976.06</b>	<b>1,090.02</b>	<b>654.47</b>	<b>543.36</b>
<b>Total carrying amount of segment assets</b>						
Consultancy and Training	1,714.56	1,724.45	1,744.45	1,613.96	1,130.14	727.00
Wind Power Generation	199.09	202.66	246.07	289.48	332.89	376.30
<b>Total Segment assets</b>	<b>1,913.65</b>	<b>1,927.11</b>	<b>1,990.52</b>	<b>1,903.44</b>	<b>1,463.03</b>	<b>1,103.30</b>
<b>Total carrying amount of segment liabilities</b>						
Consultancy and Training	890.46	939.84	1,184.29	1,197.89	1,401.49	928.26
Wind Power Generation	-	-	-	-	-	-
<b>Total Segment liabilities</b>	<b>890.46</b>	<b>939.84</b>	<b>1,184.29</b>	<b>1,197.89</b>	<b>1,401.49</b>	<b>928.26</b>
<b>Depreciation &amp; Amortisation</b>						
Consultancy and Training	9.34	107.35	89.89	63.83	67.95	58.84
Wind Power Generation	3.57	43.41	43.41	43.41	43.41	43.41
<b>Total Depreciation &amp; Amortisation</b>	<b>12.91</b>	<b>150.76</b>	<b>133.30</b>	<b>107.24</b>	<b>111.36</b>	<b>102.25</b>



**For and on behalf of the Board**

A. T. Kusre  
Chairman

Dr. Pradeep Bavadekar  
Managing Director

Ram Mapari  
Controller of Finance

Madhav Oak  
Company Secretary

Place: Mumbai  
Date : October 7, 2013

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the years ended March 31, 2009, 2010, 2011, 2012 and 2013 and the one month period ended April 30, 2013 prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in the section "*Financial Statements*" on page 144 of this Prospectus.

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 this 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 this Prospectus should accordingly be limited.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "*Risk Factors*" and "*Forward-Looking Statements*" on pages xiv and xiii respectively, of this Prospectus.

### Overview

We are an ISO 9001:2008 certified company, having an experience of over three decades in providing consultancy and engineering services. We are headquartered at Pune and have presence across the country through our regional offices at Mumbai, New Delhi, Ahmedabad, Chennai, Bangalore and Nagpur. We have provided our services to clientele such as GSPC Pipavav Power Company Limited, Ajanta Pharma Limited, VRL Logistics Limited, Sterling Biotech Limited, Naine Minerals & Resources Pte. Limited, Kisan Veer Satara Sahakari Sakhar Karkhana Limited, Shri Vile Parle Kelavani Mandal, D. J. Malpani, Giriraj Enterprises, Mahalaxmi TMT Private Limited, Adlabs Entertainment Limited, HPCL Biofuels Limited, PMT Machines Limited, Kalika Steels Alloys Private Limited and Maharashtra State Police Wireless. Our shareholders include private sector banks, nationalized banks, financial institutions and state government development corporations. Our key shareholders include ICICI Bank Limited, SIDBI, IFCI Limited and SICOM Limited, among others. For further details, please refer to the section "*Capital Structure*" on page 25 of this Prospectus.

We operate as a professionally managed company with our Board primarily comprising of independent Directors. Our Board also comprises members nominated by our shareholders and technocrats including an advisor from the Department of Science and Technology, Government of India.

Over the last three decades, we have gained proficiency in providing corporate solutions in power, energy efficiency, renewable energy, climate change and environmental management sectors. Over the years, we have diversified into providing services to banking, infrastructure and biotechnology sectors. We provide solutions to our clients depending on their requirements *inter alia* including feasibility studies, detailed project reports, techno economic feasibility reports, financial syndication, lender's engineer services, EIA, basic and detailed engineering, bid process management, project management, cluster development, technical/ financial restructuring, energy audits, corporate debt restructuring, due diligence, qualitative and market research, assets/ business valuation and consultation services in wind power project.

We also conduct IT based training courses and skill based training programs.

We own a wind power plant at Idukki, Kerala with installed capacity of 0.75 MW. The revenue attributable to wind power generation in Financial Year 2013 is ₹ 47.99 lacs.

We have provided services to small and medium enterprises (**SME**), large corporates, banks, financial institutions and various government bodies. We classify our services into (i) Consultancy and Engineering Services and (ii) Training and Allied services.

### **Factors Affecting our Results of Operations**

Our results of operations, cash flows and financial condition are affected by a number of factors, including the following:

1. **Economic growth in India**

We are affected by general global and Indian economic conditions. India's GDP and the GDP and economic and other conditions of the states in which we operate or intend to operate have been and will continue to be of importance in determining our operating results and future growth. In the past few years, India has experienced rapid economic growth, particularly through the Fiscal 2008. As a result of the global economic downturn and the rising interest rate environment in India, this high growth trajectory slowed in the Fiscal 2009. Although in the Fiscal 2010 and the Fiscal 2011, economic growth in India improved, conditions turned adverse in the Fiscal 2012 and the Fiscal 2013, with growth slowing down to 6.5% and 5.0%, respectively and industrial growth, in particular, slowing to 2.7% and 1.0%, respectively. The slowdown in the Indian economy has led to widespread reduction of business activity generally, which has affected the demand for consultancy services from manufacturing and infrastructure sectors.

2. **Government policies and budgetary allocations**

Our business and revenues are dependent on projects awarded by government authorities, including central, state and local authorities and agencies and public sector undertakings (Government-owned companies). We are also dependent on the investment by the private sector in infrastructure and other sectors which are in turn linked to government policies relating to private sector participation and sharing of risks and returns. Any adverse changes in government policies and budgetary allocation could materially and adversely affect our revenues, growth or operations.

3. **Competition**

Our business is subject to intense price competition. We compete against various multi-national, national and regional companies. Our competition varies depending on the size, nature and complexity of the assignment and on the geographical region in which the assignment is to be executed. Clients generally award assignments to consultancy companies with experience, technical ability, past performance, reputation for quality, safety record and the size of previous assignments executed. Additionally, while these are important considerations, price is a major factor in sourcing most of the assignments.

4. **Ability to attract, recruit and retain skilled personnel**

Our results of operations depend largely on our ability to retain the continued service of our skilled personnel who have specific sector knowledge, understand the services we offer and can execute complex assignments. We also need to recruit and train a sufficient number of suitably skilled personnel, particularly in view of our continuous efforts to grow our business and maintain client relationships. There is significant competition for management and other skilled personnel in our industry. The loss of any of the members of our senior management or other key personnel or an inability to manage the attrition levels in different employee categories may materially and adversely impact our business and results of operations.

5. **Client Relationships**

Our results of operations depend largely on the number of our client relationships, our ability to maintain the relationships and grow our share of clients' business by providing consultancy services, innovative business solutions and timely execution. We believe successfully developing new client relationships and maintaining existing client relationships, are critical for growing our business and consequently our results

of operations.

## **Significant Accounting Policies**

Preparation of financial statements in accordance with Indian GAAP, the applicable accounting standards notified by Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act require our management to make judgments, estimates and assumptions regarding uncertainties that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of income and expenditure. Certain key accounting policies relevant to our business and operations have been described below.

### **1. Basis of preparation of financial statements**

The 'Summary Statement of Assets and Liabilities, As Restated', of our Company as at April 30, 2013, March 31, 2013, 2012, 2011, 2010, and 2009, the 'Summary Statement of Profits and Losses, As Restated', and the 'Statement of Cash Flows, As Restated', for the period/years ended April 30, 2013, March 31, 2013, 2012, 2011, 2010 and 2009 (collectively referred to as '**Restated Summary Statements**') have been prepared specifically for the purpose of inclusion in the offer document in connection with the proposed Initial Public Offering (hereinafter referred to as '**IPO**').

The financial statements have been prepared and presented under the historical cost convention (except for revaluation of certain fixed assets), on the accrual basis of accounting (except where not reasonably determinable) and on accounting principles of Going Concern in accordance with the generally accepted accounting principles (GAAP) in India and comply with the Accounting Standards ("AS") prescribed in the Companies (Accounting Standards) Rules, 2006 and with the relevant provisions of the Companies Act, 1956, to the extent applicable.

The Restated Summary Statements of our Company have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to our Company, for preparation and presentation of its financial statements. Accordingly our Company has presented the financial statements as at April 30, 2013, March 31, 2013 and for the year ended March 31, 2012 along with the comparatives as at March 31, 2011 following the requirement of Revised Schedule VI. The adoption of Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Our Company has also reclassified the previous year figures pertaining to year ended March 31, 2010 and March 31, 2009 in accordance with the requirements of Revised Schedule VI.

Our Company has prepared these Restated Summary Statements along with related notes in accordance with the requirements of the Guidance Note on Revised Schedule VI and has reclassified previous year figures accordingly.

### **2. Revenue recognition**

Revenue from Consultancy / Incubation / Environment Laboratory Services is recognized as per the terms of the specific contracts.

Revenue from training programs is accounted as follows: -

- Fees from the participants are accounted for on admission of participant to course.
- Revenue from Government sponsored training programs is recognized on accrual basis.

- Revenue from training activities conducted on behalf of Maharashtra Knowledge Corporations Limited (**MKCL**), being not reasonably determinable, is recognized on receipt basis (See note 11).

Revenue from Wind energy generation is recognized based on units generated.

Interest income is recognized on a time proportion basis.

Dividend income is recognized only when our Company's right to receive the payment is established.

### 3. **Use of estimates**

Estimates and assumptions used in the preparation of the financial statements are based on management's evaluation of the relevant facts and circumstances as of date of the Financial Statements, which may differ from the actual results at a subsequent date. Any revision to accounting estimates is recognized prospectively in current and future period.

### 4. **Fixed assets**

Fixed assets are stated at cost of acquisition less accumulated depreciation and those which were revalued as on September 1, 1999 are stated at the values determined by the valuer less accumulated depreciation. Cost includes the purchase price and all other attributable costs incurred for bringing the asset to its working condition for intended use.

Intangible assets are stated at the consideration paid for acquisition and customisation thereof less accumulated amortisation.

### 5. **Depreciation**

Depreciation on tangible and intangible fixed assets has been provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, pro rata to the period of use.

Depreciation on revalued asset has been adjusted against revaluation reserve.

### 6. **Government Grants**

Government grants in the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds. Utilisation thereof is as per covenants of grants received.

Such grants are reduced to the extent of depreciation charged and loss on sale or discard of fixed assets purchased therefrom. Further interest received from investment of unutilized grant is added to respective grants.

### 7. **Operating lease**

Operating lease payments are recognized as an expense in the Statement of Profit and Loss.

### 8. **Investments**

Long term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary.

Current investments are stated at lower of cost or market value. The determination of carrying amount of such investment is done on the basis of specific identification.

9. **Retirement benefits**

- Short term employee benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognized in the period in which the employee renders the related service.

- Employment benefits:

- (a) Defined contribution plans:

Our Company has Defined Contribution Plans for post employment benefit in the form of Provident Fund / Pension Fund which are administered by the Regional Provident Fund Commissioner. Provident Fund / Pension Fund are classified as defined contribution plans as our Company has no further obligation beyond making contributions. Our Company's contributions to defined contribution plans are charged to the Statement of Profit and Loss as and when incurred.

- (b) Defined benefit plans:

**Funded plan:** Our Company has defined benefit plan for post employment benefit in the form of gratuity for the employees which are administered through Life Insurance Corporation of India. Liability for the said defined plan is provided on the basis of valuation as at the Balance Sheet date, carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

**Non-funded plan:** Our Company has defined benefit plan for the post employment benefit in the form of leave encashment for the employees. Liability for above defined benefit plan is provided on the basis of the valuation as at the Balance Sheet date carried out by an independent actuary. The actuarial method used for measuring the liability is the Projected Unit Credit Method.

- (c) The actuarial gains and losses arising during the year are recognized in the Statement of Profit and Loss for the year without resorting to any amortization.

10. **Income Tax**

- Current Taxation

Provision is made for income Tax annually, based on the tax liability computed after considering tax allowances and exemptions.

- Deferred tax

Deferred tax is recognized, subject to consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the balance sheet date.

11. **Earnings per share**

Earnings per share are calculated by dividing the restated net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue.

12. **Foreign currency transaction**

- Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- Exchange differences

Exchange differences arising on the settlement of foreign currency transactions are recognized as income or as expense in the year in which they arise.

13. **Provisions, contingent liabilities and contingent assets**

Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if:

- our Company has a present obligation as a result of a past event,
- a probable outflow of resources is expected to settle the obligation; and
- the amount of the obligation can be reliably estimated.

Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

Contingent Liability is disclosed in case of

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligations;
- a present obligation arising from past events, when no reliable estimate is possible; and
- a possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance sheet date.

14. **Inventories**

Inventory in the nature of printed course material are valued at lower of cost or net realisable value. Cost is determined on FIFO basis.

15. **Share issue expenses**

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

## 16. Segment Reporting

Our Company identifies primary segments based on the dominant source, nature of risks, returns and the internal organization. The operating segments are the segments for which separate financial information is available and for which operating Profit/Loss amounts are evaluated regularly by the Management in deciding how to allocate resource and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of our Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

## 17. Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals of past or future cash receipts and payments. The cash flows from regular operating, investing and financing activities of our Company are segregated

## Summary Results of Operations

For the Fiscal 2011, 2012 and 2013 our net profit (as restated) margin was 22.16% 17.71% and 20.69% respectively. For the Fiscal 2011, 2012 and 2013 our restated EBITDA margin on total revenue was 34.21%, 28.48% and 32.38%, respectively. For the Fiscal 2011, 2012 and 2013 our restated return on net worth was 31.10%, 21.76% and 18.32%, respectively.

The following table sets forth select financial data from our statement of profit and loss as per our restated financial statements for the Fiscal 2010, 2011, 2012 and 2013, the components of which are expressed as a percentage of total income for such periods.

Particulars	(in ₹lacs)					
	For the FY ended 31 March					
	2013	% of Total Revenue	2012	% of Total Revenue	2011	% of Total Revenue
<b>Revenue</b>						
Revenue from operations	4,666.57	96.80%	5,384.11	97.70%	4,810.84	97.80%
Other income	153.01	3.20%	127.13	2.30%	107.05	2.20%
<b>Total Revenue</b>	<b>4,819.58</b>	<b>100.00%</b>	<b>5,511.24</b>	<b>100.00%</b>	<b>4,917.89</b>	<b>100.00%</b>
<i>Growth in Total Revenue</i>	<i>-12.50%</i>		<i>12.10%</i>		<i>27.50%</i>	
<b>Expenses</b>						
Operating Costs	1,397.91	29.00%	1,955.38	35.50%	1,628.05	33.10%
Employee benefit expense	1,150.88	23.90%	1,172.69	21.30%	955.76	19.40%
Finance cost	5.30	0.10%	8.62	0.20%	5.35	0.10%
Depreciation & amortization expenses	150.76	3.10%	133.30	2.40%	107.24	2.20%
Other expenses	710.00	14.70%	813.45	14.80%	651.54	13.20%
<b>Total Expenses</b>	<b>3,414.85</b>	<b>70.90%</b>	<b>4,083.44</b>	<b>74.10%</b>	<b>3,347.94</b>	<b>68.10%</b>
<b>Profit before tax</b>	<b>1,404.73</b>	<b>29.10%</b>	<b>1,427.80</b>	<b>25.90%</b>	<b>1,569.95</b>	<b>31.90%</b>
<b>Tax</b>						
Current tax	442.61	9.20%	457.19	8.30%	499.83	10.20%
Fringe benefit tax	-		-		-	
Deferred tax	(35.09)	-0.70%	(5.45)	-0.10%	(19.90)	-0.40%
<b>Total Tax Expenses</b>	<b>407.52</b>	<b>8.50%</b>	<b>451.74</b>	<b>8.20%</b>	<b>479.93</b>	<b>9.80%</b>
<b>Net profit as restated</b>	<b>997.21</b>	<b>20.69%</b>	<b>976.06</b>	<b>17.70%</b>	<b>1,090.02</b>	<b>22.16%</b>

1. **Revenue:** Our income consists of revenue from operations and other income:



- **Income from Operations:** Our revenues are derived from income from our consultancy training and allied services. Our consultancy services are offered through the following business divisions: Power Plant Consultancy and Engineering Services; Energy and Carbon Services; Environment Management and Engineering Services; Infrastructure Consulting Group; Banking and Finance; Securitization and Financial Restructuring and Biotechnology and Pharmaceutical Centre.

Our training and allied services operate through the following business groups: Entrepreneurship Training and Consultancy Division and MITCON e-school.

- **Other Income:** Other income consists of income from interest on fixed deposits; sale of fixed assets; sale of investments, gains from foreign currency transactions and provisions & balances written back.

2. **Expenses:** Our expenses are divided into operating costs, employee costs, finance costs, other costs and depreciation:

- **Operating Costs:** The operating costs are primarily on the expenses we incur on our IT, VTP and training activities and the professional fees paid to associates. Apart from this, a small part of the operating expenses goes toward printing costs of our course material and EPC expenses for our projects.
- **Employee Costs:** The employee costs are towards Salaries, wages and bonus, which forms the bulk of the costs, followed by contribution to provident and other funds and staff welfare expenses.
- **Finance Costs:** While we are a debt free Company, we do on occasion avail of finance for short periods and the interest expenses and borrowing costs of these facilities for the finance cost.
- **Other Costs:** This head is for miscellaneous expenses incurred by our Company and consists of Power and fuel, Office Rent, Repairs and maintenance, Auditor's Remuneration, Certification, Management services, Administrative and General Expenses, Advertisement, Books & Periodicals Subscriptions and Membership Fees, Travelling Expenses and other sundries.
- **Depreciation:** Depreciation and amortisation expense consists of depreciation expense on tangible assets and amortization expense on intangible assets. The rates of depreciation/amortisation used for our accounting purpose is mentioned as follows:

Particular	Depreciation/ Amortisation Rate (%)
Improvements to Leasehold Premises	6.33
Buildings	1.63
Energy Audit Equipment	4.75
Furniture & Fixtures	6.33
Vehicles	9.50
Office Equipment	4.75
Computers & Printers	16.21
Electrical Installations	7.07
Computer software	16.21

3. **Taxation:** We provide for current tax and deferred tax. Total tax expenses amounted to 8.46%, 8.20% and 9.76% of our total revenue for the Fiscal 2013, the Fiscal 2012 and the Fiscal 2011, respectively. For further information on tax benefits available to us, please refer to the section 'Statement of Tax Benefits' on page 38 of this Prospectus.

## Results of Operations

### *For one month period ended on 30<sup>th</sup> April, 2013*

Our results of operations for one month period from April 1, 2013 to April 30, 2013 were as follows:

*Total Revenue:* Our total revenue was ₹ 191.50 lacs for one month period from April 1, 2013 to April 30, 2013.

*Revenue from operations:* Our revenue from operations for one month period from April 1, 2013 to April 30, 2013 was ₹ 178.56 lacs which comprises mainly revenue from consultancy business of ₹ 104.39 lacs, revenue from training activity of ₹59.52 lacs and revenue from laboratories of ₹ 13.84 lacs.

*Other Income:* Our other income for the one month period was ₹ 12.94 lacs mainly comprise income from bank deposits and investments.

*Total expenses:* Our total expenses for one month period from April 1, 2013 to April 30, 2013 were ₹ 187.48 lacs.

*Operating costs:* Our operating costs for one month period from April 1, 2013 to April 30, 2013 were ₹ 22.26 lacs which are 11.88% of the total expenses.

*Employee benefit expense:* Our employee benefit expense for one month period from April 1, 2013 to April 30, 2013 was ₹ 98.65 lacs which is 52.62% of the total expenses. The cost is higher due to salary increments to employees and change in composition of staff with higher compensation.

*Other Expenses:* Our other expenses for one month period from April 1, 2013 to April 30, 2013 were ₹ 53.43 lacs.

*Taxation:* Our provision for one month period from April 1, 2013 to April 30, 2013 current taxes was ₹0.63 lacs.

*Net Profit, as Restated:* As a result of the above, our net profit for one month period from April 1, 2013 to April 30, 2013, as restated, was ₹ 3.39 lacs.

### *Financial Year 2013 compared to Financial Year 2012*

Our results of operations for the Financial Year 2013 were particularly affected by the following factors:

- Prevailing high interest rates and delay in financial closure of projects.
- Below average rainfall during the last monsoon season adversely affected the investments in bagasse/ biomass based power projects which impacted order inflow and revenues from this sector.
- Economic slowdown in Europe adversely affected the prices and trading of carbon credits thereby affecting the assignments from this business of our Company.

*Total Revenue:* Our total revenue decreased by 12.55% to ₹ 4,819.58 lacs for the Fiscal 2013 from ₹ 5,511.24 lacs for the Fiscal 2012 as a result of decrease in revenue from operations which was partly offset by increase in other income.

*Revenue from operations:* Our revenue from operations decreased by 13.33% to ₹ 4,666.57 lacs for the Fiscal 2013 from ₹ 5,384.11 lacs for the Fiscal 2012 as result of aforementioned factors that affected our operations and specifically due to a decrease in income from vocational training of 16.02% to ₹ 1,427.45 lacs in the Fiscal 2013 from ₹ 1,699.67 lacs in the Fiscal 2012 and a decrease in income from IT courses of 20.64% to ₹ 364.26 lacs in the Fiscal 2013 from ₹ 459 lacs in the Fiscal 2012. Further, we were forced to gradually reduce Government sponsored training due to the nature of payments received by us. The payments for these schemes had no provision for payment of service tax by the Government to us and hence the actual liability had to be borne by us in view of the Finance Bill 2012 (applicable from July 1, 2012).

*Other Income:* Our other income increased by 20.36% to ₹ 153.01 lacs for the Fiscal 2013 from ₹ 127.13 lacs for the Fiscal 2012 primarily as result of (a) an increase in interest income from bank deposits of 77.44% to ₹ 107.32 lacs in the Fiscal 2013 from ₹ 60.49 lacs in the Fiscal 2012, (b) an increase in dividend income from current investments of 9.65% to ₹ 20.53 lacs in the Fiscal 2013 from ₹ 18.72 lacs in the Fiscal 2012. This was partly offset by (a) decrease in sundry provisions and credit balances no longer required and written back of 44.58% to ₹ 15.88 lacs in the Fiscal 2013 from ₹ 28.66 lacs in the Fiscal 2012.

*Total Expenses:* Our total expenses decreased by 16.37% to ₹ 3,414.85 lacs for the Fiscal 2013 from ₹ 4,083.44 lacs for the Fiscal 2012 as result of overall efficiencies achieved by decrease in operating costs, employee benefit expense and other expenses, which was partially offset by an increase in depreciation & amortisation expense. The costs primarily reduced due to reduced business activity as detailed above.

*Operating costs:* Our operating costs decreased by 28.51% to ₹ 1,397.91 lacs for the Fiscal 2013 from ₹ 1,955.38 lacs for the Fiscal 2012 primarily as result of (a) decrease in expenses on IT, VTP training activities of 39.16% to ₹ 810.10 lacs in the Fiscal 2013 from ₹ 1,331.53 lacs in the Fiscal 2012, (b) decrease in professional fees to associates of 10.83% to ₹ 582.17 lacs in the Fiscal 2013 from ₹ 652.90 lacs in the Fiscal.

*Employee benefit expense:* Our employee benefit expense decreased by 1.86% to ₹ 1,150.88 lacs for the Fiscal 2013 from ₹ 1,172.69 lacs for the Fiscal 2012 primarily due to (a) decrease in salaries, wages and bonus of 2.20% to ₹ 1,007.31 lacs in the Fiscal 2013 from ₹ 1,029.94 lacs in the Fiscal 2012, (b) decrease in contribution to provident and other funds of 4.37% to ₹ 105.85 lacs in the Fiscal 2013 from ₹ 110.69 lacs in the Fiscal 2012 as a result of exit of employees from the training division due to closure of certain governmental training business.

*Other Expenses:* Our other expenses decreased by 12.72% to ₹ 710 lacs for the Fiscal 2013 from ₹ 813.45 lacs for the Fiscal 2012 primarily as result of (a) decrease in advertisement expenses of 44.40% to ₹ 74.18 lacs in the Fiscal 2013 from ₹ 133.42 lacs in the Fiscal 2012, (b) decrease in travelling expenses of 2.09% to ₹ 230.16 lacs in the Fiscal 2013 from ₹ 235.08 lacs in the Fiscal 2012, which was partly offset by (a) increase in expenses on power and fuel of 17.53% to ₹ 52.36 lacs in the Fiscal 2013 from ₹ 44.55 lacs in the Fiscal 2012, (b) increase in office rent of 16.69% to ₹ 72.01 lacs in the Fiscal 2013 from ₹ 61.71 lacs in the Fiscal 2012, (c) increase in expenses on printing, stationery and photocopying charges of 19.65% to ₹ 56.86 lacs in the Fiscal 2013 from ₹ 47.52 lacs in the Fiscal 2012 due to inflation coupled with various offices engaged and on-site operations.

*Taxation:* Our provision for current taxes decreased by 3.19% to ₹ 442.61 lacs for the Fiscal 2013 from ₹ 457.19 lacs for the Fiscal 2012. Our effective tax rate for the Fiscal 2013 was 29.01%.

*Net Profit, as Restated:* As a result of the above, our net profit, as restated, increased by 2.17% to ₹ 997.21 lacs for the Fiscal 2013 from ₹ 976.06 lacs for the Fiscal 2012.

### ***Financial Year 2012 compared to Financial Year 2011***

The Financial Year 2012 saw a growth of 12.07% in our total revenue, which we believe can be attributed to the following:

- Assignments from the power and energy sectors saw a spurt in keeping with the overall sentiments prevalent in the sector.
- Vocation and IT Training segment saw a significant increase in volumes that contributed to the growth in our training division.
- The overall economic recovery especially in manufacturing, banking and finance gave us several pre-investment assignments that we were able to execute in this Fiscal.

*Total Revenue:* Our total revenue increased by 12.07% to ₹ 5,511.24 lacs for the Fiscal 2012 from ₹ 4,917.89 lacs for the Fiscal 2011 as a result of increase in revenue from operations and increase in other income.

*Revenue from operations:* Our revenue from operations increased by 11.92% to ₹ 5,384.11 lacs for the Fiscal 2012 from ₹ 4,810.84 lacs for the Fiscal 2011 primarily as result of (a) increase in income from consultancy fees of 5.44% to ₹ 3,026.38 lacs in the Fiscal 2012 from ₹ 2,870.17 lacs in the Fiscal 2011, (b) increase in income from vocational training of 30.21% to ₹ 1,699.67 lacs in the Fiscal 2012 from ₹ 1,305.33 lacs in the Fiscal 2011 and increase in income from IT courses of 6.21% to ₹ 459.00 lacs in the Fiscal 2012 from ₹ 432.17 lacs in the Fiscal 2011 due to various training assignments conducted by us for state and Central Government agencies. This was partly offset by a decrease in income from laboratories of 4.23% to ₹ 151.12 lacs in the Fiscal 2012 from ₹ 157.80 lacs in the Fiscal 2011.

*Other Income:* Our other income increased by 18.76% to ₹ 127.13 lacs for the Fiscal 2012 from ₹ 107.05 lacs for the Fiscal 2011 primarily as result of (a) an increase in interest income from bank deposits of 75.79% to ₹ 60.49 lacs in the Fiscal 2012 from ₹ 34.41 lacs in the Fiscal 2011, (b) an increase in dividend income from current investments of 112.45% to ₹ 18.72 lacs in the Fiscal 2012 from ₹ 8.81 lacs in the Fiscal 2011, (c) an increase in interest income from long term investments of 105.58% to ₹ 9.33 lacs in the Fiscal 2012 from ₹ 4.54 lacs in the Fiscal 2011 due to due to financial planning, discipline and prudent investments made by us.

*Total Expenses:* Our total expenses increased by 21.97% to ₹ 4,083.44 lacs for the Fiscal 2012 from ₹ 3,347.94 lacs for the Fiscal 2011 as result of increase in operating costs, employee benefit expense, depreciation & amortisation expense and other expenses.

*Operating costs:* Our operating costs increased by 20.11% to ₹ 1,955.38 lacs for the Fiscal 2012 from ₹ 1,628.05 lacs for the Fiscal 2011 as result of (a) increase in expenses on IT, VTP training activities of 36.49% to ₹ 1,331.53 lacs in the Fiscal 2012 from ₹ 975.57 lacs in the Fiscal 2011 and increase in inventory of printed course material to ₹ 29.05 lacs commensurate with increase in training business.

*Employee benefit expense:* Our employee benefit expense increased by 22.70% to ₹ 1,172.69 lacs for the Fiscal 2012 from ₹ 955.76 lacs for the Fiscal 2011 primarily due to (a) increase in salaries, wages and bonus of 20.77% to ₹ 1,029.94 lacs in the Fiscal 2012 from ₹ 852.83 lacs in the Fiscal 2011, (b) increase in contribution to provident and other funds of 37.27% to ₹ 110.69 lacs in the Fiscal 2012 from ₹ 80.64 lacs in the Fiscal 2011, (c) increase in staff welfare expenses of 43.80% to ₹ 32.06 lacs in the Fiscal 2012 from ₹ 22.29 lacs in the Fiscal 2011 due to professional manpower recruited by us.

*Other Expenses:* Our other expenses increased by 24.85% to ₹ 813.45 lacs for the Fiscal 2012 from ₹ 651.54 lacs for the Fiscal 2011 primarily as result of (a) increase in advertisement expenses of 25.48% to ₹ 133.42 lacs in the Fiscal 2012 from ₹ 106.32 lacs in the Fiscal 2011 due to brand building campaign conducted by us in leading newspapers and audio/visual media., (b) the increase in travelling expenses of 15.53% to ₹ 235.08 lacs in the Fiscal 2012 from ₹ 203.49 lacs in the Fiscal 2011 which was corresponding to increase in business handled, (c) increase in expenses on power and fuel of 27.25% to ₹ 44.55 lacs in the Fiscal 2012 from ₹ 35.01 lacs in the Fiscal 2011, (d) increase in office rent of 7.20% to ₹ 61.71 lacs in the Fiscal 2012 from ₹ 57.56 lacs in the Fiscal 2011, (e) increase in bad debts written off of 246.67% to ₹ 52.68 lacs in the Fiscal 2012 from ₹ 15.20 lacs in the Fiscal 2011.

*Taxation:* Our provision for current taxes decreased by 8.53% to ₹ 457.19 lacs for the Fiscal 2012 from ₹ 499.83 lacs for the Fiscal 2011. Our effective tax rate for the Fiscal 2012 was 31.64%.

*Net Profit, as Restated:* As a result of the above, our net profit, as restated, decreased by 10.46% to ₹ 976.06 lacs for the Fiscal 2012 from ₹ 1,090.02 lacs for the Fiscal 2011.

#### ***Fiscal 2011 compared to Fiscal year 2010***

Our results of operations for the Fiscal 2011 were particularly positively influenced by demand for consultancy services in power, energy & carbon, environment and banking & finance sectors. Various training programmes also contributed to the growth.

*Total Revenue:* Our total revenue increased by 27.47% to ₹ 4,917.89 lacs for the Fiscal 2011 from ₹ 3,858.06 lacs for the Fiscal 2010 as result of increase in revenue from operations which was partly offset by decrease in other income.

*Revenue from operations:* Our revenue from operations increased by 28.36% to ₹ 4,810.84 lacs for the Fiscal 2011 from ₹ 3,748.06 lacs for the Fiscal 2010 as result of (a) increase in income from consultancy fees of 28.22% to ₹ 2,870.17 lacs in the Fiscal 2011 from ₹ 2,238.53 lacs in the Fiscal 2010, (b) increase in income from vocational training of 41.99% to ₹ 1,305.33 lacs in the Fiscal 2011 from ₹ 919.32 lacs in the Fiscal 2010, (c) increase in income from IT courses of 6.88% to ₹ 432.17 lacs in the Fiscal 2011 from ₹ 404.36 lacs in the Fiscal 2010, (d) increase in income from laboratories of 17.81% to ₹ 157.80 lacs in the Fiscal 2011 from ₹ 133.94 lacs in the Fiscal 2010. Our Company had recorded a notable increase in the business orders from the power and energy sector. Further training activities undertaken in the state of Maharashtra and our laboratory business contributed to the substantial increase in turnover.

*Other Income:* Our other income decreased by 2.68% to ₹ 107.05 lacs for the Fiscal 2011 from ₹ 110.00 lacs for the Fiscal 2010 as result of (a) decrease in interest income from bank deposits of 4.97% to ₹ 34.41 lacs in the Fiscal 2011 from ₹ 36.21 lacs in the Fiscal 2010, (b) decrease in other non-operating income of 29.89% to ₹ 7.61 lacs in the Fiscal 2011 from ₹ 10.86 lacs in the Fiscal 2010, which was partly offset by an increase in dividend income from current investments of 20.02% to ₹ 8.81 lacs in the Fiscal 2011 from ₹ 7.34 lacs in the Fiscal 2010. Thus, there is marginal decrease in other income.

*Total Expenses:* Our total expenses increased by 21.70% to ₹ 3,347.94 lacs for the Fiscal 2011 from ₹ 2,751.07 lacs for the Fiscal 2010 as result of increase in operating costs, employee benefit expense and other expenses, which was partly offset by decrease in depreciation & amortisation expense.

*Operating costs:* Our operating costs increased by 22.50% to ₹ 1,628.05 lacs for the Fiscal 2011 from ₹ 1,329.02 lacs for the Fiscal 2010 as result of an increase in expenses on IT, The operating costs for VTP training activities of 48.27% to ₹ 975.57 lacs in the Fiscal 2011 increased from ₹ 657.95 lacs in the Fiscal 2010 due to the project based training activities conducted for government and government corporations, which was partly offset by decrease in professional fees to associates of 2.77% to ₹ 652.48 lacs in the Fiscal 2011 from ₹ 671.07 lacs in the Fiscal 2010 due to cost control measures undertaken.

*Employee benefit expense:* Our employee benefit expense increased by 35.39% to ₹ 955.76 lacs for the Fiscal 2011 from ₹ 705.93 lacs for the Fiscal 2010 primarily due to (a) increase in salaries, wages and bonus of 36.37% to ₹ 852.83 lacs in the Fiscal 2012 from ₹ 625.36 lacs in the Fiscal 2011, (b) increase in contribution to provident and other funds of 32.70% to ₹ 80.64 lacs in the Fiscal 2012 from ₹ 60.77 lacs in the Fiscal 2011, (c) increase in staff welfare expenses of 12.60% to ₹ 22.29 lacs in the Fiscal 2012 from ₹ 19.80 lacs in the Fiscal 2011. The new manpower was recruited which commensurate with an increase in business volume.

*Other Expenses:* Our other expenses increased by 10.01% to ₹ 651.54 lacs for the Fiscal 2011 from ₹ 592.27 lacs for the Fiscal 2010 primarily as result of (a) increase in advertisement expenses of 47.61% to ₹ 106.32 lacs in the Fiscal 2011 from ₹ 72.03 lacs in the Fiscal 2010, (b) increase in travelling expenses of 18.36% to ₹ 203.49 lacs in the Fiscal 2011 from ₹ 171.58 lacs in the Fiscal 2010, (c) increase in expenses on power and fuel of 23.23% to ₹ 35.01 lacs in the Fiscal 2011 from ₹ 28.41 lacs in the Fiscal 2010, (d) increase in office rent of 11.98% to ₹ 57.56 lacs in the Fiscal 2011 from ₹ 51.40 lacs in the Fiscal 2010, which was partly offset by decrease in bad debts written off of 45.43% to ₹ 15.20 lacs in the Fiscal 2011 from ₹ 27.84 lacs in the Fiscal 2010.

*Taxation:* Our provision for current taxes increased by 49.89% to ₹ 499.83 lacs for the Fiscal 2011 from ₹ 333.46 lacs for the Fiscal 2010. Our effective tax rate for the Fiscal 2011 was 30.57%.

*Net Profit, as Restated:* As a result of the above, our net profit, as restated, increased by 66.55% to ₹ 1,090.02 lacs for the Fiscal 2011 from ₹ 654.47 lacs for the Fiscal 2010.

## Financial Condition, Liquidity and Capital Resources

In the past, we have funded our liquidity and capital requirements primarily through funds generated from operations. We maintain cash balance to fund our daily cash requirements.

As per our restated financial statements, as of March 31, 2013, our net worth was ₹ 5,442.26 lacs compared to ₹ 4,485.62 lacs as of March 31, 2012. As per our restated financial statements, as of April 30, 2013, our net worth was ₹ 5,445.67 lacs.

### Assets

The following table sets forth the principal components of our assets for the periods indicated as per our restated consolidated summary statements:

Particulars	As at March 31		
	2013	2012	2011
<b>Non current assets</b>			
Fixed assets	1,740.24	1,799.75	1,708.76
Non - current investments	0.75	0.75	46.05
Long term loans & advances	257.29	172.86	138.61
Other non-current assets	328.91	428.01	266.40
<b>Current Assets</b>			
Trade receivables	1,436.94	1,055.76	724.18
Cash & bank balances	2,042.07	1,688.26	1,462.12
Others	575.88	516.21	351.43

### Fixed assets

Fixed assets decreased by ₹ 59.51 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of Due to dispose of assets due to wear and tear. Fixed assets increased by ₹ 91.00 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of fresh procurements of software and hardware.

### Long term loans & advances

Long term loans & advances increased by ₹ 84.43 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of increase in security deposits and capital advances. Long term loans & advances increased by ₹ 34.25 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of increase in security deposit and capital advances.

### Other Non-current assets

Other non-current assets decreased by ₹ 99.10 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of change in maturity period of fixed deposits from non-current to current. Other non-current assets and increased by ₹ 161.61 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of change in maturity period of fixed deposits from current to non-current.

### Trade receivables

Trade receivables increased by ₹ 381.18 lacs during the Fiscal 2013 as compared to the Fiscal 2012 due to sluggish market conditions and the tight liquidity position of our clients. While trade receivables increased by ₹ 331.58 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of increase in volumes of government training business.

### Cash & bank balances

Cash & bank balances increased by ₹ 353.81 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of financial discipline. Cash & bank balances increased by ₹ 226.14 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of internal control.

### Other

Other assets increased by ₹ 59.67 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of increase in mutual fund investment. Other current assets increased by ₹ 164.78 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of bonds status changed from current to non current due to maturity and increase in mutual fund investment.

### Liabilities and Provisions

Liabilities and provisions consist primarily of:

(in ₹lacs)

Particulars	As at March 31		
	2013	2012	2011
<b>Non-current liabilities</b>			
Deferred Tax Liabilities (Net)	205.04	240.13	245.58
Other Non-current Liabilities	19.78	15.21	13.26
Long term provisions	-	52.15	33.99
<b>Current liabilities</b>			
Trade payables	478.77	657.03	611.20
Other current liabilities	119.39	171.26	251.87
Short term provisions	116.86	40.20	37.07

### Deferred tax liabilities

Deferred tax liabilities decreased by ₹ 35.09 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of reduction in depreciation benefit of our wind turbine. Deferred tax liabilities decreased by ₹ 5.45 lacs during the Fiscal 2012 as compared to the Fiscal 2011.

### Trade payables

Trade payables decreased by ₹ 178.26 lacs during the Fiscal 2013 as compared to the Fiscal 2012 due to reduction in cost of business associates on account of decrease in volume of business. Trade payables increased by ₹ 45.83 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of increase in volume of work done.

### Other current liabilities

Other current liabilities decreased by ₹ 51.87 lacs during the Fiscal 2013 as compared to the Fiscal 2012 on account of decrease in advances from customers, decrease in tax liability and security deposit on account of decrease in volume of business. Other current liabilities decreased by ₹ 80.61 lacs during the Fiscal 2012 as compared to the Fiscal 2011 on account of reduction in service tax liability due to change in charges of service tax on accrual basis and reduction in security deposits.

### Contractual Obligations and Commercial Commitments

There are no contractual obligations and commercial commitments where our Company is involved.

### Off-Balance Sheet Transactions

As of March 31, 2013, we have not entered into any off-balance sheet transactions.

## **Related Party Transactions**

We have engaged in the past and may engage in the future transactions with related parties on an arm's lengths basis. Such transactions could be for provision of services, sale or purchase of assets, corporate guarantee given and incurring of expenditure. For details of our related party transactions, please refer to the section '*Related Party Transactions*' on page 142 of this Prospectus.

## **QUANTITATIVE AND QUALITATIVE INFORMATION ABOUT MARKET RISKS**

### ***Volatility in financial markets***

We are subject to risks arising from volatility in the financial markets. Our investments in bank fixed deposits and mutual funds as on March 31, 2013 were ₹ 2,073.48 lacs and the income derived from such investments (comprising interest and dividend) aggregated to ₹ 131.67 lacs for the Fiscal 2013, respectively. Any volatility in the financial markets may impact our income from the investments and the market value of our investments.

### ***Foreign exchange risk***

Changes in currency exchange rates do not materially influence our results of operations. We report our financial results in Indian Rupees; however a small portion of our total income is generated in currencies other than Indian Rupees. We provide consultancy services outside India and we plan to continue to do so. For the Fiscal 2013, our earnings generated in foreign currency amounted to ₹ 41.09 lacs.

### ***Inflation Risk***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

## **Other Qualitative Factors**

### ***Seasonality of Business***

Historically, revenue booking and order inflow has been higher in the 3<sup>rd</sup> and 4<sup>th</sup> quarters compared to the 1<sup>st</sup> and 2<sup>nd</sup> quarters. For related risks, please refer to risk factor number 35 under the section '*Risk Factors*' on page xiv of this Prospectus.

### ***Unusual or infrequent events or transactions***

Except as discussed in this Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

### ***Significant economic changes***

Except as discussed in this Prospectus, to the best of our knowledge, there have been no other significant economic changes that are likely to have a material adverse impact on our operations or financial condition.

### ***Known trends or uncertainties***

Our business has been impacted and we expect will continue to be impacted by the trends identified in this section and the uncertainties described in the section "*Risk Factors*" on page xiv of this Prospectus. To our knowledge, except as we have described in this Prospectus, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.



***Future relationship between costs and revenues***

Except as described in the sections “*Risk Factors*” and “*Our Business*” on pages xiv and 97 respectively, of this Prospectus, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

***Significant regulatory changes that materially affected or are likely to affect income from continuing operations***

Except as described in the section “*Key Industry Regulations and Policies*” on page 113 of this Prospectus, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations. For related risks, please refer to the section “*Risk Factors*” on page xiv of this Prospectus.

***Dependence on a single or few customers***

Our revenue is not dependent on a single or a few customers. For the Fiscal 2013, our top ten customers accounted for 19.58% of our total revenue.

***Competitive Conditions***

Please refer to the sections “*Our Business*” and “*Risk Factors*” on pages 97 and xiv respectively, of this Prospectus, for discussions regarding competition.

***Significant Developments after March 31, 2013***

75,00,000 equity shares of ₹ 10 each have been issued and allotted on June 7, 2013 as fully paid up bonus shares in the proportion of 15 equity shares for every one equity share held by utilisation of balance in accumulated profits. Consequently the issued, subscribed and paid up capital of the Company stands increased to ₹ 800 lacs divided into 80,00,000 equity shares of INR 10 each. The authorized share capital has been increased from ₹ 5,00,00,000 to ₹ 15,00,00,000.

To our knowledge and belief, no circumstances other than as those disclosed in this Prospectus have arisen since the date of the last financial statements contained in this Prospectus which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

## **FINANCIAL INDEBTEDNESS**

There are no outstanding loans obtained by our Company. Our Company undertakes to state that it has no pending or outstanding obligations to any bank or financial institution in relation to any loans availed by our Company in the past.

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION, DEFAULTS AND MATERIAL DEVELOPMENTS

*Except as stated below, there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company and the Directors and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and the Directors and no disciplinary action has been taken by SEBI or any stock exchange against our Company and the Directors.*

For details of contingent liabilities of our Company, please refer to the section “Financial Statements” on page 144 of this Prospectus.

### LITIGATION AGAINST OUR COMPANY

#### *I. Cases filed against our Company*

##### *Civil Cases*

1. Suresh G. Pawar (**Claimant**) has filed an arbitration petition dated November 14, 2012 before an arbitral tribunal in relation to a memorandum of understanding dated December 11, 2002 entered into between the Claimant and our Company. The memorandum of understanding expired on September 30, 2011. The claim made by the Claimant under the arbitration petition is in relation to an amount of ₹ 14,29,752 being the amount outstanding from our Company under the said memorandum of understanding and an additional amount of ₹ 79,20,000.

Pending the matter before the arbitral tribunal, the Claimant filed a company petition No. 462/2012 under Section 433(e), 433(f) and 434 of the Companies Act for winding up of our Company before the Hon'ble High Court of Bombay. An order dated February 20, 2013 was passed by the Hon'ble High Court of Bombay disposing off the petition and ordering our Company to pay ₹ 14,29,752 to the Claimant, subject to the Claimant refunding the said amount to our Company in case the arbitral tribunal directs him to refund the amount in the final arbitral award. The Hon'ble High Court of Bombay further directed that other matters pending before the arbitral tribunal will be adjudicated by the arbitral tribunal. Our Company has made the payment to the Claimant on February 26, 2013.

Further, our Company has also filed a counter claim dated July 29, 2013 against the Claimant claiming an amount of ₹ 31,05,470 which was received by the Claimant during the course of the services being provided by him to our Company under the aforesaid memorandum of understanding. Our Company has also prayed that the amount of ₹ 14,29,752 which has been received by the Claimant be re-deposited with our Company. The said counter claim has been supported with the audit report dated December 30, 2012 authenticated by S.L. Bagadi & Co., Chartered Accountant.

Additionally, our Company had filed an application dated September 5, 2013 before the arbitral tribunal seeking a restriction order against the Claimant, his agents, servants or any person on behalf of the Claimant from communicating or entering into any communication by letters or email, with any third party with regard to the dispute raised by the parties in the arbitration proceedings. The arbitral tribunal, vide its order dated September 8, 2013, has restrained the Claimant from communicating or entering into any communication by letters or email, with any third party with regard to the dispute, till arguments on applications are heard.

*The matter is currently pending.*

2. Mr. Mahesh Bhausaheb Kadus (**Claimant**) has filed a claim application No. 05 of 2013 dated January 22, 2013 under Section 33(C)(2) of the Industrial Disputes Act, 1947 before the Hon'ble Presiding Officer, First Labour Court at Pune. The Claimant was working as an Assistant Divisional Manager in our Company. He resigned from his position on December 6, 2012. The claim made by the Claimant is in relation to the payment of outstanding amount of ₹ 1,64,000 out of the total ₹ 6,64,000 which was payable as a special incentive for his work as a co-ordinator for our Company for agri clinics and agri business centers scheme, sponsored by National Institute of Agricultural Extension Management, Hyderabad. Claimant has also prayed for interest at the rate of 18% per annum on the whole amount of ₹ 6,64,000 payable to the Claimant. Our Company has filed its written statement dated April 9, 2013 for dismissal of the application. In its written statement, in response to the claim made by the Claimant, our Company has maintained that the Claimant does not come under the definition of a "workman" as envisaged under the Industrial Disputes Act, 1947. Moreover, the full and final settlement of ₹ 5,00,000 in relation to the outstanding amount for the special incentive has been already paid to the Claimant.

*The matter is currently pending.*

3. Our Company had filed a refund claim on September 5, 2011 for an amount of ₹ 91,17,683 for the period from August 2010 to June 2011 on the ground that services provided by our Company are classified as 'Business Auxiliary Services' and are exempt under notification no. 14/2004-ST dated September 10, 2004 (**Notification**). The Deputy Commissioner, Service Tax Cell had vide its original order No. R/553/STC/P.III/2012 dated September 28, 2012 (**Original Order**), declared that although services provided by our Company can be classified as Business Auxiliary Services, the benefit under the Notification cannot be extended to our Company and rejected the refund claim. The following two appeals were filed against the Original Order (**Appeals**): (i) Appeal no. 324/2012 filed by the Company (as the appellant) against the Deputy Commissioner, Service Tax Cell, Pune – III Commissionerate (as the respondent) and (ii) Appeal no. R-75/2012 filed by the Deputy Commissioner, Service Tax Cell, Pune –III Commissionerate (as the appellant) against our Company (as the respondent). The Office of the Commissioner of the Central Excise (Appeals -III), Pune passed an order dated March 31, 2013 (**Order in Appeal**) in favour of our Company (i) setting aside the Original Order; and (ii) allowing our Company to claim refund of ₹ 89,48,928 after deducting the time barred claim amount of ₹ 1,68,755 from ₹ 91,17,683.

In light of the Order in Appeal, our Company filed a rebate claim dated June 20, 2013. The Office of the Commissioner of Central Excise, Pune – III Commissionerate, Service Tax Cell passed an order dated August 28, 2013 (**Refund Claim Order**) in original no. R/436/STC/PIII/2013 sanctioning the amount of ₹ 89,48,928 to our Company as rebate refund claim, subject to any other action that may be taken against our Company. However, prior to the Refund Claim Order being passed, an appeal no. ST/87991 of 2013 dated August 2, 2013 against the Order in Appeal had been filed by the Commissioner of Central Excise, Pune III, before the Customs, Central Excise and Service Tax Appellate Tribunal claiming that (i) the Order in Appeal be set aside and the operation of the said Order in Appeal be stayed; and (ii) to deny the refund of the ₹ 91,17,683 to our Company.

*The matter is currently pending.*

4. Subhash Uttamrao Dewde (Patil) (**Petitioner**) has filed a public interest litigation bearing PIL No. 71/2011 dated October 30, 2011 against the State of Maharashtra and 11 other respondents (**Respondents**, wherein our Company is the Respondent No. 12) in relation to alleged fraudulent activities being conducted with respect to Balaji Particle Board Karkhana (**Karkhana**), in Vidarbha. The Karkhana was registered as a cooperative society and the investments in relation to the project to be undertaken by the Karkhana were made by the State of Maharashtra, the National Cooperative Development Corporation and agriculturists of Vidarbha. The project did not commence and the Government appointed an official liquidator. The Petitioner alleges that an application was made under the Right to Information Act, 2005 for the supply of documents in relation the functioning of the Karkhana, but no action has been taken to provide such documents, till date. Our Company conducted a valuation for tender process for the alleged sale of the Karkhana. The Petitioner has prayed for constitution of a special investigation team of police officers and a special committee for investigation of the matter. Our Company has filed its reply dated September 23, 2013 before the Hon'ble High Court of Judicature at Bombay, Nagpur Bench.

*The matter is currently pending.*

#### *Criminal Cases*

NIL.

#### *II. Cases filed by our Company*

##### *Civil Cases*

1. Our Company has filed a summary suit bearing number 369 / 2012 before the Civil Judge, Senior Division at Pune against Bank of Baroda and M/s Champion Jointings Private Limited (**Champion**), in relation to non-payment of the fee by Champion as agreed in the contract entered into between our Company and Champion for the purpose of providing services to Champion in relation to voluntary emission reduction funds syndication services for the wind turbines near Satara and Jamnagar. Our Company provided a bank guarantee of an amount of ₹ 1,20,000 in favour of Champion from Bank of Baroda. Our Company has stated that in the last stage of work under the said contract, when our Company claimed its final fees ₹, Champion encashed the bank guarantee of ₹ 1,20,000 in violation of the provisions of the said contract and refused to pay the fees to our Company. The amount claimed by our Company in this matter is ₹ 3,67,416 along with interest.

*The matter is currently pending.*

2. Our Company has filed a regular civil suit No. 67 of 2013 dated December 19, 2012 before Court of Civil Judge Senior Division, Pune against (i) D. S. Solar India Private Limited, (ii) Paul Dass and (iii) Harry Beamish (**Defendants**). The matter has been filed in relation to a contract entered into between our Company and the Defendants to provide consultancy services for biomass assessment study report and bankable DPR for biomass power plant at Dabra within 50 kilometres radius of Gwalior, Madhya Pradesh. Our Company has stated that, in terms of the aforesaid contract, the Defendants were liable to pay an amount of ₹ 5,05,224, out of which the Defendants have paid a sum of ₹ 2,57,049 till date. Our Company has filed the aforesaid matter for the recovery of the outstanding amount of ₹ 2,48,175 along with interest at the rate of 18% per annum aggregating to a total claim amount of ₹ 3,04,546 along with future interest at the rate of 18% per annum from the date of filing of the matter till realization.

*The matter is currently pending.*

3. Our Company has filed a regular recovery suit No. 40 of 2013 dated February 25, 2013 against (i) R.S. India Wind Energy Private Limited (**R.S. India**) (ii) Rajkumar Yadav and (iii) Sukhpreet. The matter has been filed in relation to a contract entered into between our Company and R.S. India for providing monitoring services for 100 MW wind power project for a consideration of ₹ 22,06,000 till December 2012. Our Company has stated that in relation to services provided by our Company under the aforesaid contract, R.S. India has not paid certain outstanding amount to our Company. Our Company has now filed the aforesaid matter for the recovery of the outstanding amount of ₹ 6,39,225 along with future interest at the rate of 18% per annum from the date of suit till realization.

*The matter is currently pending.*

4. Our Company has filed a regular recovery suit No. 24 of 2013 dated February 25, 2013 against (i) Hiraji Maharaj Shetkari Sahakari Sakhar Karkhana Limited (**Hiraji Limited**) (ii) Harshwardhan Jadhav and (iii) B.T. Nirmal. The matter has been filed in relation to a contract entered into between our Company and Hiraji Limited for the purpose of preparing a detailed project report along with cane survey for a 1,250 TCD sugar plant and 8 MW cogen plant at Pishore, Aurangabad, Maharashtra for a consideration of ₹ 5,80,000. Our Company has stated that, in relation to services provided by our Company under the aforesaid contract, Hiraji Limited has not paid certain outstanding amounts to our Company. Our Company

has now filed the aforesaid matter for the recovery of the outstanding amount of ₹ 3,25,450 along with future interest at the rate of 18% per annum from the date of suit till realization.

*The matter is currently pending.*

5. Our Company has filed a regular recovery suit No. 25 of 2013 dated February 25, 2013 against (i) Anand Agrochem India Limited (**Anand Limited**) (ii) J.N. Sharma and (iii) Sujith K. Shetty. The matter has been filed in relation to a contract entered into between our Company and Anand Limited for the preparation of a techno-commercial feasibility report for a consideration of ₹ 4,00,000. Our Company has stated that, in relation to services provided by our Company under the aforesaid contract, Anand Limited has not paid certain outstanding amounts to our Company. Our Company has now filed the aforesaid matter for the recovery of the outstanding amount of ₹ 1,41,112 along with future interest at the rate of 18% per annum from the date of suit till realization.

*The matter is currently pending.*

6. Our Company has filed a regular summary suit No. 32 of 2013 dated April 5, 2013 before the Court of Civil Judge Senior Division at Pune against Pawan Enterprises, Mr. Pawan Lashkery Mr. Arun Lashkery and Mr. Manoj Choudhary (**Defendants**). The matter has been filed in relation to a contract entered into between our Company and the Defendants for consultancy services for carbon credit advisory services for 2.10 MW wind power project at Jath, Maharashtra. Under the work order No. PE/MITCON/2011-12 dated October 25, 2011, the payment was to be made in five stages. After completion of the fourth stage, i.e., appointment of designated operational entity for validation, our Company issued the invoice No. F-904 dated November 28, 2011 for payment of ₹ 1,76,480. The Defendants have failed to make this payment till date. Our Company has filed the aforesaid matter for the recovery of the outstanding amount of ₹ 2,18,540 along with future interest at the rate of 18% per annum from the date of suit till realization.

*This matter is currently pending.*

7. Our Company has filed a special recovery suit dated July 25, 2013 before the court of Civil Judge Senior Division against A2Z Infrastructure Private Limited, Mr. Amit Mittal, Mr. Akhilesh Gupta, Mr. Sunil Kumar, Mr. Gurmeet Singh Kochhar, Mr. Ratnesh Tripathi and Mr. Vikas Kumar. The amount sought to be recovered is ₹ 2,38,784 in lieu of services rendered by our Company for preparation of DPR for MSW project with resource recovery from waste such as compost, RDF in Sanitary Landfill facility under the work orders dated August 10, 2012 and May 2, 2011.

*This matter is currently pending.*

#### *Criminal Cases*

1. Our Company has filed a complaint bearing number 18790 of 2009 dated April 6, 2009 before the Additional Chief Judicial Magistrate at Pune against (i) Karmayogi Co-operative Food Park Limited, Danoli (**Karmayogi**), (ii) Mr. Rajkumar Patil and (iii) the Secretary, Karmayogi under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount aggregating to ₹ 1,00,000. Our Company had provided consultancy services in respect of Mega Food Park to Karmayogi, for which our Company had issued an invoice bearing no. F-269 dated September 17, 2008 for an amount of ₹ 1,53,372. Karmayogi issued a cheque dated December 2, 2008 bearing No. 051298 drawn on Kurundwad Urban Co-operative Bank Limited, Danoli Branch for an amount of ₹ 1,00,000. Our Company deposited the said cheque with Bank of Baroda, Shivajinagar Branch at Pune for encashment but was dishonoured for reason "not arranged for", which came to the knowledge of our Company on January 20, 2009. Our Company has filed the aforesaid matter for the recovery of the outstanding amount of ₹ 1,00,000.

*The matter is currently pending.*

2. Our Company had entered into a memorandum of understanding (**MoU**) dated May 11, 2012 with (i) Greenfield Food Products and (ii) Chandrakant Mugutrao Bhosale (together as **Accused**), for providing consultancy services with respect to incubation facilities. Per the terms of the MoU, the Accused was supposed to pay ₹ 23,596 per month to our Company. The Accused issued two cheques bearing No. 146057 and 146058 dated May 11, 2012 for ₹ 23,596 and ₹ 21,000 respectively. These cheques were dishonoured due to insufficiency of funds. Our Company continued providing its services to the Accused. The Accused again issued cheque nos. 146059 and 146060 dated October 15, 2012, cheque nos. 146061 and 146062 dated October 16, 2012 and cheque nos. 146063 and 146064 dated October 17, 2012 for an amount aggregating to ₹ 1,41,576 drawn on IDBI Bank. Our Company submitted these cheques for encashment on December 12, 2012 but the same were returned and dishonoured due to insufficiency of funds on December 14, 2012. The Accused have not cleared their dues and have neither replied to the notices of demand sent to them till date. Therefore, our Company filed a complaint bearing number 2404 of 2013 dated January 31, 2013 before the Additional Chief Judicial Magistrate at Pune against the Accused under Section 138 and Section 141 of the Negotiable Instruments Act, 1881 for dishonour of cheques for an amount aggregating to ₹ 1,41,576.

*The matter is currently pending.*

3. Our Company had accepted the work order dated July 23, 2010 issued by Maharashtra Shetkari Sugar Limited and Mr. Abhijit U. Deshmukh (together, the **Accused**) against our Company's proposal dated July 22, 2010. Based on the work order, our Company had provided engineering services and prepared techno-economic viability study report on restructuring of the term loan facility for the Accused for its power plants located at Saikheda. Against the services provided, the Accused had issued two cheques bearing nos. 630040 dated March 31, 2013 and 630041 dated April 13, 2013 for an aggregate amount of ₹ 4,86,518. These cheques were dishonoured by the Bank of Baroda on April 3, 2013 and April 17, 2013 respectively, as the Accused stopped the payment. Our Company claims that the Accused have not cleared the dues of our Company and have not replied to the notices of demand sent to them till date. Therefore, our Company has filed a criminal complaint on June 10, 2013 against the Accused before the Judicial Magistrate First Class, Pune, under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 for dishonour of cheque of an amount aggregating to ₹ 4,86,518.

*The matter is currently pending.*

4. Our Company has filed a first information report dated June 10, 2013 against Mr. Rakesh Kumar Gautam for theft, before the thana – in – charge, tehsil Kukshi, district Dhar, Madhya Pradesh. Mr. Rakesh Kumar Gautam was deputed as a general manager on site, in Kukshi vide work order No. WO/12-13/01038 dated November 20, 2012. Mr. Rakesh Kumar Gautam was provided with a laptop, data card for internet connection and a camera from our Company for his use. Our Company has reported in the first information report that Mr. Rakesh Kumar Gautam has left the site on March 6, 2013 without informing our Company with the above mentioned properties in his possession.

*The matter is currently pending.*

### *III. Claims and notices from statutory authorities*

1. Our Company has received a show cause cum demand notice dated April 16, 2013 from the Commissioner of Central Excise and Service Tax under Section 73(1) of the Finance Act, 1994 as amended. The show cause notice has been passed in relation to non-payment of service tax aggregating to ₹ 1,46,40,244 from June 2011 to March 2012 and our Company is required to explain the reason for classifying the services provided during the said period as exempted services. Our Company has filed a reply dated July 8, 2013 to the Commissioner of Central Excise and Service Tax. Our Company has claimed that, upon receipt of the clarification from the Ministry of Finance vide D.O.F. No. 354/164/2011 dated June 26, 2011, our Company reclassified its services as business auxiliary services (being a as a programme implementing agency working for centrally sponsored schemes) which are exempt from payment of service tax.

*The matter is currently pending.*

## **CASES INVOLVING OUR DIRECTORS**

### **A. Dr. Pradeep Bavadekar**

Dr. Pradeep Bavadekar, our Company's Managing Director, has filed a vakalatnama dated June 27, 2012 before the Hon'ble Charity Commissioner, Maharashtra, Mumbai, for filing his reply in suit No. 12 of 2012 filed by Yogiraj H. Deokar against Maharashtra Centre for Entrepreneurship Development and 18 others. Dr. Pradeep Bavadekar, who was named as the defendant No. 19 in the suit, had filed his reply dated July 3, 2012 praying that the suit may be dismissed against him.

*The matter is currently pending.*

### **B. Mr. A. T. Kusre**

NIL

### **C. Mr. Omprakash Bundellu**

NIL

### **D. Mr. Ashok Mahajan**

NIL

### **E. Mr. Surajit Roy**

NIL

### **F. Mr. H. K. Mittal**

NIL

## **Material Developments**

In the opinion of our Board of Directors, there has not arisen, since the date of the last audited financial statements disclosed in this Prospectus, any circumstances that materially or adversely affect or are likely to affect the profitability of our Company or the value of our assets or our ability to pay our material liabilities within the next 12 months.



## GOVERNMENT, STATUTORY AND BUSINESS APPROVALS

*On the basis of the material approvals listed below, our Company can undertake this Issue and the current business activities and no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue its business activities. Unless otherwise stated, these approvals are valid as of the date of this Prospectus. Certain approvals have elapsed in their normal course and our Company has either made an application to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. We undertake to obtain all approvals, licenses, registrations and permissions required to operate the business of our Company.*

### I. APPROVALS IN RELATION TO THE ISSUE

1. Approval of the Board dated March 19, 2013 for the Issue, subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act and such other authorities as may be necessary.
2. Approval of the shareholders of our Company dated April 25, 2013 for the Issue under Section 81(1A) of the Companies Act.
3. In principle approval from NSE dated September 16, 2013.

### II. APPROVALS IN RELATION TO INCORPORATION, CHANGE OF NAME AND REGISTERED OFFICE

#### *Change of Name:*

1. Certificate of incorporation dated April 16, 1982 issued by the Registrar of Companies, Bombay, Maharashtra to Maharashtra Industrial and Technical Consultancy Organisation Limited.
2. Fresh certificate of incorporation dated September 7, 2000 issued by the RoC consequent to change of its name to MITCON Consultancy Services Limited.
3. Fresh certificate of incorporation dated October 15, 2010 issued by the RoC consequent to change of its name to MITCON Consultancy & Engineering Services Limited.

#### *Change in Registered Office:*

1. Change in registered office of our Company from 826/27, Budhwar Peth, Sonya Maruti Chowk, Pune 411002 to Udyog Bhavan, 1<sup>st</sup> Floor, Pune Vidyapeeth Rasta, Pune 411 007 with effect from September 1, 1984.
2. Change in registered office of our Company from Udyog Bhavan, 1<sup>st</sup> Floor, Pune Vidyapeeth Rasta, Pune 411 007 to Kubera Chambers, Plot No. 4, Rajendra Prasad Road, Pune 411 005 with effect from March 20, 1986.

### III. APPROVALS FOR CONDUCTING THE BUSINESS OF OUR COMPANY

The following statement sets out the details of licenses, permissions and approvals obtained by our Company under various central and state laws for carrying out its business:

Sr. No.	Description	Issuing Authority	Registration / License No.	Date of Issue/ Renewal	Validity
1.	Permanent Account Number	Income Tax Department	AABCM2681H	April 16, 1982	N.A.

Sr. No.	Description	Issuing Authority	Registration / License No.	Date of Issue/ Renewal	Validity
2.	Tax Deduction Account Number	National Securities Depository Limited	PNEM00421B	May 25, 2011 (upon change in name)	N.A.
3.	Registration with Central Excise Department (Service Tax Registration)	Central Excise Officer, Central Board of Excise and Customs	AABCM2681HS T001	October 3, 2012 (valid from April 28, 2008)	N.A.
4.	State License under the Food Safety and Standard Act, 2006	Assistance Commissioner (Food), Food and Drug Administration, Pune	11512020005008	March 27, 2012	December 31, 2015
5.	License under the Fruit Products Order, 1955	Deputy Director, Food Safety and Standards Authority Of India	FPO / A1051	August 1, 2011	N.A.
6.	Authorization for Energy Audit under the Government Order No. GHU/99/31/1196/9018/K1 dated October 5, 1999	Office of the Chief Electrical Inspector, Government of Gujarat	GUJ / 065	June 27, 2011	June 21, 2014
7.	License to Electrical Contractors to carry out Electric Installation Works under the Gujarat Government Notification, Industries, Mines and Powers Department No. GU – 40 / IER – 1067 / 2336K dated April 7, 1969	Energy & Petrochemical Department, Government of Gujarat	G/AHD/C-1579	January 1, 2013	December 31, 2013
8.	Medium Enterprise Registration (change of category from small enterprise to medium enterprise)	Directorate of Industries, Micro, Small and Medium Enterprises, Maharashtra	270252200021	February 6, 2013	N.A.
9.	Recognition as Inspecting agency	Department of Co-Operation, Marketing and Textiles, Government of Maharashtra	G. R. No. SSK 1004/Case No. 86/3-C	June 24, 2009	N.A.
10.	Approval as Consultants to work on various projects for co-operative sugar factories in the State of Maharashtra	Department of Co-Operation, Marketing and Textiles, Government of Maharashtra	G. R. No. SSK 1004/Case No. 86/3-5	August 10, 2004	N.A.
11.	Certificate of Registration as Energy Consultant	New and Renewable Energy Development Corporation of AP Limited	EC/01/2013-14	June 6, 2013	March 31, 2014



Sr. No.	Description	Issuing Authority	Registration / License No.	Date of Issue/ Renewal	Validity
12.	License for the Quality Management Systems Certification granted for 'Providing Techno Economic Consultancy And Training Services' under the Bureau of Indian Standards Act, 1986	Deputy Director General (Western), Bureau of Indian Standards	QSC / L - 7000752.4	May 31, 2011	April 22, 2014
13.	Commissioning Certificate for 0.75 MW capacity wind electric generator located in Karunapuram village	Deputy Chief Engineer, Transmission Circle, Kerala State Electricity Board	TCP / DBII/ Wind Farm Projects / 2008-09/106	May 16, 2008	-
14.	Gold Standard Project Registration of "0.75 MW Kerala Wind Power Project"	Gold Standard Registry	65561	March 31, 2008	N.A.
15.	Certificate of compliance of International Standard for Occupational Health And Safety Management System (OHSAS – 18001:2007) (for providing laboratory testing services for environmental parameters)	International Certification Services Private Limited accredited by joint accreditation system of Australia and New Zealand	ROH91 / 7954	August 5, 2012	August 4, 2015
16.	Accreditation for Nagpur and Pune centres for conducting Debt Recovery Agent Training	Indian Institute of Banking and Finance	-	April 1, 2013	March 31, 2014
17.	Certificate of Registration under the Bombay Shops and Establishment Act, 1948 for the Registered Office of our Company located at Kubera Chambers, Shivajinagar, Pune 411 005	Inspector under the Bombay Shops and Establishment Act	Shivaji /II /2946	December 8, 2012 (with effect from March 20, 1986)	Valid till 2015
18.	Certificate of Registration under the Bombay Shops and Establishment Act, 1948 for the office of our Company located at 1402/03 Dalamal Tower, 14 <sup>th</sup> Floor, Nariman Point, Mumbai 400 021	Inspector under the Bombay Shops and Establishment Act	760144844 / Commercial II	January 4, 2011 (with effect from June 4, 2010)	December 31, 2013
19.	Certificate of Registration under the Bombay Shops and Establishment Act, 1948 for the office located at First Floor, Shri Ganesh Snehal Apartments, Shradhanand Anathalay Shejari, Shradhanand Peth, Nagpur, Ward No. 92	Inspector under the Bombay Shops and Establishment Act	II-92-1035	February 14, 2012	-

Sr. No.	Description	Issuing Authority	Registration / License No.	Date of Issue/ Renewal	Validity
20.	Certificate of Registration under the Bombay Shops and Establishment Act, 1948 for the office of our Company located at Plot No. 2, Manikraj Apartments, Pimpri, Chinchwad, Link Road, Tanajinagar, Chinchwad	Inspector under the Bombay Shops and Establishment Act	CHINCHWAD /II / 39991	September 8, 2011	-
21.	Certificate of Registration under the Bombay Shops and Establishment Act, 1948 for the office of our Company located near District Business Centre, Agricultural Campus, Shivajinagar, Pune 411 005	Inspector under the Bombay Shops and Establishment Act	SHIVAJI/II/ 36298	February 28, 2011	Till 2013
22.	Certificate of Registration under the Delhi Shops and Establishment Act, 1954 for the office of our Company located at 418, Somdutta Chambers 2, Bhikaji Cama Place, New Delhi 110 066	Department of Labour, Government of National Capital Territory of Delhi	2013005314	February 21, 2013	-
23.	Certificate of Registration under the Karnataka Shops and Commercial Establishments Act, 1961 for the office of our Company located at No. 510 - 512, 5 <sup>th</sup> Floor, Mittal Tower, M.G. Road, Metro Trinity Station, M.G. Road, Bangalore 560 001	Department of Labour, Government of Karnataka	19/112/CE /0149/2013	June 24, 2013	December 31, 2017
24.	Certificate of Registration under the Employee State Insurance Corporation	Deputy Director, Sub – Regional Office, Pune	33/32846/101	October 7, 1996	N.A.
25.	Employees Provident Funds & Miscellaneous Provisions Act, 1952	Regional Provident Fund Commissioner	MH/PN/31314	March 30, 1995	N.A.

### *Intellectual property related approvals*

#### **Registrations**






Our Company has registered the trademarks mentioned below in its name:

Name of Trademark	Logo	Date of Issue	Registration Number	Class	Validity
MITCON		February 18, 2005	1339284	42	Ten years
MITCON		February 18, 2005	1339285	35	

MITCON		October 30, 2006	720041	16
Udyog Probodhini		May 22, 2007	1560399	41
Udyog Probodhini		May 22, 2007	1560398	41
MITCON e-School		March 7, 2011	994860	16

### Pending Applications

Our Company has filed applications with the Trade Marks Registry on June 10, 2013 to register the following trademarks under the Trade Marks Act:

Name of Trademark	Logo	Application Number	Class
M logo		2545882	42
M logo		2545883	35
MITCON e-School		2545884	41
MITCON School	Vocational 	2177785	41
MITCON School	Vocational 	2177790	41

### Domain Name Registrations

Our Company owns and has registered the following domain names in its name:

Sr. No.	Description	Date of Renewal	Validity
1.	mitconindia.com	March 28, 1998	March 27, 2019
2.	mitconbiopharma.com	August 24, 2013	August 23, 2014
3.	mitconeschool.com	August 8, 2013	August 7, 2016
4.	mitcontraining.com	May 12, 2013	May 11, 2014
5.	sakalsuraksha.com	July 21, 2013	July 20, 2014

<b>Sr. No.</b>	<b>Description</b>	<b>Date of Renewal</b>	<b>Validity</b>
6.	mitconmis.com	July 15, 2013	August 13, 2018
7.	mitconassessments.com	October 14, 2013	October 13, 2016
8.	mitconexamination.com	July 30, 2013	August 26, 2018
9.	mismitcon.com	May 18, 2013	May 17, 2014
10.	mitconplacements.com	October 14, 2013	October 13, 2016
11.	mitconconsultancy.in	March 23, 2013	March 22, 2014
12.	mitconmscitsupport.com	September 12, 2013	September 11, 2018
13.	mahaudyogini.com	May 23, 2013	May 22, 2014

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

Our Board of Directors have, pursuant to a resolution passed at its meeting held on March 19, 2013, authorised the Issue, subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act.

The shareholders of our Company have authorized the Issue by a special resolution dated April 25, 2013 under Section 81(1A) of the Companies Act.

Our Company has obtained all necessary governmental, regulatory consents and approvals and has received all necessary contractual consents required for this Issue. For further information, please refer to the section “*Government, Statutory and Business Approvals*” on page 210 of this Prospectus.

The Stock Exchange has given its in-principle approval for listing of the Equity Shares allotted pursuant to the Issue on the SME Platform pursuant to letter dated September 16, 2013. For the purposes of this Issue, NSE shall be the Designated Stock Exchange.

### **Prohibition by SEBI or Other Governmental Authorities**

Our Company and our Directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Directors are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of the Directors of our Company are associated with any entities which are engaged in securities market related business and are registered with SEBI other than Mr. Omprakash Bundellu, who is a director on the board of directors of Principal Trustee Company Private Limited, an entity registered with SEBI.

### **Prohibition by the RBI**

Our Company has not been identified as a willful defaulter by the RBI or any other governmental authority. There are no violations of securities laws committed by it in the past or are pending against them.

One of our Directors, Mr. A. T. Kusre, appears on the defaulters list of the RBI. His name appears in respect of his being the nominee director of three companies, viz. Beta Naphthol Limited, Essar Oil Limited and Nortech India Limited. He has resigned as a director from all these companies with effect from January 31, 1997, April 6, 2002 and February 12, 1997 respectively. Except for Mr. A. T. Kusre, none of our other Directors have been identified as a willful defaulter by the RBI or any other governmental authority. There are no violations of securities laws committed by it in the past or are pending against them.

### **Eligibility for this Issue**

Our Company is eligible for the Issue in accordance with Regulation 106M(1) and other provisions of Chapter XB of the SEBI Regulations as the post issue face value capital of our Company does not exceed ₹ 2,500 lacs. Our Company also complies with the eligibility conditions laid by the Stock Exchange for listing of our Equity Shares.

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI Regulations, this Issue will be 100% underwritten and that the Lead Managers will underwrite at least 15% of the Issue. Further, all the underwriting and subscription agreements made by the Lead Managers shall be disclosed in this Prospectus. Further, the Underwriter other than the Lead Managers and the Nominated Investors shall not subscribe to the Issue, in any manner except for fulfilling their obligations under their respective agreements with the Lead

Managers in this regard. For further details pertaining to underwriting, please refer to the section “*General Information*” on page 17 of this Prospectus.

2. In accordance with Regulation 106(V) of the SEBI Regulations, our Company has entered into an agreement with Keynote and IDBI Capital, as the Lead Managers and will enter into an agreement with the Keynote Capitals Limited for market making. The Lead Managers will have to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue. For further details pertaining to market making arrangements, please refer to the section “*General Information*” on page 17 of this Prospectus.
3. In accordance with Regulation 106(Q) of the SEBI Regulations, the minimum application size in terms of the number of Equity Shares will not be less than ₹ 1,00,000 per application.

Further, we undertake that the number of Allottees in the Issue shall be at least 50 otherwise the entire application money shall be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

#### **CAUTION**

#### **DISCLAIMER CLAUSE OF SEBI**

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

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE PROSPECTUS, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS, IDBI CAPITAL MARKET SERVICES LIMITED AND KEYNOTE CORPORATE SERVICES LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED OCTOBER 7, 2013, WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH 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 PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD /TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS. – NOT APPLICABLE**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS. – NOT APPLICABLE**
- 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 AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "MAIN OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK**

ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, AND
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC. (PLEASE SEE "ANNEXURE A" FOR FURTHER DETAILS)
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. (PLEASE SEE "ANNEXURE B" FOR FURTHER DETAILS)
16. WE ENCLOSE STATEMENT ON PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR (PLEASE SEE "ANNEXURE C" FOR FURTHER DETAILS).
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH PROSPECTUS REGARDING SME EXCHANGE**

1. **WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS 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 THE 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 PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS.**
6. **WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

The filing of this Prospectus does not, however, absolve our Company from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up, at any point of time, with the Lead Managers, any irregularities or lapses in this Prospectus.

All legal requirements pertaining to the Issue have been complied with at the time of filing of this Prospectus with the RoC, in terms of Section 56 and Section 60 of the Companies Act.

#### **Disclaimer Statement from our Company, the Lead Managers**

Our Company and the Lead Managers accept no responsibility for statements made otherwise than those contained in this Prospectus or in any advertisements or any other material issued by or at the instance of the above mentioned entities and anyone placing reliance on any other source of information, including our Company's website [www.mitconindia.com](http://www.mitconindia.com), would be doing so at his or her own risk.

The Lead Managers accept no responsibility, save to the limited extent as provided in the Underwriting Agreement to be entered into between the Underwriters and our Company and the Issue Agreement between the Lead Managers and our Company dated September 10, 2013.

Our Company and the Lead Managers 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 or elsewhere.

The Lead Managers and their respective associates and affiliates may engage in transactions with and perform services for, our Company, affiliates or associates of our Company or third parties in the ordinary course of business and have engaged and may in future engage, in commercial banking or other financial services with our Company, affiliates or associates or third parties, for which they have received and may in future receive, compensation.

Neither our Company nor the Lead Managers are liable to the Applicants for any failure in downloading the applications due to faults in any software / hardware system or otherwise.

Investors who apply under this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India) who are not minors (except those having valid demat account, as per Demographic Details provided by Depositories), 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), trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India and to FIIs, Eligible QFIs, Eligible NRIs, AIFs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions), provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company.

This Prospectus does not, however, constitute an invitation to subscribe to the Equity 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 this 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 Pune, Maharashtra, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Prospectus has been submitted with the Stock Exchange. Accordingly, the Equity Shares, represented hereby may not be offered or sold, directly or indirectly and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been 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 restrictions as stated above will apply to the Issue, investors are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

### **Disclaimer Clause of the Stock Exchange**

As required, a copy of this Prospectus has been submitted to NSE. NSE has given vide its letter Ref: NSE/LIST/216142-T dated September 16, 2013, permission to our Company to use the Stock Exchange's name in this Prospectus as one of the stock exchanges on which our Company's Equity Shares are proposed to be listed. The Stock Exchange has scrutinized the Draft Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that this Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that our Company's Equity Shares will be listed or will continue to be listed on the Stock Exchange; nor does it take any

**responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company.**

**Every person who desires to apply for or otherwise acquire any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.**

### **Filing**

A copy of this Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.

A copy of the Prospectus, along with the documents required to be filed under Section 60 of the Companies Act has been delivered for registration with the RoC at the office of the Registrar of Companies, PMT Building, Pune Stock Exchange, 3rd Floor, Deccan Gymkhana, Pune 411 004.

### **Listing**

Initial listing application will be made to the Stock Exchange for permission to deal in and for an official quotation of the Equity Shares. NSE shall act as the Designated Stock Exchange.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchange, 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 Stock Exchange mentioned above are taken within 12 Working Days from the Issue Closing Date.

### **Consents**

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the statutory Auditors, the Legal Advisors to the Issue, the Bankers to our Company; and (b) the Lead Managers, SME fundamental grading agency, the Escrow Collection Bank(s), Refunds Bank, the Market Maker, the Nominated Investor and the Registrar to the Issue to act in their respective capacities, have been filed along with a copy of this Prospectus with the RoC, as required under Section 60 of the Companies Act.

In accordance with the Companies Act and SEBI Regulations, M/s. Joshi & Sahney, Chartered Accountants, our statutory Auditors, have given their written consent to the inclusion of their report dated October 7, 2013 in the form and context in which it appears in this Prospectus and such consent and report has not been withdrawn up to the time of filing of this Prospectus with the RoC.

M/s. Joshi & Sahney, Chartered Accountants, our statutory Auditors, have given their written consent to the inclusion of their report on possible tax benefits accruing to our Company and its members dated July 12, 2013 in the form and context in which it appears in this Prospectus and has not withdrawn such consent up to the time of filing of this Prospectus with the RoC.

### **Expert Opinion**

Except the report of our Auditors dated October 7, 2013, the statement of tax benefits dated July 12, 2013 and the report dated September 16, 2013 of CRISIL Limited in respect of the IPO grading of this Issue, furnishing the

rationale for its grading which will be provided to the Designated Stock Exchange, annexed herewith to this Prospectus, our Company has not obtained any expert opinions.

### Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The total expenses of the Issue are estimated to be approximately ₹ 355.48 lacs. The estimated Issue Expenses are as follows:

Particulars	Expenses (in ₹lacs)	Percentage of the Issue Expenses (%)	Percentage of the Issue Size (%)
Fees to Intermediaries (including lead management fees, underwriting commission, market making fees, brokerage and selling commission*, registrar fees and expenses)	300.50	84.53	12.02
Advertising and marketing expenses	9.00	2.53	0.36
Printing and stationery	5.00	1.41	0.20
Others Expenses (including legal advisors fee, auditors fee, depositories fee, etc.)	40.98	11.53	1.64
Total estimated Issue expenses	355.48	100.00	14.21

\* SCSBs would be entitled to a processing fee of ₹10 for processing of valid Application Forms procured by such broker. The brokers and SCSBs would be entitled to a commission of ₹20 per valid Application Form procured and considered for basis of allotment.

All expenses with respect to this Issue will be borne by our Company.

### Details of Fees Payable

#### Fees Payable to the Lead Managers

The total fees payable to the Lead Managers will be as per the Engagement Letter dated June 1, 2013 and as stated in the Issue Agreement dated September 10, 2013 executed between our Company and the Lead Managers, a copy of which is available for inspection at our Registered Office.

#### Fees Payable to the Registrar to this Issue

The fees payable to the Registrar to this Issue for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Memorandum of Understanding dated August 30, 2013 executed between our Company and the Registrar to the Issue, 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 to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post / speed post.

#### Fees Payable to Others

The total fees payable to the Auditor, credit rating agency and advertiser, etc. will be as per the terms of their respective engagement letters.

**Particulars regarding previous rights and public issues during last five years**

Our Company has not made any previous rights and / or public issues during the five years preceding the date of this Prospectus.

**Previous issue of Equity Shares otherwise than for cash**

Save and except as stated in “*Capital Structure*” on page 25 of this Prospectus, our Company has not issued any Equity Shares for consideration other 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 is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares since our Company’s inception.

**Previous capital issue during the previous three years by our listed group companies / associates of our Company**

Our Company does not have any group companies. None of our associates are listed on any stock exchange.

**Promise vis-à-vis performance – Public / Rights Issue of our Company and / or listed subsidiaries, Group Companies and associates of our Company*****Our Company***

Our Company has not made any public or rights issue in the past.

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

As on the date of filing this Prospectus with SEBI and RoC, our Company has no outstanding debentures, bonds or redeemable preference shares.

**Stock Market Data for our Equity Shares**

This Issue being an initial public offering of our Company, there is no stock market data available for the Equity Shares of our Company as they are not listed in any stock exchange.

**Mechanism for Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar and our Company will provide for retention of records with the Registrar to the Issue for a minimum period of at least three years from the last date of dispatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Amount blocked, ASBA Account number and the Designated Branch of the relevant SCSB.

### Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to this Issue for the redressal of routine investor grievances will be 15 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted a Shareholder / Investor Grievance Committee pursuant to a resolution passed at the meeting of our Board of Directors held on March 19, 2013. The Shareholder / Investor Grievance Committee comprises:

Sr. No.	Name of Director	Designation
1.	Mr. A. T. Kusre	Chairman
2.	Mr. O. V. Bundellu	Non-Executive Independent Director
3.	Mr. A. D. Mahajan	Non-Executive Independent Director
4.	Dr. Pradeep Bavadekar	Managing Director

For more information, please refer to the section “*Our Management*” on page 126 of this Prospectus.

Our Company has appointed Mr. Madhav Oak as our Company Secretary and Compliance Officer and he may be contacted at the following address:

**Mr. Madhav Oak**

MITCON Consultancy & Engineering Services Limited  
Kubera Chambers,  
Shivajinagar,  
Pune 411 005,  
Maharashtra  
Telephone: +91 20 66289148  
Facsimile: +91 20 2553 3206  
E-mail: [ipo@mitconindia.com](mailto:ipo@mitconindia.com)

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account and refund of application money.

### Changes in Auditors during the last three Financial Years and reasons therefore

The changes in the Auditors of our Company in the three years are detailed below:

Sr. No.	Name of Auditor	Date of Appointment	Date of Cessation	Reason for Change
1.	M/s Sharad P. Joshi	November 30, 1995	March 31, 2011	Resignation
2.	M/s Joshi & Sahney	August 19, 2011	N.A.	Appointed as statutory Auditors

### Capitalisation of Reserves or Profits

Save and except as stated in “*Capital Structure*” on page 25 of this Prospectus, our Company has not capitalized its reserves or profits at any time since inception.



## Revaluation of assets

Except as disclosed below, our Company has not revalued its assets since inception.

Sr. No.	Particulars	Revaluation Year	Revalued amount (In ₹)
1.	Office premises at First Floor, Kubera Chambers, Shivajinagar, Pune 411 005	1999 – 2000	2,39,53,918.00

## Price information of past issues handled by the Lead Managers

### Price Information of past issues handled by IDBI

Sr. No.	Issue Name	Issue Size (₹ Crore)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	Closing Price on listing date (₹)	% Change in price on listing date (Closing vs. Issue Price)	Benchmark Index on listing date (Closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark Index as on 10th calendar day from listing day (Closing)	Closing Price as on 20th calendar day from listing day (₹)	Benchmark Index as on 20th calendar day from listing day (Closing)	Closing Price as on 30th calendar day from listing day (₹)	Benchmark Index as on 30th calendar day from listing day (Closing)
1.	Opal Luxury Time Products Limited	13.00	130.00	April 12, 2013	130.00	128.00	1.54	5,528.55	130.00	5,834.40	130.45	5,999.35	128.00	6,107.25
2.	PC Jeweller Limited	601.29	135.00	December 27, 2012	135.50	149.20	10.37	5,870.10	181.65	5,988.40	168.90	6,056.60	157.50	6,074.30
3.	Credit and Analysis Rating Agency	539.98	750.00	December 26, 2012	949.00	922.55	23.20	5,905.60	934.75	6,016.15	923.45	6,024.05	920.85	6,019.35
4.	Thejo Engineering Limited	19.00	402.00	September 18, 2012	403.00	403.00	0.25	5,600.05	375.00	5,649.50	375.00	5,746.95	392.90	5,660.25
5.	NBCC Limited	127.20	106.00	April 12, 2012	101.00	96.95	-8.54	5,276.85	96.35	5,200.60	94.75	5,239.15	86.55	4,928.90
6.	SRS Limited	203.00	58.00	September 16, 2011	68.00	33.25	-42.67	5,084.25	33.85	4,835.40	30.15	4,888.05	35.40	5,118.25
7.	Aanjaneya Lifecare Limited	117.00	234.00	May 27, 2011	218.00	311.10	32.95	5,476.10	376.70	5,532.05	364.40	5,447.50	390.45	5,526.60
8.	MOIL Limited	1,237.95	375.00	December 15, 2010	565.00	465.05	24.01	5,892.30	448.85	6,011.60	453.95	6,157.60	442.15	5,751.90
9.	Gujarat Pipavav Port Limited	553.85	46.00	September 9, 2010	56.10	54.05	17.50	5,640.05	54.85	5,980.45	60.30	6,029.50	59.35	6,103.45
10.	SJVN Limited	1,043.91	26.00	May 20, 2010	27.10	25.10	-3.46	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60

#### Notes:

- In case of discounts given to certain categories of investors, the undiscounted issue price has been taken as the issue price.
- Issue size has been taken net of promoter's contribution, if any.
- If the 10th, 20th and 30th calendar day from listing day is not a working day, closing price on next working day has been taken.
- All prices are according to trades on NSE and the benchmark index is the Nifty. If the stock is not listed on the NSE, the BSE prices are taken and SENSEX is the benchmark.

### Summary statement of price information of past issues handled by IDBI

Financial Year	Total No. of IPOs	Total Funds Raised (₹ Crore)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2013-2014	1	13.00			1							1		
2012-2013	4	1,287.45			1			3				2		2
2011-2012	2	320.00		1			1			1		1		
2010-2011	3	2,835.71			1			2				1	1	1

**Note:** Total Funds raised is taken as the sum of individual Issue Size.

*Price Information of past issues handled by Keynote*

Sr. No.	Issue Name	Issue Size (₹ Crore)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	Closing Price on listing date (₹)	% Change in price on listing date (Closing) vs. Issue Price	Benchmark Index on listing date (Closing)	Closing price as on 10th calendar day from listing day (₹)	Benchmark Index as on 10th calendar days from listing day (Closing)	Closing Price as on 20th calendar day from listing day (₹)	Benchmark Index as on 20th calendar days from listing day (Closing)	Closing Price as on 30th calendar day from listing day (₹)	Benchmark index as on 30th calendar days from listing day (Closing)
1.	Prakash Steelage Limited	68.75	110.00	August 25, 2010	118.55 - BSE 122.00 - NSE	187.95 - BSE 185.00 - NSE	70.86 - BSE 68.18 - NSE	18,179.64 - SENSEX 5,462.35 - NIFTY	181.80 - BSE 182.10 - NSE	18,221.43 - SENSEX 5,479.40 - NIFTY	156.40 - BSE 156.65 - NSE	19,208.33 - SENSEX 5,760.00 - NIFTY	145.60 - BSE 145.65 - NSE	19,861.01 - SENSEX 5,959.55 - NIFTY
2.	Bedmutha Industries Limited	91.80	102.00	October 14, 2010	114.40 - BSE 113.50 - NSE	180.80 - BSE 179.15 - NSE	77.25 - BSE 75.64 - NSE	20,497.64 - SENSEX 6,177.35 - NIFTY	204.20 - BSE 182.10 - NSE	20,303.01 - SENSEX 5,799.75 - NIFTY	176.05 - BSE 174.95 - NSE	20,345.69 - SENSEX 6,119.00 - NIFTY	116.95 - BSE 116.15 - NSE	20,156.89 - SENSEX 6,071.65 - NIFTY
3.	Gravita India Limited	45.00	125.00	November 16, 2010	218.75 - BSE 201.10 - NSE	210.40 - BSE 209.70 - NSE	68.32 - BSE 67.76 - NSE	19,865.14 - SENSEX 5,988.70 - NIFTY	257.65 - BSE 257.45 - NSE	19,318.16 - SENSEX 5,799.75 - NIFTY	255.70 - BSE 256.10 - NSE	19,981.31 - SENSEX 5,992.25 - NIFTY	235.40 - BSE 235.40 - NSE	19,647.77 - SENSEX 5,892.30 - NIFTY
4.	Servalakshmi Paper Limited	60.00	29.00	May 12, 2011	30.00 - BSE 29.00 - NSE	19.00 - BSE 19.05 - NSE	34.48 - BSE 34.31 - NSE	18,335.79 - SENSEX 5,486.15 - NIFTY	11.75 - BSE 11.80 - NSE	17,993.33 - SENSEX 5,386.55 - NIFTY	11.05 - BSE 11.10 - NSE	18,503.28 - SENSEX 5,560.15 - NIFTY	10.19 - BSE 10.20 - NSE	18,268.54 - SENSEX 5,485.80 - NIFTY
5.	Veto Switchgears and Cables Limited (SME Platform – NSE EMERGE)	25.00	50.00	December 13, 2012	58.00	50.45	0.9	19,229.26 - BSE 5,851.50 - NSE	50.25 - BSE	19,255.09 - BSE 5,855.75 - NSE	50.15	19,580.81 - BSE 5,950.85 - NSE	50.50	19,663.64 - BSE 5,951.30 - NIFTY

\*Being non trading day, price data is considered for next trading day.

*Summary statement of price information of past issues handled by Keynote*

Financial Year	Total No. of IPOs	Total Funds Raised (in ₹ Crore)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2012-2013	1	25.00	Nil	Nil	Nil	Nil	Nil	1	N.A.	N.A.	N.A.	N.A.	N.A.	1
2011-2012	1	60.00	Nil	1	Nil	Nil	Nil	Nil	1	Nil	Nil	Nil	Nil	Nil
2010-2011	3	205.55	Nil	Nil	Nil	3	Nil	Nil	Nil	Nil	Nil	1	1	1

**Track record of past issues handled by the Lead Managers**

For details regarding the track record of the Lead Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the website of the Lead Managers, as set forth in the table below:

<b>Sr. No.</b>	<b>Name of Lead Manager</b>	<b>Website</b>
1.	IDBI	<a href="http://idbicapital.com/offerdisclaimer_TrackRecord.asp">http://idbicapital.com/offerdisclaimer_TrackRecord.asp</a>
2.	Keynote	<a href="http://www.keynoteindia.net/track_record.html">http://www.keynoteindia.net/track_record.html</a>

## SECTION VII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being issued pursuant to the Issue are subject to the provisions of the Companies Act, the SEBI Regulations, the SCRR, our Memorandum and Articles of Association, the terms of this Prospectus, the Prospectus, the Application Form, the Allocation Advice, the Listing Agreement to be entered into with the Stock Exchange and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI and/or any other authorities while granting its approval for the Issue.

#### Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company including rights in respect of the dividend. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends, voting rights and other corporate benefits, if any, declared by our Company after the date of Allotment. For further information, please refer to the section “*Main Provisions of the Articles of Association*” on page 266 of this Prospectus.

#### Mode of Payment of Dividend

Our Company shall pay dividends to our shareholders in accordance with the provisions of the Companies Act, our Articles of Association and the Listing Agreement to be entered into with the Stock Exchange.

#### Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each and the Issue Price is ₹ 61 per Equity Share.

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

#### Compliance with the SEBI 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 the applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity Shareholders of our Company shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers 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 company under the Companies Act, the terms of the Listing Agreement to be entered into with the Stock Exchange and our Company's Memorandum and Articles of Association.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the section "*Main Provisions of the Articles of Association*" on page 266 of this Prospectus.

### **Joint Holders**

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

### **Market Lot and Trading Lot**

In terms of Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares is in dematerialised form, the trading will happen in the minimum contract size of 2,000 Equity Shares and the same may be modified by the Stock Exchange from time to time by giving prior notice to investors at large. Allotment in this Issue will be only in electronic form in multiples of 2,000 Equity Shares subject to a minimum Allotment of 2,000 Equity Shares. For details of Allotment, please refer to the section "*Issue Procedure*" on page 238 of this Prospectus.

### **Nomination Facility to Investor**

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

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

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

Further, the Board may, at any time, give notice requiring any nominee to choose either to register himself or herself or to transfer the Equity Shares and if the notice is not complied with within a period of 90 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 dematerialised form, 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 investors require change in their nomination, they are requested to inform their respective Depository Participant.

**Issue Period**

Applicants may submit their applications only in the Issue Period. The Issue Opening Date is October 15, 2013 and the Issue Closing Date is October 18, 2013.

**Minimum Subscription**

If our Company does not receive the subscription of 90% of the Issue through the Prospectus including devolvement of Underwriters within 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 repay the amount, our Company shall be liable to repay the money, with interest prescribed under Section 73 of the Companies Act.

**Migration to Main Board**

Our Company may migrate to the Main Board of NSE from the SME Platform on a later date subject to the following:

- If the paid up capital of our Company is likely to increase above ₹ 2,500 lacs by virtue of any further issue of capital by way of rights issue, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders in favour of the proposal amount to at least two times the number of votes cast by shareholders against the proposal and for which our Company has obtained in-principal approval from the Main Board), our Company shall apply to NSE for listing of its 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

- If the paid up capital of our Company is more than ₹ 1,000 lacs but below ₹ 2,500 lacs, our Company 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 Equity Shares offered through this Issue are proposed to be listed on the Stock Exchange, wherein the Lead Managers shall ensure compulsory market making through the registered Market Makers of the Stock Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing of Equity Shares offered through the Prospectus. For further details of the market making arrangement, please refer to the section “*General Information*” on page 17 of this Prospectus.

**Arrangement for disposal of Odd Lots**

The trading of the Equity Shares will happen in the minimum contract size of 2,000 Equity Shares. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Stock Exchange.

**Restriction on transfer of shares**

Except for lock-in of the pre-Issue Equity Shares as detailed in “*Capital Structure*” on page 25 of this Prospectus and except as provided in the Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting except as provided in our Articles. For more information, please refer to the section “*Main Provisions of our Articles of Association*” on page 266 of this Prospectus.

### **Application by Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI**

As per the extant policy of the Government of India, OCBs cannot participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, there exists 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 initial public offering. 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. It is to be distinctly understood that there is no reservation for NRIs, FIIs or FVCIs registered with SEBI, Applicants will be treated on the same basis with other categories for the purpose of allocation.

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.

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 Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Managers 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 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.

### **Withdrawal of the Issue**

Our Company, in consultation with the Lead Managers, reserves the right not to proceed with the Issue any time after the Issue Opening Date but before the Board meeting for Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to NSE and the Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Account within one Working Day from the date of such notification.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall be required to file a fresh Prospectus. Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment and the final RoC approval of the Prospectus.

### **Issue of Equity Shares in dematerialised form in the Issue**

In accordance with the SEBI Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

**Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Pune, Maharashtra, India.



## ISSUE STRUCTURE

The present Issue of 41,00,000 Equity Shares of ₹ 10 each, at a price of ₹ 61 per Equity Share (including a premium of ₹ 51 per Equity Share) for cash aggregating to ₹ 25,01,00,000 (the **Issue**), of which 2,06,000 Equity Shares of ₹ 10 each will be reserved for subscription by Market Maker (**Market Maker Reservation Portion**), is being made in terms of Chapter XB of the SEBI Regulations. The Issue less the Market Maker Reservation Portion i.e. Issue of 38,94,000 Equity Shares of ₹ 10 each is hereinafter referred to as the **Net Issue**. The Issue and the Net Issue will constitute 33.88% and 32.18%, respectively of the post Issue paid up Equity Share capital of our Company.

Particulars	Non Retail Applicants (including ASBA Applicants)	Retail Individual Applicants (including ASBA Applicants)	Market Maker Reservation Portion
<b>Number of Equity Shares<sup>(1)</sup></b>	19,46,000 Equity Shares or Net Issue less allocation to Non Institutional Applicants and Retail Individual Applicants	19,48,000 Equity Shares	2,06,000 Equity Shares
<b>Percentage of Issue Size available for allocation</b>	Not more than 50% of the Net Issue being available for allocation to Non Retail Applicants.	Not less than 50% of the Net Issue	5.02% of the Issue
<b>Basis of allocation, if respective category is oversubscribed</b>	Proportionate.	Proportionate.	Firm allotment
<b>Minimum Application Size</b>	Such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2,000 Equity Shares thereafter.	2,000 Equity Shares	2,06,000 Equity Shares
<b>Maximum Application Size</b>	41,00,000 Equity Shares	Such number of Equity Shares whereby Application Amount does not exceed ₹ 2,00,000	41,00,000 Equity Shares
<b>Mode of allotment</b>	Compulsorily dematerialised Form. in	Compulsorily dematerialised Form. in	Compulsorily dematerialised Form. in
<b>Trading Lot*</b>	2,000 Equity Shares.	2,000 Equity Shares.	2,000 Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI Regulations.
<b>Who can apply</b>	As <b>QIBs</b> - Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, VCFs, FVCIs and AIFs registered with SEBI, FIIs and subaccount registered with SEBI (other than a subaccount	Individuals (including Eligible NRIs and HUFs in the name of Karta) applying for Equity Shares such that the Application Amount does not exceed ₹ 2,00,000 in value.	Market Maker

Particulars	Non Retail Applicants (including ASBA Applicants)	Retail Individual Applicants (including ASBA Applicants)	Market Maker Reservation Portion
	<p>which is a foreign corporate or foreign individual), multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of ₹ 2,500 lacs, pension fund with minimum corpus of ₹ 2,500 lacs and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.</p> <p><b>As Non Institutional Applicants</b> - Resident Indian individuals, HUF (in the name of Karta), companies, Eligible NRIs, corporate bodies, Scientific Institutions, Societies and Trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.</p>		
<b>Terms of Payment<sup>(2)</sup></b>	Full Application Amount at time of submission of Application Form	Full Application Amount at time of submission of Application Form	Full Application Amount at time of submission of Application Form

<sup>(1)</sup> Allocation to all categories in the Net Issue portion shall be made on a proportionate basis. In the event the Retail Individual Applicants are entitled to more than fifty percent on a proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. Under-subscription, 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 Managers and the Stock Exchange.

<sup>(2)</sup> In case of ASBA Applicants, the SCSB shall be authorised to block such funds in the bank account of the ASBA Applicant that are specified in the Application Form.

\* SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the **Circular**) standardized the lot size for initial public offer proposing to list on SME Exchange/platform and for the secondary market trading on such exchange/platform, as under:

Price Band (₹)	Lot Size (Number of Shares)
Upto 14	10,000
more than 14 upto 18	8,000
more than 18 upto 25	6,000
more than 25 upto 35	4,000

<b>Price Band (₹)</b>	<b>Lot Size (Number of Shares)</b>
more than 35 upto 50	3,000
more than 50 upto 70	2,000
more than 70 upto 90	1,600
more than 90 upto 120	1,200
more than 120 upto 150	1,000
more than 150 upto 180	800
more than 180 upto 250	600
more than 250 upto 350	400
more than 350 upto 500	300
more than 500 upto 600	240
more than 600 upto 750	200
More than 750 upto 1,000	160
above 1,000	100

Further to the Circular, at the initial public offer stage, the Registrar to the Issue, in consultation with the Lead Managers, our Company and the Designated Stock Exchange shall ensure to finalize the Basis of Allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the IPO lot size at the application / allotment stage, facilitating secondary market trading. The lot size shall not be reduced by the Stock Exchange to below the initial lot size if the trading price is below the IPO issue price. The Stock Exchange can review the lot size once in every 6 months / wherever warranted, by giving an advance notice of at least one month to the market. However, as far as possible, the Stock Exchange shall ensure that odd lots are not created. In case of oversubscription, if the option to retain ten percent of the Net Issue to public for the purpose of making allotment in minimum lots is exercised, then it shall be ensured by the Issuer / Stock Exchange / Lead Managers that the post issue paid up capital of the Issuer does not go beyond ₹ 2,500 lacs.

### **Withdrawal of the Issue**

Our Company, in consultation with the Lead Managers, reserves the right not to proceed with the Issue any time after the Issue Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Issue Closing Date, providing reasons for not proceeding with the Issue. The Lead Managers, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the Applicants who have applied through ASBA process within one day of receipt of such notification. Our Company shall also inform the same to Stock Exchange on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh draft prospectus with the Stock Exchange.

Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approval of the Stock Exchange, which our Company shall apply for after Allotment.

### **Issue Period**

<b>ISSUE OPENS ON</b>	<b>October 15, 2013</b>
<b>ISSUE CLOSES ON</b>	<b>October 18, 2013</b>

Applications shall be accepted only between **10.00 a.m. and 3.00 p.m.** (Indian Standard Time **IST**) during the Issue Period as mentioned above at the collection centers mentioned in the Application Form or in case of applications submitted through ASBA, the Designated Branches of the SCSBs.

Due to limitation of time available for uploading the applications on the Issue Closing Date, the Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Issue Closing Date. Applications by Applicants applying through ASBA shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchange. It is clarified that the applications not uploaded will be rejected. Applicants are cautioned that in the event a large number of applications are received on

the Issue Closing Date, as is typically experienced in public offerings, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under the Issue. Applications will be accepted only on Working Days. Neither our Company nor any SCSB is liable for any failure in uploading the applications due to faults in any software/hardware system or otherwise.

In case of discrepancy of data between the Stock Exchange and the Designated Branches of the SCSBs, the decision of the Registrar to the Issue, in consultation with the Lead Managers, our Company and the Designated Stock Exchange, based on the physical / electronic records, as the case may be, of the Application Forms shall be final and binding on all concerned. Further, the Registrar to the Issue may ask for rectified data from the SCSBs.

Indicative dates of Issue closing, finalization of Basis of Allotment, credit of Equity Shares to successful Applicant's demat account, initiation of refunds and commencement of trading of Equity Shares:

<b>Activity</b>	<b>Indicative dates</b>
Issue Closing Date	October 18, 2013
Finalization of Basis of Allotment	October 25, 2013
Initiation of refunds	October 26, 2013
Credit of Equity Shares	October 28, 2013
Commencement of trading of Equity Shares	October 30, 2013

## ISSUE PROCEDURE

This section applies to all the Applicants. Please note that Non Retail Applicants can participate in the Issue only through the ASBA process. Retail Individual Applicants can participate in the Issue through the ASBA process as well as the non ASBA process. ASBA Applicants should note that the ASBA process involves application procedures that may be different from the procedure applicable to Applicants other than the ASBA Applicants. Applicants applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Applicants (other than ASBA Applicants) are required to make payment of the full Application Amount with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the SCSBs. All non ASBA Applicants can submit their applications through the Bankers to the Issue. ASBA Applicants are required to submit their applications through the SCSBs.

Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable laws, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that their applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Prospectus.

The Issue is being made in accordance with Regulation 106(M)(2) of Chapter XB of the SEBI Regulations through a Fixed Price process.

### Application Form

Pursuant to SEBI Circular dated September 27, 2011 and bearing No. CIR/CFD/DIL/4/2011, the Application Form has been standardized i.e., there will be a single Application Form for ASBA and non-ASBA Applicants. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

Category	Colour of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA as well as non ASBA Applicants) <sup>(1)</sup>	White
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis (ASBA as well as non ASBA Applicants)	Blue

<sup>(1)</sup> Application Forms for ASBA Applicants will also be available on the website of the Stock Exchange ([www.nseindia.com/emerge](http://www.nseindia.com/emerge)) at least one day prior to Issue Opening Date. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of Lead Managers and the SCSBs.

Applicants (other than ASBA Applicants) shall only use the specified Application Form bearing the stamp of a Broker for the purpose of making an application in terms of the Prospectus. Before being issued to the Applicants, the Application Form shall be serially numbered and date and time stamped at the collection centers and such form shall be issued in duplicate signed by the Applicant and countersigned by the relevant Banker to the Issue. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

ASBA Applicants are required to submit their applications only through the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue or SCSB, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.

ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

Upon completion and submission of the Application Form to a Banker to the Issue or the SCSB, the Applicants are deemed to have authorised our Company to make the necessary changes in the Prospectus, without prior or subsequent notice of such changes to the Applicants.

#### **Who can apply?**

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept applications belonging to an account for the benefit of a minor (under guardianship);
- 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares under their respective constitutional or charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs cannot participate in the Issue;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual under the QIB category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Applicants category;
- VCF and AIFs registered with SEBI;
- FVCIs registered with SEBI;
- Eligible QFIs;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in Equity Shares;
- Scientific and/or industrial research organisations authorised in India to invest in Equity Shares;
- Insurance companies registered with IRDA;
- Provident Funds with a minimum corpus of ₹ 2,500 lacs and who are authorised under their constitutional documents to hold and invest in Equity Shares;

- Pension Funds with a minimum corpus of ₹ 2,500 lacs and who are authorised under their constitutional documents to hold and invest in Equity Shares;
- National Investment Fund;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, India; and
- Any other person eligible to apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

Applications not to be made by:

- Minors (except those having valid demat account, as per Demographic Details provided by Depositories)
- Partnership firms or their nominations
- Foreign Nationals (except NRIs)
- Overseas Corporate Bodies

Please note that, as per the existing regulations, OCBs cannot apply/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 applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

#### **Participation by associates of the Lead Managers**

The Lead Managers shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations or market making obligations. However, associates and affiliates of the Lead Managers may subscribe to or purchase Equity Shares in the Issue on a proportionate basis. Such holding or subscription may also be on behalf of their clients.

#### **Applications by Mutual Funds**

With respect to applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

Applications by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such applications are made.

**In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the applications clearly indicate the scheme concerned for which the application has been made.**

**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.**

### **Applications by Eligible NRIs**

Eligible NRIs may apply through any of the following ways:

- In case of applications on repatriation basis shall use the Application Form meant for Non Resident Indians (Blue in colour) or
- In case of applications on non repatriation basis shall use the Application Form meant for resident Applicants (White in colour)

Eligible NRIs may please note that only such applications as are accompanied by payment 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 NRO Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance shall be considered for Allotment under the Eligible NRI category on a repatriable basis.

In case the application is on non-repatriation basis, the application should be accompanied by payment 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 NRO Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Applicant applying on a non-repatriation basis.

Applications by Eligible NRIs for an Application Amount of up to ₹ 2,00,000 would be considered under the Retail Portion for the purposes of allocation and applications for an Application Amount of more than ₹ 2,00,000 would be considered under Non- Institutional Portion for the purposes of allocation.

Eligible NRIs can obtain Application Form from the Bankers to the Issue or SCSBs and from Registered Office of our Company.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

### **Applications by FIIs**

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-issue 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 a foreign individual. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. As of now, 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 and subject to prior intimation to RBI, the aggregate FII holding can go up to 100%. However, as on this date, no such resolution has been recommended to the shareholders of our 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 by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 (**SEBI FII Regulations**), an FII as defined in the SEBI FII Regulations or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations), as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying, directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative



instruments are issued after compliance with 'know your client' norms. Associates and affiliates of the underwriters, including the Lead Managers, that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim on or an interest in, our Company.

#### **Applications by SEBI registered VCFs, FVCIs and AIFs**

The SEBI (Venture Capital Funds) Regulations, 1996 (**VCF Regulations**) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 (**FVCI Regulations**), as amended *inter alia* prescribe, amongst others, investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. A FVCI can invest its entire funds committed for investment into India in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription in an initial public offering of a venture capital undertaking whose shares are proposed to be listed.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A VCF registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

#### **Applications by Eligible QFIs**

In terms of circular dated January 13, 2012 SEBI and RBI have permitted Eligible QFIs to purchase equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs shall be included under the Non Institutional Applicants category. Eligible QFIs have been permitted to invest through SEBI registered qualified Depository Participants in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations and other applicable circulars. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap.

Eligible QFIs are required to instruct their DPs to make the application on their behalf for the Issue. DPs are advised to use the Application Form meant for Non-Residents (blue in colour). DPs are required to utilise the ASBA process to participate in the Issue. Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Eligible QFIs shall open a single non interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

#### **Applications by insurance companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended, are broadly set forth below:

- Equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

- The entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPs); and
- The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPs).

#### **Applications made by Provident Funds / Pension Funds**

In case of the applications made by provident funds / pension funds, subject to applicable law, with minimum corpus of ₹ 2,500 lacs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund / pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

#### **Applications by Limited Liability Partnerships**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application without assigning any reason thereof.

#### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs, a certified copy of 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, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In addition to the above, certain additional documents are required to be submitted by the following entities:

1. With respect to applications by VCFs, AIFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form.
2. With respect to applications by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged along with the Application Form.
3. With respect to applications made by provident funds with a minimum corpus of ₹ 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of ₹ 2,500 lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form.

Our Company in its absolute discretion, reserves 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 our Company and the Lead Managers may deem fit.

Our Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue, that for the purpose of printing particulars on the refund order and mailing of the refund order/ Allotment Advice or 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 Applicants). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Application Form instead of those obtained from the Depositories.

### Maximum and Minimum Application Size

1. **For Retail Individual Applicants:** The application must be for a minimum of such number of Equity Shares such that the Application Amount shall not be less than ₹ 1,00,000 and in multiples of 2,000 Equity Shares thereafter so as to ensure that the Application Amount payable by them does not exceed ₹ 2,00,000. In the case of non ASBA applications, if the Application Amount is over ₹ 2,00,000, the application is liable to be rejected.
2. **For Non Retail Applicants:** The application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds ₹ 2,00,000 and in multiples of 2,000 Equity Shares thereafter. An application cannot be submitted for more than the Issue Size. However, the allotment will not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a Non Retail Applicant cannot withdraw its application nor lower the size of its application after the Issue Closing Date and are required to pay the Application Amount upon submission of the application.

**The above information is given for the benefit of the Applicants. Our Company and the Lead Managers 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 Applicants are advised to ensure that any single application from them does not exceed the applicable 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.**

### Information for the Applicants:

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.
2. Our Company will file the Prospectus with the RoC at least three days before the Issue Opening Date.
3. Copies of the Application Form and copies of the Prospectus will be available with the Bankers to the Issue, the Lead Managers and the Registrar to the Issue. For ASBA Applicants, physical Application Forms will be available with the Designated Branches of the SCSBs and at the Registered Office of our Company. For ASBA Applicants, electronic Application Forms will also be available on the websites of the Stock Exchange and the Designated Branches of the SCSBs.
4. Any Applicant who would like to obtain the Prospectus and/or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing to the Equity Shares should approach any of the Lead Managers or Bankers to the Issue or their authorised agent(s) to register their applications. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their applications.
6. Applications should be submitted in the prescribed Application Form only. Application Forms submitted to the Bankers to the Issue should bear the stamp of the Broker. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application Forms submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. In case of ASBA Applicants, the Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained. SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.

8. ASBA Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB, where the ASBA Account is maintained. For ASBA applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.

**The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue or the SCSBs do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.**

#### **Method and Process of Applications**

1. The Bankers to the Issue and the SCSBs shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants (other than QIBs) who are interested in subscribing to the Equity Shares should approach the Bankers to the Issue or their authorised agents to register their application. The Bankers to the Issue shall accept applications from all Applicants and they shall have the right to vet the applications during the Issue Period in accordance with the terms of the Prospectus. Applicants who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to any Banker to the Issue or the SCSBs (in case of ASBA Applicants). Submission of a second Application Form to either the same or to another Banker to the Issue or the SCSB will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue.
5. The Bankers to the Issue / the SCSBs will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the Applicant.
6. Along with the Application Form, all Applicants (other than ASBA Applicants) will make payment in the manner described under “*Payment into Escrow Account for Applicants other than ASBA Applicants*” on page 253 of this Prospectus.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.

8. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal / failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **Escrow Mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism, terms of payment and payment into Escrow Accounts, please refer to the section “*Issue Procedure - Payment Instructions*” on page 253 of this Prospectus.

#### **Electronic Registration of Applications**

1. The SCSBs will register the applications using the on-line facilities of the Stock Exchange.
2. The SCSBs will undertake modification of selected fields in the application details already uploaded within one Working Day from the Issue Closing Date.
3. The SCSBs shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by the Bankers to the Issue and the SCSBs, (ii) the applications uploaded by the SCSBs, (iii) the applications accepted but not uploaded by the SCSBs or (iv) with respect to applications by ASBA Applicants, applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by the SCSBs, the Application Amount has been blocked in the relevant ASBA Account. With respect to applications by ASBA Applicants, the Designated Branch of the relevant SCSB, which receives the relevant schedule (along with Application Forms), will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue shall be responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the applications accepted by a Banker to the Issue or the SCSBs, (ii) the applications uploaded by the SCSBs or (iii) the applications accepted but not uploaded by the SCSBs.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of the SCSBs and their authorised agents during the Issue Period. The Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Branches of the SCSBs shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Managers on a regular basis.

With respect to applications by ASBA Applicants, at the time of registering such applications, the Designated Branches of the SCSBs shall enter the following information pertaining to the ASBA Applicants into the on-line system:

- Name of the ASBA Applicant(s);

- Application Form number;
- PAN(of the sole/first ASBA Applicant), except for applications on behalf of Central and State Governments, residents of the State of Sikkim and officials appointed by the courts;
- Investor Category and Sub-Category:

<b>Retail</b>	<b>Non-Institutional</b>	<b>QIB</b>
(No sub category)	Individual Corporate Others	Mutual Funds Financial Institutions Insurance companies Foreign Institutional Investors other than corporate and individual sub-accounts Others

- DP ID and client identification number of the beneficiary account of the Applicant;
  - Number of Equity Shares appliedfor;
  - Application Amount; and
  - Bank account number.
6. A system generated TRS will be given to the Applicant as a proof of the registration of each of the application options. It is the Applicant's responsibility to obtain the TRS from the Designated Branches of the SCSBs. The registration of the application by the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated / Allotted either by the Bankers to the Issue or our Company.
  7. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
  8. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds listed on page 256 of this Prospectus. The SCSBs shall have no right to reject applications, except on technical grounds.
  9. The permission given by the Stock Exchange to use its network and software of the online IPO connectivity system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchange.
  10. The SCSBs will be given up to one day after the Issue Closing Date to verify DP ID and Client ID uploaded in the online IPO system during the Issue Period after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such applications are liable to be rejected.
  11. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for ASBA applications.

### **Allocation of Equity Shares**

1. The Issue is being made through the Fixed Price Process wherein 2,06,000 Equity Shares shall be reserved for Market Maker. 19,48,000 Equity Shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on a proportionate basis to Non Retail Applicants.
2. Under-subscription, if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
3. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
4. In terms of the SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
5. Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and RoC Filing**

1. Our Company and the Underwriters shall enter into an Underwriting Agreement.
2. After signing the Underwriting Agreement, our Company will update and file the updated Prospectus with the RoC in accordance with the applicable law. The Prospectus would have details of the Issue Opening and Issue Closing Date and underwriting arrangements and will be complete in all material respects.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation.

### **Advertisement regarding Issue Price and Prospectus**

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Opening Date and Issue Closing Date. Any material updates between the date of this Prospectus and the date of Prospectus will be included in such statutory advertisement.

### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange.
2. The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.
3. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

### **Designated Date and Allotment of Equity Shares**

1. Our Company will ensure that the (i) Allotment of Equity Shares; and (ii) credit to the successful Applicant's depository account is done within 12 Working Days of the Issue Closing Date. Our Company

would ensure the credit to the successful Applicants Depository Account within 12 Working Days of the Issue Closing Date.

2. In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.
3. Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

**Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.**

## **GENERAL INSTRUCTIONS**

### ***Do's:***

1. Check if you are eligible to apply;
2. Ensure that you have applied at the Issue Price;
3. Read all the instructions carefully and complete the Application Form;
4. Ensure that the details about the PAN, Depository Participant and the beneficiary account are correct and the Applicant's Depository Account is active as Allotment of Equity Shares will be in the dematerialised form only;
5. Ensure that the applications are submitted at the collection centres only on forms bearing the stamp of a Broker or with respect to ASBA Applicants, ensure that your application is submitted at a Designated Branch of the SCSB where the ASBA Applicant or the person whose bank account will be utilised by the Applicant for applying, has a bank account;
6. With respect to applications by ASBA Applicants, ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
7. Non Retail Applicants should submit their applications through the ASBA process only;
8. Ensure that full Application Amount is paid for the applications submitted to the Bankers to the Issue and funds equivalent to Application Amount are blocked in case of applications submitted through SCSBs;
9. Ensure that you have funds equal to the Application Amount in your bank account maintained with the SCSB before submitting the Application Form to the respective Designated Branch of the SCSB or a Banker to the Issue, as the case may be;
10. Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
11. Except for applications (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) applications by persons resident in the State of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for applications of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Application Form. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in



“active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same;

12. Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
13. 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;
14. Ensure that the category is indicated;
15. Ensure that in case of applications under power of attorney or applications by limited companies, corporate, trusts etc., relevant documents are submitted;
16. Ensure that applications submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
17. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange by the Bankers to the Issue match with the DP ID, Client ID and PAN available in the Depository database;
18. In relation to the ASBA applications, ensure that you use the Application Form bearing the stamp of the relevant SCSB and/ or the Designated Branch;
19. In relation to the ASBA applications, ensure that your Application Form is submitted at a Designated Branch of a SCSB where the ASBA Account is maintained or to our Company or the Registrar to the Issue;
20. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
21. In relation to the ASBA applications, ensure that you have correctly signed the authorization/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form; and
22. In relation to the ASBA applications, ensure that you receive an acknowledgement from the Designated Branch for the submission of your Application Form.

**Don'ts:**

1. Do not apply for a price other than the Issue Price;
2. Non Retail Applicants should neither withdraw nor lower the size of their applications at any stage;
3. Do not apply on another Application Form after you have submitted an application to the Bankers to the Issue or the SCSBs, as applicable;
4. Do not pay the Application Amount in cash, by money order or by postal order or by stockinvest;
5. Do not send Application Forms by post; instead submit the same to a Banker to the Issue or the SCSB, only;
6. Do not apply for an Application Amount exceeding ₹ 2,00,000 (for applications by Retail Individual Applicants);
7. 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;

8. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
9. Do not submit the applications without the full Application Amount;
10. Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
11. Do not submit applications on plain paper or incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant; and
12. Do not apply if you are not competent to contract under the Indian Contract Act, 1872, as amended.

### **Instructions for completing the Application Form**

Applications must be:

1. Made only in the prescribed Application Form.
2. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Bankers to the Issue and/or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Application Forms.
3. Information provided by the Applicants will be uploaded in the online IPO system by the Bankers to the Issue and the SCSBs, as the case may be and the electronic data will be used to make allocation/ Allotment. The Applicants should ensure that the details are correct and legible.
4. For Retail Individual Applicants, the application must be for a minimum of 2,000 Equity Shares and in multiples of 2,000 thereafter subject to a maximum Application Amount of ₹ 2,00,000.
5. For Non Retail Applicants, applications must be for a minimum of such number of Equity Shares that the Application Amount exceeds or equal to ₹ 2,00,000 and in multiples of 2,000 Equity Shares thereafter. Applications cannot be more than the size of the Issue. Applications must be submitted through the ASBA process only.
6. In single name or in joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.
7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

### **Applicant's Depository Account and Bank Account Details**

**Applicants should note that on the basis of name of the Applicants, PAN of the Applicants, DP ID 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. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking the ASBA Accounts. 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 or unblocking of ASBA Account at the Applicant's sole risk and neither the Lead Managers nor the Registrar to the Issue nor the Escrow Collection Banks or the SCSBs nor our 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.**

**IT IS MANDATORY FOR ALL THE APPLICANTS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL APPLICANTS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM.**

These Demographic Details would be used for all correspondence with the Applicants including mailing of the allocation advice and refund orders 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 authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Refund orders/allocation advice would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ allocation advice may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicant's sole risk and neither our Company nor the Escrow Collection Banks, the Registrar to the Issue or the Lead Managers 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 the three parameters, namely, PAN of the sole/First Applicant (including the order of names of joint holders), the DP ID and the beneficiary's identity, then such applications are liable to be rejected.

#### **Applications by Non-Residents including Eligible NRIs, FIIs, Eligible QFIs and Foreign Venture Capital Investors on a repatriation basis**

Applications must be made in the following manner:

1. Application Form should be Blue in colour and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In a single name or in case of joint applications, only the name of the First Applicant (which should also be the first name in which the beneficiary account is held) should be provided in the Application Form.
3. Applications on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs or FVCIs but not in the names persons not competent to contract under the Indian Contract Act, 1872, as amended, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs or Eligible QFIs) or their nominees.

**Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage.**

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and / or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the**

**space provided for this purpose in the Application Form. Our Company and the Lead Managers will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

There is no reservation for Eligible NRIs, Eligible QFIs and FIIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

## **Payment Instructions**

### ***Escrow Mechanism for Applicants other than ASBA Applicants***

Our Company, Registrar to the Issue and the Escrow Collection Banks shall enter into an Escrow Agreement pursuant to which Escrow Account(s) with one or more Escrow Collection Bank(s) will be opened in whose favour the Applicants shall make out the cheque or demand draft in respect of his or her application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account. Please note that escrow mechanism is applicable only to Applicants applying by way of non ASBA process.

The Escrow Collection Banks will act in terms of the Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Applicants shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Applicants.

### ***Payment mechanism for ASBA Applicants***

The ASBA Applicants shall specify the bank account number in the Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the application by the ASBA Applicant, as the case may be.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are Non Retail Applicants or are applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

### **Payment into Escrow Account for Applicants other than ASBA Applicants**

Each Applicant shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the application as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.

2. The Applicants (excluding ASBA Applicants) shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Account and submit the same to the Bankers to the Issue. If the payment is not made favouring the Escrow Account along with the Application Form, the application of the Applicant shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - In case of Resident Retail and Non Institutional Applicants: “Escrow Account – MITCON Consultancy & Engineering Services Limited - Public Issue - R”
  - In case of Non-Resident Retail and Non Institutional Applicants: “Escrow Account – MITCON Consultancy & Engineering Services Limited - Public Issue - NR”
4. In case of applications by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of an 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.
5. In case of applications by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Applicant applying on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.
6. In case of applications by FIIs/FVCIs/multilateral and bilateral financial institutions, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
7. The monies deposited in the Escrow Account will be held for the benefit of the Applicants (other than the ASBA Applicants) till the Designated Date.
8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.
9. 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.
10. Payments made through cheques without the Magnetic Ink Character Recognition (**MICR**) code will be rejected.
11. Applicants are advised to provide the number of the Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.

## **Submission of Application Form**

All Application Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Bankers to the Issue at the time of submission of the application. With respect to the ASBA Applicants, the Application Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Application Form. However, the collection centre of the Bankers to the Issue will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as a duplicate of the Application Form for the records of the Applicant.

## **OTHER INSTRUCTIONS**

### ***Joint applications in the case of Individuals***

Applications may be made in single or joint names (not more than three). However, the Application Form should contain only the name of the First Applicant. 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. 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). Two or more applications will be deemed to be multiple applications if the sole or First Applicant is one and the same.

In case of a Mutual Fund, a separate application may be made in respect of each scheme of the Mutual Fund and such applications in respect of over 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.

After submitting an application to SCSB using an Application Form either in physical or electronic mode, an ASBA Applicant cannot apply, either in physical or electronic mode, whether on another Application Form, to either the same or another Designated Branch of the SCSB. Submission of a second application in such manner will be deemed a multiple application and would be rejected either before entering the application into the electronic collecting system or at any point of time prior to the allocation or Allotment of the Equity Shares in the Issue. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected.

Our Company, in consultation with the Lead Managers, reserves the right to reject, in its absolute discretion, all (or all except one) multiple application(s) in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications will be checked for common PAN as per the records of Depository. For Applicants other than Mutual Funds and FII sub-accounts, applications bearing the same PAN will be treated as multiple applications and will be rejected.
2. The applications from Mutual Funds and FII sub-accounts, which were submitted under the same PAN, as well as applications on behalf of the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, for whom the submission of PAN is not mandatory, the applications will be scrutinised for DP ID and beneficiary account numbers. In case such applications bear the same DP ID and beneficiary account numbers, these were treated as multiple applications and will be rejected.

### **Permanent Account Number or PAN**

Except for applications on behalf of the Central or State Government and the officials appointed by the courts, the Applicants, or in the case of an application in joint names, each of the Applicants, should mention his/ her Permanent Account Number (PAN) allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction.

**Any Application Form without the PAN is liable to be rejected, except for resident in the State of Sikkim, on behalf of the Central or State Governments and the officials appointed by the courts, may be exempted from specifying their PAN for transactions in the securities market. 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. However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.**

Further the beneficiary accounts of the Applicants for whom PAN details have not been verified will be “suspended for credit” and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Applicants.

### **REJECTION OF APPLICATIONS**

In case of Non Retail Applicants and Retail Individual Applicants, our Company has a right to reject applications based on technical grounds. Consequent refunds shall be made by RTGS / NEFT / NES / Direct Credit/cheque or pay order or draft and will be sent to the Applicant’s address at the Applicant’s risk. With respect to applications by ASBA Applicants, the Designated Branches of the SCSBs shall have the right to reject applications by ASBA Applicants if at the time of blocking the Application Amount in the Applicant’s bank account, the respective Designated Branch ascertains that sufficient funds are not available in the Applicant’s bank account maintained with the SCSB. Subsequent to the acceptance of the applications made by ASBA Applicants by the SCSB, our Company would have a right to reject the applications by ASBA Applicants only on technical grounds.

#### **Grounds for Technical Rejections**

Applicants are advised to note that applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the value of Equity Shares applied for. With respect to applications by ASBA Applicants, the amounts mentioned in the Application Form does not tally with the amount payable for the value of the 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, as amended, including minors (except those having valid demat account, as per Demographic Details provided by Depositories);
- PAN not mentioned in the Application Form, except for applications by or on behalf of the Central and State Government and the officials appointed by the courts and by investors residing in the State of Sikkim;
- GIR number furnished instead of PAN;
- Applications for lower number of Equity Shares than specified for that category of investors;

- Submission of more than five Application Forms per bank account, in case of applying under the ASBA process;
- Applications by Applicants whose demat accounts have been ‘suspended for credit’;
- Applications for number of Equity Shares which are not in multiples of 2,000;
- Applications for an Application Amount less than ₹ 1,00,000 by a Retail Individual Applicant;
- Category not indicated;
- Multiple applications as defined in the Prospectus;
- In case of applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Applications accompanied by stockinvest / money order / postal order/cash;
- Signature of sole Applicants missing;
- Application Forms does not have Applicant’s Depository Account details;
- Application Forms are not delivered by the Applicants 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 DP ID and the beneficiary’s account number;
- With respect to applications by the ASBA Applicants, if there are inadequate funds in the bank account to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the bank account;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications in respect where the Application Form do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Applications where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Application Forms submitted under the ASBA process not having details of the ASBA Account to be blocked;
- Application Forms not containing the authorizations for blocking the Application Amount in the bank account specified in the Application Form;
- Applications by Non Retail Applicants not submitted through ASBA process;
- Applications by Non Retail Applicants accompanied by cheque(s) or demand draft(s);
- Signature of the Applicant not matching with his signature on record with the SCSB in the event an Application Form is submitted through a Banker to the Issue;



- Applications by any person outside India if not in compliance with applicable foreign and Indian Laws; and
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

**IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC COLLECTING SYSTEM OF THE STOCK EXCHANGE OR THE BANKERS TO THE ISSUE /THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **Equity Shares in dematerialised form with NSDL or CDSL**

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a dematerialised form (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

1. Agreement dated April 3, 2013 between NSDL, our Company and the Registrar to the Issue; and
2. Agreement dated April 18, 2013 between CDSL, our Company and the Registrar to the Issue.

Our Company's International Securities Identification Number (**ISIN**) is INE828O01033.

All Applicants can seek Allotment only in dematerialised mode. Applications from any Applicant without relevant details of his or her Depository Account are liable to be rejected.

- (i) 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.
- (ii) The Applicant must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Application Form.
- (iii) Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- (iv) Names in the Application Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- (v) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form, it is liable to be rejected.
- (vi) 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.
- (vii) Equity Shares in electronic form can be traded only on the stock exchange having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- (viii) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchange.
- (ix) Non transferable advice or refund orders will be directly sent to the Applicants by the Registrar to the Issue.

## 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 Bankers to the Issue or the Designated Branch of the SCSBs where the application was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA applications, bank account number in which the amount equivalent to the Application Amount was blocked.

**Applicants can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA applications submitted with the Designated Branches of the SCSBs, Applicants can contact the Designated Branches of the SCSBs.**

## Payment of Refund

Applicants other than ASBA Applicants must note that on the basis of the names of the Applicant's DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain, from the Depositories, the Applicants' bank account details, including the nine digits MICR code as appearing on a cheque leaf.

On the Designated Date and no later than 12 Working Days from the Issue Closing Date, the Escrow Collection Banks shall dispatch refund orders for all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also the excess amount paid on applying, if any, after adjusting for allocation/Allotment to such Applicants.

### *Mode of making refunds for Applicants other than ASBA Applicants*

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for Applicants having a bank account at any of the centres where such facility has been made available, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.
2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Banker(s) for the same would be borne by our Company.
3. RTGS – Applicants having a bank account at any of the centres where clearing houses are managed by the RBI and whose refund amount exceeds ₹ 2,00,000 will be considered to receive refund through RTGS. For such eligible Applicants, Indian Financial System Code (IFSC) will be derived based on the MICR code of the Applicant as per depository records/RBI master. In the event the same is not available as per depository records/RBI master, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicants' bank has been assigned the IFSC, which can be linked to a MICR, if any, available to that particular bank branch. IFSC 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 of that particular bank branch and the payment of refund will be made to the Applicants through this method.

5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where 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.

Investors are requested to note that the Government of India has discontinued the facility of dispatch of refund orders of value up to ₹ 1,500 under certificate of posting.

#### ***Mode of making refunds for ASBA Applicants***

In case of ASBA Applicants, the Registrar to the Issue shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 12 Working Days of the Issue Closing Date.

#### **Disposal of applications and application moneys and interest in case of delay**

With respect to Applicants other than ASBA Applicants, our Company shall ensure 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 12 Working Days from the Issue Closing Date.

In case of Applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 Working 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.

Our Company shall ensure that all the steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed, are taken within 12 Working Days from the Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company further undertakes that:

1. Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Issue Closing Date; and
2. With respect to Applicants other than ASBA Applicants, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Issue Closing Date would be ensured. With respect to the ASBA Applicants, instructions for unblocking of the ASBA Applicant's Bank Account shall be made within 12 Working Days from the Issue Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 12 Working 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 12 Working Days time period prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

## **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447..”*

## **Basis of Allotment**

### **1. For Retail Individual Applicants**

- Applications received from the Retail Individual Applicants at the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Applicants will be made at the Issue Price.
- 19,48,000 Equity Shares shall be available for Allocation to Retail Individual Applicants who have applied at the Issue Price.
- If the aggregate demand in this category is less than or equal to 19,48,000 Equity Shares at the Issue Price, full Allotment shall be made to the Retail Individual Applicants to the extent of their valid applications.

### **2. For Non Retail Applicants**

- Applications received from Non Retail Applicants at the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non Retail Applicants will be made at the Issue Price.
- The Net Issue size less Allotment to Retail Portion shall be available for Allotment to Non Retail Applicants who have applied at the Issue Price.
- If the aggregate demand in this category is less than or equal to 19,46,000 Equity Shares at the Issue Price, full Allotment shall be made to Non Retail Applicants and to the extent of their demand;
- In case the aggregate demand in this category is greater than 19,46,000 Equity Shares at the Issue Price, Allotment shall be made on a proportionate basis. For the method of proportionate basis of Allotment, refer below.

## **Method of Proportionate Basis of Allotment in the Issue**

In the event of the Issue being over-subscribed, our Company shall finalise the basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Lead Managers and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

1. Applicants will be categorised according to the number of Equity Shares applied for.
2. The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
3. Number of Equity Shares to be allotted to the successful Applicants will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Applicant in that category multiplied by the inverse of the over-subscription ratio.
4. In all applications where the proportionate Allotment is less than 2,000 Equity Shares per Applicant, the Allotment shall be made as follows:
  - The successful Applicants out of the total Applicants for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with 2 above; and
  - Each successful Applicant shall be allotted a minimum of 2,000 Equity Shares.
5. If the proportionate Allotment to an Applicant is a number that is more than 2,000 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
6. If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Applicants in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the allotted Equity Shares are not sufficient for proportionate Allotment to the successful Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Applicants applying for minimum number of Equity Shares.

#### **Letters of Allotment or Refund Orders**

Our Company shall credit the Allotted Equity Shares to the beneficiary account with Depository Participants within 12 Working Days from the Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, by registered post or speed post at the Applicant's sole risk within 12 Working Days of the Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Issue Closing Date. In case of ASBA Applicants, the Registrar shall instruct the relevant SCSBs to, on the receipt of such instructions from the Registrar unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Form or the relevant part thereof, for withdrawn, rejected or unsuccessful or partially successful ASBA applications within 12 Working Days of the Issue Closing Date.

#### **Interest in case of delay in dispatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar**

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, our Company agrees that as far as possible Allotment of Equity Shares to the public and credit to the successful Applicants' Depository Accounts will be completed within 12 Working Days from the Issue Closing Date. Our Company further agrees that they shall pay interest at 15% per annum (for any delay beyond the 15 day time period

as mentioned above), if Allotment is not made, refund orders are not dispatched and/or demat credits are not made to investors within the 12 Working Day time prescribed above. However applications received after the closure of the Issue in fulfillment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where 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.

### **Undertakings by our Company**

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange where the Equity Shares are proposed to be listed within 12 working days from the Issue Closing Date;
3. That funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
4. That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of 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 if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
6. That the certificates of the securities/ refund orders to the eligible NRIs shall be dispatched within specified time;
7. That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the application monies are refunded on account of non-listing, under-subscription etc.; and
8. That adequate arrangement shall be made to collect all Application Forms and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Our Company shall not have recourse to the Issue proceeds until the receipt of final listing and trading approval for trading of the Equity Shares from the Stock Exchange where listing is sought.

### **Utilisation of Issue proceeds**

Our Board of Directors certifies that:

1. All monies received out of the Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

2. Details of all monies utilised out of Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised; and
3. Details of all unutilised monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilised monies have been invested.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are FIPB and RBI.

### **Subscription by foreign investors (NRIs/FIIs)**

FIIs are permitted to subscribe to equity 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 equity shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment (**FDI**) Policy and transfer does not attract the provisions of the Takeovers Code (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 the SEBI/RBI.

Pursuant to a circular dated January 13, 2012, the RBI has permitted Eligible QFIs to invest in equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws of the United States and unless so registered, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares may be offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.**

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

**The above information is given for the benefit of the Applicants. Our Company and the Lead Managers 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 applications are not in violation of laws or regulations applicable to them.**



## SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the provisions of Schedule II of the Companies Act and SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmissions of Equity Shares and other main provisions are as provided below. Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

<b>Title of Article</b>	<b>Article Number and contents</b>
Table "A" not to apply but company to be governed by these Articles	1. The regulations contained in Table "A" in the First Schedule of the Companies Act, 1956 shall not apply to this Company, but these Articles for the management of the Company and for the observance of the Members thereof and their representatives shall subject to any exercise of the statutory powers of the Company with reference to the repeal of, alteration of, or addition to, its regulations/Articles by Special Resolution, as prescribed by the Companies Act 1956 be such as are contained in these Articles.

### CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

<b>Title of Article</b>	<b>Article Number and contents</b>
Share Capital	3. The Authorised Share Capital of the Company shall be as per paragraph V of the Memorandum of Association of the Company with rights to alter the same in whatever way as deemed fit by the Company.  The Company may from time to time by Ordinary Resolution increase its authorised share capital by such sum and to be divided into Shares of such amount as may be specified in the resolution.
Increase of capital by the Company how carried into effect	4. The Company may in General Meeting from time to time by Ordinary Resolution increase its capital by creation of new Shares which may be unclassified and may be classified at the time of issue in one or more classes and of such amount or amounts as may be deemed expedient. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 97 of the Act.
Issue of capital in the international market	4 a. The Company shall, subject to the provisions of the Companies Act, 1956, compliance with all applicable laws, rules and regulations, have power to issue Global Depositary Receipts (GDRs) and/or American Depositary Receipts (ADRs) and/or Foreign Currency Convertible Bonds (FCCBs) and/or any other instrument or securities representing convertible securities convertible into shares of the Company, on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include, at the discretion of the Board limitation on voting by holders of ADRs or GDRs etc., including without limitation, exercise of voting rights in accordance with the

Title of Article	Article Number and contents
	directions of the board or otherwise.
New Capital same as existing capital	<p>5.</p> <p>Except so far as otherwise provided by the conditions of issue or by These Presents, any capital raised by the creation of new Shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.</p>
Non Voting Shares	<p>6.</p> <p>The Board shall have the power to issue a part of authorised capital by way of non-voting Shares at price(s), premia, dividends, eligibility, volume, quantum, proportion and other terms and conditions as they deem fit, subject however to provisions of law, rules, regulations, notifications and enforceable guidelines for the time being in force.</p>
Redeemable Preference Shares	<p>7.</p> <p>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, liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.</p>
Voting rights of preference shares	<p>8.</p> <p>The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.</p>
Provisions to apply on issue of Redeemable Preference Shares	<p>9.</p> <p>On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions-shall take effect:</p> <p>(1) No such Shares shall be redeemed except out of profits of which would otherwise be available for dividend or out of proceeds of a fresh issue of shares made for the purpose of the redemption.</p> <p>(2) No such Shares shall be redeemed unless they are fully paid.</p> <p>(3) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed.</p> <p>(4) Where any such Shares are redeemed otherwise then out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "the Capital Redemption Reserve Account", a sum equal to the nominal amount of the Shares redeemed, and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.</p> <p>(5) Subject to the provisions of Section 80 of the Act. The redemption of preference shares hereunder may be effected in accordance with the terms and conditions of their</p>

Title of Article	Article Number and contents
	issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
Reduction of capital	<p data-bbox="464 412 496 436">10.</p> <p data-bbox="464 472 1406 555">The Company may (subject to the provisions of section 78, 80 and 100 to 105, both inclusive, and other applicable provisions, if any, of the Act) from time to time by Special Resolution reduce</p> <p data-bbox="464 591 676 616">(1) the share capital;</p> <p data-bbox="464 651 943 676">(2) any capital redemption reserve account; or</p> <p data-bbox="464 712 820 736">(3) any security premium account.</p> <p data-bbox="464 772 1406 855">in any manner for the time being, authorised by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have, if it were omitted.</p>
Purchase of own Shares	<p data-bbox="464 891 496 916">11.</p> <p data-bbox="464 952 1406 1034">The Company shall have power, subject to and in accordance with all applicable provisions of the Act, to purchase any of its own fully paid Shares whether or not they are redeemable and may make a payment out of capital in respect of such purchase.</p>
Sub-division consolidation and cancellation of Shares	<p data-bbox="464 1070 496 1095">12.</p> <p data-bbox="464 1131 1406 1393">Subject to the provisions of Section 94 and other applicable provisions of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its Shares, or any of them and the resolution whereby any Share is sub-divided may determine that, as between the holders of the Shares resulting from such sub-divisions, one or more of such Shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other(s). Subject as aforesaid, the Company in General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.</p>

## MODIFICATION OF RIGHTS

Title of Article	Article Number and contents
Modification of rights	<p data-bbox="464 1581 496 1606">13.</p> <p data-bbox="464 1641 1406 1904">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 Sections 106 and 107 of the Act, be modified, commuted, affected, abrogated, dealt with or varied with the consent in writing of the holders of not less than three-fourth of the issued capital of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of Shares of that class, and all the provisions hereafter contained as to General Meeting shall <i>mutatis mutandis</i> apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted.</p>

The rights conferred upon the holders of the Shares (including preference shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of Shares of that class, be deemed not to be modified, commuted, affected, dealt with or varied by the creation or issue of further Shares ranking *pari passu* therewith.

## SHARES, CERTIFICATES AND DEMATERIALISATION

Title of Article	Article Number and contents
Restriction on allotment and return of allotment	<p>14.</p> <p>The Board of Directors shall observe the restrictions on allotment of Shares to the public contained in Sections 69 and 70 of the Act, and shall cause to be made the returns as to allotment provided for in Section 75 of the Act.</p>
Further issue of shares	<p>15.</p> <p>(1) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of Shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares then:</p> <p>(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 nearly as circumstances admit, to the capital paid-up on those Shares at that date;</p> <p>(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than fifteen days from the date of the offer and the offer, if not accepted, will be deemed to have been declined;</p> <p>(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right.</p> <p>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.</p> <p>(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.</p> <p>(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any person(s) (whether or not those persons include the persons referred to in clause (a) sub-clause (1) hereof) in any manner whatsoever</p> <p>(a) If a Special Resolution to that effect is passed by the Company in General Meeting; or</p> <p>(b) Where no such Special Resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and</p>

Title of Article	Article Number and contents
	<p>voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.</p> <p>(3) Nothing in sub-clause (c) of (I) hereof shall be deemed;</p> <p>(a) To extend the time within which the offer should be accepted; or</p> <p>(b) To authorise any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.</p> <p>(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debentures issued by the Company:</p> <p>(i) To convert such debentures or loans into Shares in the Company; or</p> <p>(ii) To subscribe for Shares in the Company</p> <p>PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:</p> <p>(a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with the Rules, if any, made by that government in this behalf; and</p> <p>(b) In the case of debentures or loans or other than debentures issued to, or loans obtained from government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in the General Meeting before the issue of the loans.</p>
Shares at the disposal of the Directors	<p>16.</p> <p>Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with 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 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 for Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.</p>
Power to offer Shares/options to acquire Shares	<p>16A</p> <p>(1) Without prejudice to the generality of the powers of the Board under Article 16 or in 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 thereunder and any other applicable laws, rules and regulations, at any point of time, offer existing or</p>

Title of Article	Article Number and contents
	<p>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) 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.</p> <p>(2) In addition to the powers of the Board under Article 16A(1), the Board may also allot the Shares referred to in Article 16A(1) 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 16A(1)) 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.</p> <p>(3) The Board, or any Committee thereof duly authorised 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 16A(1) and (2) above.</p>
Application of premium received on Shares	<p>17.</p> <p>(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.</p> <p>(2) The security premium account may, notwithstanding anything in clause (1) thereof be applied by the Company:</p> <p>(a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus;</p> <p>(b) In writing off the preliminary expenses of the Company;</p> <p>(c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or</p> <p>(d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</p>
Power to Company to issue Shares in General Meeting	<p>18.</p> <p>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</p>

Title of Article	Article Number and contents
	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 authorize Board to offer Shares / Options to employees	<p>18A</p> <p>(1) Without prejudice to the generality of the powers of the General Meeting under Article 18 or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified thereunder 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.</p> <p>(2) In addition to the powers contained in Article 18A(1), the General Meeting may authorise 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.</p>
Shares at a discount	<p>19.</p> <p>The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <p>(1) The issue of the Shares at discount is authorised by resolution passed by the Company in the General Meeting and sanctioned by the Company Law Board;</p> <p>(2) The resolution specifies the maximum rate of discount (not exceeding ten percent or such higher percentage as the Company Law Board may permit in any special case) at which the Shares are to be issued; and</p> <p>(3) The Shares to be issued at a discount are issued within two months after the date in which the issue is sanctioned by the Company Law Board or within such extended time as the Company Law Board may allow.</p>
Installments of Shares to be duly paid	<p>20.</p> <p>If by the conditions of any allotment of any Shares the whole or any part of the amount or issued price thereof shall, be payable by installments, every such installment shall when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the Shares or his legal representatives, and shall for the purposes of these Articles be deemed to be payable on the date fixed for payment and in case of non-payment the provisions of these Articles as to payment of interest and expenses forfeiture and like and all the other relevant provisions of the Articles shall apply as if such installments were a call duly made notified as hereby provided.</p>
The Board may issue Shares as fully paid-up	<p>21.</p> <p>Subject to the provisions of the Act and these Articles, the Board may allot and issue Shares in the Capital of the Company as payment for any property purchased or acquired or for</p>

Title of Article	Article Number and contents
	services rendered to the Company in the conduct of its business or in satisfaction of any other lawful consideration. Shares which may be so issued may be issued as fully paid-up or partly paid up Shares.
Acceptance of Shares	<p>22.</p> <p>Any application signed by or on behalf of an applicant for Share(s) in the Company, followed by an allotment of any Share therein, shall be an acceptance of Share(s) within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is therefore placed on the Register of Members shall for the purpose of this Article, be a Member.</p>
Deposit and call etc., to be debt payable	<p>23.</p> <p>The money, if any which the Board of Directors shall on the allotment of any Shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any Shares allotted by them shall immediately on the inscription 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.</p>
Liability of Members	<p>24.</p> <p>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.</p>
Dematerialisation of securities	<p>25.(B)</p> <p>Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialised form, the Company shall enter into an agreement with the depository to enable the investor to dematerialise the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.</p>
Options to receive security certificates or hold securities with depository	<p>25.(C)</p> <p>Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository.</p> <p>Where a person opts to hold a Security with a depository, the Company shall intimate such depository the details of allotment of the Security, and on receipt of such information the depository shall enter in its record the name of the allotted as the Beneficial Owner of that Security.</p>
Securities in depositories to be in fungible form	<p>25.(D)</p> <p>All Securities held by a Depository shall be dematerialised and shall be in a fungible form; nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.</p>
	25.(E)



<b>Title of Article</b>	<b>Article Number and contents</b>
Rights of depositories and beneficial owners	<p>(1) Notwithstanding anything to the contrary contained in the Articles, a Depository shall be deemed to be a registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner;</p> <p>(2) Save as otherwise provided in (1) above, the Depository as a registered owner shall not have any voting rights or any other rights in respect of Securities held by it;</p> <p>(3) Every person holding equity share capital of the Company and whose name is entered as Beneficial Owner in the Records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the Securities held by a Depository.</p>
Depository To Furnish Information	<p>25.(F)</p> <p>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 be specified by the bye-laws and the Company in that behalf.</p>
Service of documents	<p>25.(G)</p> <p>Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronics mode or by delivery of floppies or discs.</p>
Option to opt out in respect of any security	<p>25.(H)</p> <p>If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its Records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.</p>
Sections 83 and 108 of the Act not to apply	<p>25.(I)</p> <p>Notwithstanding anything to the contrary contained in the Articles,</p> <p>(1) Section 83 of the Act shall not apply to the Shares held with a Depository;</p> <p>(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.</p>
Share certificate	<p>26.</p> <p>(1) Every Member or allottee of Shares is entitled, without payment, to receive one certificate for all the Shares of the same class registered in his name.</p> <p>(2) Any two or more joint allottees or holders of Shares shall, for the purpose of this Article, be treated as a single Member and the certificate of any Share which may be the subject of joint ownership may be delivered to any one of such joint owners, on behalf of</p>

Title of Article	Article Number and contents
	all of them.
Limitation of time for issue of certificates	<p data-bbox="443 383 496 412">26A.</p> <p data-bbox="443 443 1412 853">Every Member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery 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 of Shares to one or several joint holders shall be sufficient delivery to all such holders.</p>
Renewal of share certificates	<p data-bbox="443 891 480 920">27.</p> <p data-bbox="443 952 1412 1070">No certificate of any Share or Shares shall be issued either in exchange for those, which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfer have been duly utilised unless the certificate in lieu of which it is issued is surrendered to the Company.</p> <p data-bbox="443 1099 1412 1189">PROVIDED THAT no fee shall be charged for issue of new certificate in replacement of those which are old, decrepit or worn out or where the pages on the reverse for recording transfer have been fully utilized.</p>
Issue of new certificate in place of one defaced, lost or destroyed	<p data-bbox="443 1220 480 1249">28.</p> <p data-bbox="443 1281 1412 1608">If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹ 2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.</p> <p data-bbox="443 1637 1412 1756">Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulations or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.</p> <p data-bbox="443 1785 1382 1814">The provision of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
The first name joint holder deemed sole	<p data-bbox="443 1845 480 1874">29.</p> <p data-bbox="443 1906 1412 1935">If any Share(s) stands in the name of two or more persons, the person first named in the</p>

Title of Article	Article Number and contents
holder	Register of Members shall, as regards receipt of dividends or bonus or service of notice and all or any other matters connected with Company except voting at Meetings and the transfer of the Shares be deemed the sole holder thereof but the joint holders of a Share shall severally as well as jointly be liable for the payment of all incidents thereof according to the Company's Articles.
Issue of Shares without Voting Rights	<p>30.</p> <p>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 thought fit and as may be permitted by law.</p>
Buy-Back of Shares and Securities	<p>31.</p> <p>Notwithstanding anything contained in these articles, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors may, when and if thought fit, buy back, such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions, and subject to such approvals, provision of section 77 and SEBI (Buy back of Shares) Regulations as may be permitted by law.</p>
Employees Stock Options Scheme / Plan	<p>32.</p> <p>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.</p>
Sweat Equity	<p>33.</p> <p>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.</p>
Postal Ballot	<p>34.</p> <p>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.</p>
Company not bound to recognize any	<p>35.</p> <p>Except as ordered by a Court of competent jurisdiction or as by law required, the Company</p>

Title of Article	Article Number and contents
interest in Shares other than of registered holder	shall not be bound to recognise, 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.
Trust recognised	<p>36.</p> <p>(1) Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognise, 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.</p> <p>(2) 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.</p>
Declaration by person not holding beneficial interest in any Shares	<p>37.</p> <p>(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</p> <p>(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</p> <p>(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</p> <p>(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 Registrar with regard to such declaration.</p>
Funds of Company not to be applied in purchase of Shares of the Company	<p>38.</p> <p>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</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
	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.

## **UNDERWRITING AND BROKERAGE**

<b>Title of Article</b>	<b>Article Number and contents</b>
Commission may be paid	39.  Subject to the provisions of Section 76 of the Act, the Company may at anytime pay 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 but so that the commission shall not exceed in the case of the Shares five percent of the price at which the Shares are issued and in the case of debentures two and half percent of the price at which the debenture are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid Shares or debentures as the case may be or partly in one way and partly in the other.
Brokerage	40.  The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.
Commission to be included in the annual return	41.  Where the Company has paid any sum by way of commission in respect of any Shares or Debentures or allowed any sums by way of discount in respect to any Shares or Debentures, such statement thereof shall be made in the annual return as required by Part I of Schedule V to the Act.

## **INTEREST OUT OF CAPITAL**

<b>Title of Article</b>	<b>Article Number and contents</b>
Interest out of capital	42.  Where any Shares are issued for the purpose of raising money to defray the expenses of the construction of any work or building, or the provisions of any plant which cannot be made profitable for lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid-up, for the period at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to capital as part of the cost of construction of the work or building or the provisions of the plant.

## **DEBENTURES**

<b>Title of Article</b>	<b>Article Number and contents</b>
Debentures with voting rights not to be	43.  (1) The Company shall not issue any debentures carrying voting rights at any Meeting of

<b>Title of Article</b>	<b>Article Number and contents</b>
issued	<p>the Company whether generally or in respect of particular classes of business.</p> <p>(2) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.</p> <p>(3) 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.</p> <p>(4) 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.</p> <p>(5) A contract with the Company to take up and pay debentures of the Company may be enforced by a decree for specific performance.</p> <p>(6) 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 its debentures or debenture-stock and within one month after the application for the registration of the transfer of any such debentures or debentures-stock have completed and ready for delivery the certificate of all debenture-stock allotted or transferred.</p> <p>(7) The Company shall comply with the provisions of Section 118 of the Act, as regards supply of copies of debenture Trust Deed and inspection thereof.</p> <p>(8) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.</p>

## **CALLS**

<b>Title of Article</b>	<b>Article Number and contents</b>
Directors may make calls	<p>44.</p> <p>(1) Subject to the provisions of Section 91 of the Act, the Board of Directors may from time to time by a resolution passed at a meeting of a Board (and not by a circular resolution) make such calls as it thinks fit upon the Members in respect of all moneys unpaid on the Shares or by way of premium, held by them respectively and not by conditions of allotment thereof made payable at fixed time and each Member shall pay the amount of every call so made on him to person or persons and at the times and places appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine. No call shall be made payable within less than one month from the date fixed for the payment of the last preceding call.</p> <p>(2) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
Notice of call when to be given	<p>45.</p> <p>Not less than fourteen days notice in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.</p>

Title of Article	Article Number and contents
Call deemed to have been made	<p>46.</p> <p>A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the Members of such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.</p>
Directors may extend time	<p>47.</p> <p>The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call and may extended such time to call or any of the Members, the Board of Directors may deem fairly entitled to such extension but no Member shall be entitled to such extension as of right except as a matter of grace and favour.</p>
Amount payable at fixed time or by installments to be treated as calls	<p>48.</p> <p>If by the terms of issue of any Share or otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the amount of the Share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.</p>
When interest on call or installment payable	<p>49.</p> <p>If the sum payable in respect of any call or installment is not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the Share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rate not exceeding eighteen percent per annum as Directors shall fix from the day appointed for the payment thereof upto the time of actual payment but the Directors may waive payment of such interest wholly or in part.</p>
Evidence in action by Company against share holder	<p>50.</p> <p>On the trial of hearing of any action or suit brought by the Company against any Member or his Legal Representatives for the recovery of any money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the Member in respect of whose Shares the money is sought to be recovered is entered on the Register of Members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the Shares in respect of which the money is sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the Member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.</p>
Payment in anticipation of calls may carry interest	<p>51.</p> <p>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</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
	advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
	The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.
	The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

## **LIEN**

<b>Title of Article</b>	<b>Article Number and contents</b>
Partial payment not to preclude forfeiture	52. Neither the receipt by the Company of a portion of any money which shall, from time to time be due from any Member to the Company in respect of his Shares, either by way of principal or interest, or any indulgence granted by the Company in respect of the payment of such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.
Company's lien on Shares/ Debentures	53. The Company shall have first and paramount lien upon all 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 exempt from the provisions of this Article.
As to enforcing lien by sale	54. The Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has lien for the purpose of enforcing the same PROVIDED THAT no sale shall be made:-  (1) Unless a sum in respect of which the lien exists is presently payable; or  (2) Until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is /presently payable has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency. For the purpose of such sale the Board may cause to be issued a duplicate certificate in respect of such Shares and may authorise one of their members to execute a transfer there from behalf of and in the name of such Members  (3) The purchaser shall not be bound to see the application of the purchase money, nor



<b>Title of Article</b>	<b>Article Number and contents</b>
	shall his title to the Shares be affected by any irregularity, or invalidity in the proceedings in reference to the sale.
Application of proceeds of sale	<p>55.</p> <p>(1) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable, and</p> <p>(2) The residue if any, after adjusting costs and expenses if any incurred shall be paid to the person entitled to the Shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the Shares before the sale).</p>

## **FORFEITURE OF SHARES**

<b>Title of Article</b>	<b>Article Number and contents</b>
If money payable on Shares not paid notice to be given	<p>56.</p> <p>If any Member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him 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.</p>
Sum payable on allotment to be deemed a call	<p>57.</p> <p>For the purposes 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.</p>
Form of notice	<p>58.</p> <p>The notice shall name a day, (not being less than fourteen days from the day of the notice) and a place or places on and at which such call in installment and such interest thereon at such rate not exceeding eighteen percent per annum as the Directors may determine and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, Shares in respect of which the call was made or installment is payable will be liable to be forfeited.</p>
In default of payment Shares to be forfeited	<p>59.</p> <p>If the requirements of any such notice as aforesaid are not complied with, any Share or Shares in respect of which such notice has been given may at any time thereafter before payment of all calls or installments, interests and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited Shares and not actually paid before the forfeiture.</p>
Notice of forfeiture to a Member	<p>60.</p> <p>When any Share shall have been so forfeited, notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the</p>

Title of Article	Article Number and contents
	forfeiture, with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
Forfeited Shares to be the property of the Company and may be sold etc.	<p>61.</p> <p>Any Share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.</p>
Member still liable for money owing at the time of forfeiture and interest	<p>62.</p> <p>Any Member whose Shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding eighteen percent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof, if it thinks fit, but shall not be under any obligation to do so.</p>
Effects of forfeiture	<p>63.</p> <p>The forfeiture of a Share shall involve the extinction at the time of the forfeiture, of all interest in and all claims and demand against the Company in respect of the Share and all other rights incidental to the Share, except only such of those rights as by these Articles are expressly saved.</p>
Power to annul forfeiture	<p>64.</p> <p>The Board of Directors may at any time before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.</p>
Declaration of forfeiture	<p>65</p> <p>(1) 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.</p> <p>(2) 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.</p> <p>(3) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</p> <p>(4) 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.</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
	(5) 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 effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.
Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum.	66. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a Share becomes payable at a fixed time, whether on account of the nominal value of Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
Cancellation of shares certificates in respect of forfeited Shares	67. Upon sale, re-allotment or other disposal under the provisions of these Articles, the certificate or certificates originally issued in respect of the said Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Member) stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.
Evidence of forfeiture	68. The declaration as mentioned in Article 65(1) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
Validity of sale	69. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold, and the purchasers shall not be bound to see to the regularity of the proceedings or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
Surrender of Shares	70. The Directors may subject to the provisions of the Act, accept a surrender or any share from any Member desirous of surrendering on such terms and conditions as they think fit.

## **TRANSFER AND TRANSMISSION OF SHARES**

<b>Title of Article</b>	<b>Article Number and contents</b>
No transfers to minors etc.	71. No Share which is partly paid-up or on which any sum of money is due shall in any circumstances be transferred to any minor, insolvent or person of unsound mind.
Instrument of transfer	72.

Title of Article	Article Number and contents
	<p>The instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.</p>
Application for transfer	<p>73.</p> <p>(1) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.</p> <p>(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</p> <p>(3) For the purposes of clause (2) above 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 instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.</p>
Execution of transfer	<p>74.</p> <p>The instrument of transfer of any Share shall be duly stamped and executed by or on behalf of both the transferor and the transferee and shall be witnessed. The transferor shall be deemed to remain the holder of such Share until the name of the transferee shall have been entered in the Register of Members in respect thereof. The requirements of provisions of Section 108 of the Companies Act, 1956 and any statutory modification thereof for the time being shall be duly complied with.</p>
Transfer by legal representatives	<p>75.</p> <p>A transfer of 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 the instrument of transfer.</p>
Register of Members etc. when closed	<p>76.</p> <p>The Board of Directors shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated to close the Register of Members and/or the Register of debentures holders at such time or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate forty five days at a time, and not exceeding in the aggregate forty five days in each year as it may seem expedient to the Board.</p>
Directors may refuse to register transfer	<p>77.</p> <p>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,</p>

Title of Article	Article Number and contents
	giving reasons for such refusal. Provided that the registration of a transfer shall not be refused to person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.
Death of one or more joint holders of Shares	<p>78.</p> <p>In case of the death of any one or more of the persons named in the Register of Members as the joint holders of any Share, the survivor or survivors shall be the only persons recognised by the Company as having any title or interest in such Share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on Shares held by him with any other person.</p>
Titles of Shares of deceased Member	<p>79.</p> <p>The Executors or Administrators of a deceased Member or holders of a Succession Certificate or the Legal Representatives in respect of the Shares of a deceased Member (not being one of two or more joint holders) shall be the only persons recognized by the Company as having any title to the Shares registered in the name of such Members, and the Company shall not be bound to recognize such Executors or Administrators or holders of Succession Certificate or the Legal Representative unless such Executors or Administrators or Legal Representative shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks it, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register Shares standing in the name of a deceased Member, as a Member. However, provisions of this Article are subject to Sections 109A and 109B of the Companies Act.</p>
Notice of application when to be given	<p>80.</p> <p>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.</p>
Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)	<p>81.</p> <p>Subject to the provisions of the Act and Article 78 hereto, any person becoming entitled to Share in consequence of the death, lunacy, bankruptcy insolvency of any Member or by any lawful means other than by a transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks 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 as a holder, he shall execute an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the Shares. This clause is hereinafter referred to as the "Transmission Clause".</p>
Refusal to register nominee	<p>82.</p> <p>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</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
	if he were the transferee named in an ordinary transfer presented for registration.
Person entitled may receive dividend without being registered as a Member	83. 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.
No fee on transfer or transmissions	84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate & Letters of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
Transfer to be presented with evidence of title	85. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the Shares and generally under and subject to such conditions and regulations as the Board may, from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.
Company not liable for disregard of a notice prohibiting registration of transfer	86. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of Shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto, in any book of the Company, and the Company shall not be bound to be required to regard or attend to 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 to do so, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

## SHARE WARRANTS

<b>Title of Article</b>	<b>Article Number and contents</b>
Power to issue share warrants	87. 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.
Deposit of share	88.

<b>Title of Article</b>	<b>Article Number and contents</b>
warrants	<p>(1) 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</p> <p>(2) Not more than one person shall be recognized as depositor of the Share warrant</p> <p>(3) The Company shall, on two day's written notice, return the deposited share warrant to the depositor</p>
Privileges and disabilities of the holders of share warrant	<p>89.</p> <p>(1) 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.</p> <p>(2) 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.</p>
Issue of new share warrant coupons	<p>90.</p> <p>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.</p>

## **CONVERSION OF SHARES INTO STOCK AND RECONVERSION**

<b>Title of Article</b>	<b>Article Number and contents</b>
Share may be converted into stock	<p>91.</p> <p>The Company may, by Ordinary Resolution:</p> <p>(a) Convert any fully paid up Share into stock, and</p> <p>(b) reconvert any stock into fully paid-up Shares.</p>
Transfer of stock	<p>92.</p> <p>The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the stock arose might before the conversion, have been transferred, or as near thereto as circumstances admit.</p> <p>PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the Shares from which stock arose.</p>
Right of stock holders	<p>93.</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
	The holders of stock shall, according to the amount of stock held by them, have the same right, privileges and advantages as regards dividends, voting at meeting of the Company, and other matters, as if they held them Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred those privileges or advantages.
Regulation applicable to stock and share warrant	94. Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Share holder" in these regulations shall include "stock" and "stock holder" respectively.

## **BORROWING POWERS**

<b>Title of Article</b>	<b>Article Number and contents</b>
Power to borrow	95. Subject to the provisions of Sections 58A, 292 and 370 of the Act and these Articles, the Board of Directors may, from time to time at its discretion by a resolution passed at a meeting of the Board, borrow, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purposes of the Company from any source. PROVIDED THAT, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in General Meeting. No debts incurred by the Company in excess of the limit imposed by this Article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this Article had been exceeded.
The payment or repayment of moneys borrowed	96. 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 debenture 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.
Bonds, Debentures, etc. to be subject to control of Directors	97. 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.
Terms of issue of Debentures	98. Any Debentures, Debenture-stock or other securities may be issued at a discount, premium



<b>Title of Article</b>	<b>Article Number and contents</b>
	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; However, 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.
Mortgage of uncalled capital	99.  If any uncalled capital of the Company is included in or charged by mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the Members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security has been executed.

## **MEETING OF MEMBERS**

<b>Title of Article</b>	<b>Article Number and contents</b>
Statutory meeting	100.  The statutory meeting shall be held in accordance with the provisions of Section 165 of the Act within a period of not less than one month and not more than six months from the date on which the Company shall be entitled to commence business.
Annual Meeting	General 101.  The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other Meeting in that year. All General Meetings other than Annual General Meetings shall be called Extra-ordinary General Meetings. An Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Register under the provisions of Section 166 (1) of the Act to extend the time with which any Annual General Meeting may be held. Every Annual General Meeting shall be called at a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the Registered Office of the Company is situated as the Board may determine and the notices calling the Meeting shall specify as the Annual General Meeting. The company may in any one Annual General Meeting fix the time for its subsequent Annual General Meeting. Every Member of the Company shall be entitled to attend, either in person or by proxy and the Auditors of the Company, shall have the right to attend and be heard at any General Meeting which he attends on any part of the business which concerns him as an Auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and audited statement of accounts, the Proxy Register with proxies and the Register of Director's Shareholding, which Registers shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the annual list of Members, summary of share capital, balance sheet and profit and loss account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
Report statement and registers to be laid	102.  The Company shall in every Annual General Meeting in addition to any other Report or

Title of Article	Article Number and contents
before the Annual General Meeting	Statement lay on the table the Director's Report and audited statement of accounts, Auditor's Report (if not already incorporated in the audited statement of accounts), the Proxy Register with proxies and the Register of Director's Shareholdings, which Registers shall remain open and accessible during the continuance of the Meeting.
Extra-Ordinary General Meeting	<p>103.</p> <p>All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p>
Participation in General Meeting(s) of the Members through electronic mode	<p>103A.</p> <p>(1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), SEBI, the stock exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with stock exchanges, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.</p> <p>(2) For conducting aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force, and the rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by MCA, SEBI, the stock exchanges or any other competent authority(ies) in this regard.</p>
Requisitionists' meeting	<p>104.</p> <p>(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:-</p> <p>(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.</p> <p>(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.</p> <p>(2) The number of Members necessary for a requisition under clause (1) hereof shall be</p> <p>(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</p> <p>(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.</p> <p>(3) Notice of any such resolution shall be given and any such statement shall be circulated,</p>

Title of Article	Article Number and contents
	<p>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.</p> <p>(4) The Company shall not be bound under this Article to give notice of any resolution or to circulate any statement unless:</p> <p>(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.</p> <p>(i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the Meeting.</p> <p>(ii) the case of any other requisition, not less than two weeks before the Meeting, and</p> <p>(b) There is deposited or tendered with the requisition sum reasonably sufficient to meet the Company expenses in giving effect thereto.</p> <p>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.</p> <p>(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.</p> <p>(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.</p>
	105.
Extra-Ordinary General Meeting by Board and by requisition	(1) 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.
When a Director or any two Members may call an Extra Ordinary General Meeting	(2) 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

Title of Article	Article Number and contents
	General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.
Contents of requisition, and number of requisitionists required and the conduct of Meeting	<p>106.</p> <p>(1) In case of requisition the following provisions shall have effect:</p> <p>(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.</p> <p>(b) The requisition may consist of several documents in like form each signed by one or more requisitionists.</p> <p>(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.</p> <p>(d) Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly be valid only in respect of those matters in regard to which the conditions specified in that clause are fulfilled.</p> <p>(e) If the Board does not within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed, duly to call a Meeting for the consideration of those matters on a day not later than forty-five days from the date of the deposit of the requisition, the Meeting may be called:</p> <p>(i) by the requisitionists themselves ; or</p> <p>(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) whichever 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.</p> <p>(2) A meeting called under sub-clause (c) of clause (1) by requisitionists or any of them:</p> <p>(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</p> <p>(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.</p> <p>(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.</p> <p>(4) Any reasonable expenses incurred by the requisitionists by reason of the failure</p>

Title of Article	Article Number and contents
	<p>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.</p>
Length of notice of Meeting	<p>107.</p> <p>(1) A General Meeting of the Company may be called by giving not less than twenty-one days notice in writing.</p> <p>(2) A General Meeting may be called after giving shorter notice than that specified in clause (1) hereof, if consent is accorded thereto:</p> <p>(i) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>(ii) In the case of any other Meeting, by Members of the Company holding not less than ninety-five percent of such part of the paid up share capital of the Company as gives a right to vote at the Meeting.</p> <p>PROVIDED THAT where any Members of the Company are entitled to vote only on some resolution, or resolutions to be moved at a Meeting and not on the others, those Members shall be taken into account for the purposes of this clause in respect of the former resolutions and not in respect of the later.</p>
Contents and manner of service of notice	<p>108.</p> <p>(1) Every notice of a 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.</p> <p>(2) Subject to the provisions of the Act, notice of every General Meeting shall be given;</p> <p>(a) to every Member of the Company, in any manner authorised by sub-sections (1) to (4) Section 53 of the Act or through electronic mode;</p> <p>(b) to the persons entitled to a Share in consequence of the death, or insolvency of a Member, by sending it through post in a prepaid letter addressed to them by name or by the title of representative of the deceased, or assignees of the insolvent, or by 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 giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and</p> <p>(c) 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 Members of the Company.</p> <p>PROVIDED THAT, where the notice of a Meeting is given by advertising the same in a newspaper circulating in the neighborhood of 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.</p> <p>(3) Every notice convening a Meeting of the Company shall state with reasonable prominence that a Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and that a proxy need not be a</p>

Title of Article	Article Number and contents
	Member of the Company.
Special and ordinary business and explanatory statement	<p>109.</p> <p>(1)(a) In the case of an Annual General Meeting all business to be transacted at the Meeting shall be deemed special, with the exception of business relating to</p> <ul style="list-style-type: none"> <li>(i) the consideration of the accounts, balance sheet the reports of the Board of Directors and Auditors;</li> <li>(ii) the declaration of dividend;</li> <li>(iii) the appointment of Directors in the place, of those retiring; and</li> <li>(iv) the appointment of, and the fixing of the remuneration of the Auditors, and</li> </ul> <p>(b) In the case of any other meeting, all business shall be deemed special</p> <p>(2) Where any items of business to be transacted at the Meeting of the Company are deemed to be special as aforesaid, there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item, of business, including in particular the nature of the concern or interest, if any, therein of every Director.</p> <p>PROVIDED THAT, where any such item of special business at the Meeting of the Company relates 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 twenty percent of the paid up-share capital of the other company.</p> <p>(3) Where any item of business consists of the according of approval to any document by the Meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.</p>
Omission to give notice not to invalidate proceedings	<p>110.</p> <p>The accidental omission to give such notice as aforesaid to or non-receipt thereof by, any Member or other person to whom it should be given, shall not invalidate the proceedings of any such Meeting.</p>
Notice of business to be given	<p>111.</p> <p>No General Meeting, Annual or Extra-Ordinary shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the Meeting.</p>
Quorum	<p>112.</p> <p>Five Members entitled to vote and present in person shall be quorum for General Meeting and no business shall be transacted at the General Meeting unless the quorum requisite is present at the commencement of the Meeting. 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 a Member of the Company shall be deemed to be personally present if it is presented in accordance with Section 187 of the Act.</p>

Title of Article	Article Number and contents
If quorum not present when Meeting to be dissolved and when to be adjourned	<p>113.</p> <p>If within half an hour from the time appointed for holding a Meeting of the Company, a quorum is not present, the Meeting, if called by or upon the requisition of the Members shall stand dissolved and in any other case the Meeting shall stand, adjourned to the same day in the next week or if that day is a public holiday until the next succeeding day which is not a public holiday, at the same time and place or to such other day and at such other time and place as the Board may determine. If at the adjournment meeting also, 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.</p>
Resolution passed at adjourned Meeting	<p>114.</p> <p>Where a resolution is passed at an adjourned Meeting of the Company, the resolution for all purposes is 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.</p>
Chairman of General Meeting	<p>115.</p> <p>At every General Meeting the Chair shall be taken by the Chairman of the Board of Directors. If at any Meeting, the Chairman of the Board of Directors is not present within ten minutes after the time appointed for holding the Meeting or though present, is unwilling to act as Chairman, the Vice Chairman of the Board of Directors would act as Chairman of the Meeting and if Vice Chairman of the Board of Directors is not present or, though present, is unwilling to act as Chairman, the Directors present may choose one of themselves to be a Chairman, and in default or their doing so or if no Directors shall be present and willing to take the Chair, then the Members present shall choose one of themselves, being a Member entitled to vote, to be Chairman.</p>
Act for resolution sufficiently done or passed by Ordinary Resolution unless otherwise required.	<p>115(A)</p> <p>Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in General Meeting shall be sufficiently done so or passed if effected by an Ordinary Resolution unless either the Act or the Articles specifically require such act to be done or resolution be passed by a Special Resolution.</p>
Business confined to election of Chairman whilst the Chair is vacant	<p>116.</p> <p>No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.</p>
Chairman may adjourn Meeting	<p>117.</p> <p>(1) The Chairman may with the consent of Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time and from place to place.</p> <p>(2) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place.</p> <p>(3) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting</p>

Title of Article	Article Number and contents
	<p>shall be given as in the case of an original Meeting.</p> <p>(4) 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.</p>
How questions are decided at Meetings	<p>118.</p> <p>Every question submitted to a General Meeting shall be decided in the first instance by a show of hands unless the poll is demanded as provided in these Articles.</p>
Chairman's declaration of result of voting on show of hands	<p>119.</p> <p>A declaration by the Chairman of the Meeting 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 book containing the minutes of the proceeding of the Company's General Meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.</p>
Demand of poll	<p>120.</p> <p>Before or on the declaration of the result of the voting on any resolution on a show of hands a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any Member or Members present in person or by proxy and holding Shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.</p>
Time of taking poll	<p>121.</p> <p>A poll demanded on a question of adjournment or election of a Chairman shall be taken forthwith. A poll demanded on any other question shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place as the Chairman of the Meeting may direct and the result of the poll shall be deemed to be the decision of the Meeting on the resolution on which the poll was taken.</p>
Chairman's casting vote	<p>122.</p> <p>In the case of equality of votes the Chairman shall both on a show of hands and on a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a Member.</p>
Appointment of scrutineers	<p>123.</p> <p>Where a poll is to be taken, the Chairman of the Meeting shall appoint two scrutineers to scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed 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 willing to be appointed. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.</p>
	<p>124.</p>



<b>Title of Article</b>	<b>Article Number and contents</b>
Demand for poll not to prevent transaction of other business	The demand for a poll shall not prevent transaction of other business (except on the question of the election of the Chairman and of an adjournment) other than the question on which the poll has been demanded.
Special notice	125.  Where by any provision contained in the Act or in these Articles, special notice is required for any resolution notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the Meeting at which it is to be moved, exclusive of the day which the notice is served or deemed to be served on the day of the Meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the Meeting, or if that is not practicable shall give them notice thereof, either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the Meeting.

## **VOTES OF MEMBERS**

<b>Title of Article</b>	<b>Article Number and contents</b>
Member paying money in advance not to be entitled to vote in respect thereof	126.  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.
Restriction on exercise of voting rights of Members who have not paid calls	127.  No Member shall exercise any voting rights 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 exercised any right of lien.
Number of votes to which Member entitled	128.  Subject to the provisions of Article 126, every Member of the Company holding any equity share capital and otherwise entitled to vote shall, on a show of hands when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll, when present in person (including a body corporate by a duly authorised representative), or by an agent duly authorised under a Power of Attorney or by proxy, his voting right shall be in proportion to his share of the paid-up equity share capital of the Company. Provided however, if any preference shareholder is present at any meeting of the Company, (save as provided in clause (b) of sub-section (2) of Section 87) he shall have a right to vote only on resolutions before the Meeting which directly affect the rights attached to his preference shares. A Member is not prohibited from exercising his voting rights on the ground that he has not held his Shares or interest in the Company for any specified period preceding the date on which the vote is taken.
Votes of Members of unsound mind	129.  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

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	committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.
Votes of joint Members	<p>130.</p> <p>If there be joint registered holders of any Shares, one of such persons may vote at any Meeting personally or by an agent duly authorised under a Power of Attorney or by proxy in respect of such Shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the Meeting, and if more than one of such joint holders be present at any Meeting either personally or by agent or by proxy, that one of the said persons so present whose name appears higher on the Register of Members shall alone be entitled to speak and to vote in respect of such Shares, but the other holder(s) shall be entitled to vote in preference to a person present by an agent duly authorised under a Power of Attorney or by proxy although the name of such person present by agent or proxy stands first or higher in the Register of Members in respect of such Shares. Several executors or administrators of a deceased Member in whose name Shares stand shall for the purpose of these Articles be deemed joint holders thereof.</p>
Representation of body corporate	<p>131.</p> <p>(1) A body corporate (whether a company within the meaning of the Act or not) may, if it is a Member or creditor of the Company (including a holder of Debentures) authorise such person as it thinks fit by a resolution of its Board of Directors or other governing body, to act as its representative at any Meeting of the Company or any class of shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorised by resolutions aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual Member, shareholder, creditor or holder of Debentures of the Company. The production of a copy of the resolution referred to above certified by a Director or the Secretary of such body corporate before the commencement of the Meeting shall be accepted by the Company as sufficient evidence of the validity of the said representatives' appointment and his right to vote thereat.</p> <p>(2) Where the President of India or the Governor of a State is a Member of the Company, the President or as the case may be the Governor may appoint such person as he thinks fit to act as his representative at any Meeting of the Company or at any meeting of any class of shareholders of the Company and such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a Member of the Company.</p>
Votes in respects of deceased or insolvent Members	<p>132.</p> <p>Any person entitled under the Transmission Article to transfer any Shares may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such Shares; provided that at least forty-eight hours before the time of holding the Meeting or adjourned Meeting, as the case may be, at which he proposes to vote, he shall satisfy the Directors of the right to transfer such Shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to vote at such Meeting in respect thereof.</p>
Voting in person or by proxy	<p>133.</p> <p>Subject to the provisions of these Articles, votes may be given either personally or by</p>

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	proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.
Rights of Members to use votes differently	<p>134.</p> <p>On a poll taken at a Meeting of the Company a Member entitled to more than one vote or his proxy, or other persons 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.</p>
Proxies	<p>135.</p> <p>Any Member of the Company entitled to attend and vote at a Meeting of the Company, shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right what so ever to speak at the Meeting. Every notice convening a Meeting of the Company shall state that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself, and that a proxy need not be a Member of the Company.</p>
Proxy either for specified meeting or for a period	<p>136.</p> <p>An instrument of proxy may appoint a proxy either for the purposes of a particular Meeting specified in the instrument and any adjournment thereof or it may appoint a proxy for the purpose of every Meeting to be held before a date specified in the instrument and every adjournment of any such Meeting.</p>
No proxy to vote on a show of hands	<p>137.</p> <p>No proxy shall be entitled to vote by a show of hands.</p>
Instrument of proxy when to be deposited	<p>138.</p> <p>The instrument appointing a proxy and the Power of Attorney or 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 at least forty-eight hours before the time for holding the Meeting at which the person named in the instrument purposes to vote and in default the instrument of proxy shall not be treated as valid.</p>
Form of Proxy	<p>139.</p> <p>Every instrument of proxy whether for a specified Meeting or otherwise shall, as nearly as circumstances will admit, be in any of the forms set out in Schedule IX to the Act, and signed by the appointer or his attorney duly authorised in writing or if the appointer is a body corporate, be under its seal or be signed by any officer or attorney duly authorised by it.</p>
Validity of votes given by proxy notwithstanding revocation of authority	<p>140.</p> <p>A 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 revocation of the proxy or of any Power of Attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the Registered Office before the commencement of the Meeting or adjourned Meeting at</p>

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	which the proxy is used provided nevertheless that the Chairman of any Meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and of the same not having been revoked.
Time for objection to vote	141. No objection shall be made to the qualification of any voter or to the validity of a vote except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered, and every vote, whether given personally or by proxy, not disallowed at such Meeting, shall be valid for all proposes and such objection made in due time shall be referred to the Chairman of the Meeting.
Chairman of any Meeting to be the judge of Validity of any value	142. The Chairman of any Meeting shall be the sole judge of the validity of every vote tendered at such Meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll. The decision of the Chairman shall be final and conclusive.
Custody of Instrument	143. If any such instrument of appointment is confined to the object of appointing at attorney or proxy for voting at Meetings of the Company, it shall remain permanently or for such time as the Directors may determine, in the custody of the Company. If such instrument embraces other objects, a copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.

## **DIRECTORS**

<b>Title of Article</b>	<b>Article Number and contents</b>
Number of Directors	144. 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 and not more than twelve.
First Directors	145. The persons hereinafter named shall be the first Directors of the Company:- <ol style="list-style-type: none"> <li>1. Shri S. S. Nadkarni</li> <li>2. Shri D. G. Ramaih</li> <li>3. Shri S. Ganesh</li> <li>4. Shri B. N. Bhagwat</li> <li>5. Shri L. N. Doshi</li> <li>6. Shri Ajay Dua</li> <li>7. Shri K. B. Damle</li> <li>8. Shri G. P. Prabhu</li> <li>9. Dr. M. V. Khambadkone</li> </ol>
Debenture Directors	146. Any Trust Deed for securing Debentures may if so arranged, provide for the appointment, from time to time by the Trustees thereof or by the holders of Debentures, of some person to be a Director of the Company and may empower such Trustees or holder of Debentures,

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	<p>from time to time, to remove and re-appoint any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" means the Director for the time being in office under this Article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be agreed between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions contained herein.</p>
<p>Nominee Director or Corporation Director</p>	<p>147.</p> <p>(1) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any Finance Corporation or Credit Corporation or to any Financing company or body, (which corporation or body is hereinafter in this Article referred to as "the corporation") out of any loans granted or to be granted by them to the Company or so long as the corporation continue to hold Debentures in the Company by direct subscription or private placement, or so long as the Corporation holds Shares in the Company as a result of underwriting or direct subscription or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time any person or persons as a Director, whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director(s)") on the Board of the Company and to remove from such office any persons so appointed and to appoint any person or persons in his/ their places.</p> <p>(2) The Board of Directors of the Company shall have no power to remove from office the Nominee Director(s). Such Nominee Director(s) shall not be required to hold any Share qualification in the Company. Further Nominee Director shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Directors(s) shall be entitled to the same rights and privileges and be subject to the obligations as any other Director of the Company.</p> <p>(3) The Nominee Director(s) so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation and the Nominee Director/s so appointed in exercise of the said power, shall <i>ipso facto</i> vacate such office immediately on the moneys owing by the Company to the Corporation being paid off</p> <p>(4) The Nominee Director(s) appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and all the Meetings of the Committee of which the Nominee Director(s) is/are Member(s) as also the minutes of such Meetings. The Corporation shall also be entitled to receive all such notices and minutes.</p> <p>(5) The sitting fees in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any other fees, commission, moneys or remuneration in any form is payable to the Nominee Director of the Company, such fees, commission, moneys and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s), in connection with their appointment or Directorship, shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Director/s provided that if any such Nominee Director/s is/are an officer(s) of the Corporation.</p> <p>Provided also that in the event of the Nominee Director(s) being appointed as Whole-time Director(s); such Nominee Director/s shall exercise such power and duties as may be</p>

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	<p>approved by the lenders and have such rights as are usually exercised or available to a whole-time Director in the management of the affairs of Company. Such Nominee Director shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation(s) nominated by him.</p>
Special Director	<p>148.</p> <p>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.</p> <p>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.</p> <p>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.</p>
Limit on number of retaining Directors	<p>149.</p> <p>The provisions of Articles 146, 147, 148 and 149 are subject to the provisions 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.</p>
Alternate Director	<p>150.</p> <p>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 and 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.</p>
Directors may fill in	<p>151.</p>

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vacancies	The Directors shall have power at any time and from time to time to appoint any person to be a Director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid. However, he shall then be eligible for re-election.
Additional Directors	152. The Directors shall have the power at any time and from time to time to appoint any other person to be a Director as an addition to the Board ("Additional Director") so that the total number of Directors shall not at any time exceed the maximum fixed by these Articles. Any person so appointed as an Additional Director to the Board shall hold his office only upto the date of the next Annual General Meeting and shall be eligible for election at such Meeting.
Qualification shares	153. A Director need not hold any qualification shares.
Directors' sitting fees	154. 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 sum 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.
Extra remuneration to Directors for special work	155. Subject to the provisions of Sections 198, 309, 310, 311 and 314 of the Act, if any Director, being willing shall be called upon to perform extra services (which expression shall include work done by a Director as a Member of any Committee formed by the Directors or in relation to signing share certificate) or to make special exertions in going or residing or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company may remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Director, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.  Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid remuneration either:  (i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or (ii) by way of commission if the Company by a Special Resolution authorised such payment.
Traveling expenses incurred by Directors on Company's business	156. The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or General Meeting of the Company or in connection with the business of the Company at a place other than his usual place of residence, for the purpose of attending a Meeting such sum as the Board may consider fair compensation for traveling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as

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	above specified.
Director may act notwithstanding vacancy	<p>157.</p> <p>The continuing Director or Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the quorum fixed by these Articles for a meeting of the Board, the Director or Directors may act for the purpose of increasing the number, of Directors or that fixed for the quorum or for summoning a General Meeting of the Company but for no other purposes.</p>
Board resolution necessary for certain contracts	<p>158.</p> <p>(1) Subject to the provisions of Section 297 of the Act, except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is partner, any other partner in such a firm or a private company of which the Director is a member or director, shall not enter into any contract with the Company.</p> <p>(a) For the sale, purchase or supply of goods, materials or services; or</p> <p>(b) for underwriting the subscription of any Share in or debentures of the Company;</p> <p>(c) nothing contained in clause (a) of sub-clause (1) shall affect:-</p> <p>(i) the purchase of goods and materials from the Company, or the sale of goods and materials to the Company by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market prices; or</p> <p>(ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company on the other for sale, purchase or supply of any goods, materials and services in which either the Company, or the Director, relative, firm, partner or private company, as the case may be regularly trades or does business, PROVIDED THAT such contract or contracts do not relate to goods and materials the value of which, or services the cost of which, exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts;</p> <p>(2) Notwithstanding any contained in sub-clause(1) hereof, a Director, relative, firm partner or private company as aforesaid may, in circumstances of urgent necessity, enter without obtaining the consent of the Board, into any contract with the Company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds rupees five thousand in the aggregate in any year comprised in the period of the contract; but in such a case the consent of the Board shall be obtained at a Meeting within three months of the date on which the contract was entered into.</p> <p>(3) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board required under clause (1) and the same shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the data on which was entered into.</p> <p>(4) If consent is not accorded to any contract under this Article, anything done in pursuance of the contract will be voidable at the option of the Board.</p>



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	(5) The Directors, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole time Director	<p>159.</p> <p>When the Company:-</p> <p>(1) enters into a contract for the appointment of a Managing Director or Whole time Director in which contract any Director of the Company is whether directly or indirectly, concerned or interested; or</p> <p>(2) varies any such contract already in existence and in which a Director is concerned or interested as aforesaid, the provisions of Section 302 of the Act shall be complied with.</p>
Directors of interest  General notice of disclosure	<p>160.</p> <p>(1) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act.</p> <p>(2) A general notice, given to the Board by the Director to the effect that he is a director or is a member of a specified body corporate or is a member of a specified firm under Sections 299(3)(a) shall expire at the end of the financial year in which it shall be given but may be renewed for a further period of one financial year at a time by fresh notice given in the last month of the financial year in which it would have otherwise expired. No such general notice and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that is brought up and read at the first meeting of the Board after it is given.</p>
Directors and Managing Director may contract with Company	<p>161.</p> <p>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.</p>
Disqualification of the Director	<p>162.</p> <p>A person shall not be capable of being appointed Director of the Company if:-</p> <p>(1) he has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(2) he is an undischarged insolvent;</p>

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	<p>(3) he has applied to be adjudged an insolvent and his application is pending;</p> <p>(4) 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 years has not elapsed from the date of expiry of the sentence;</p> <p>(5) 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; or</p> <p>(6) 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.</p>
Vacation of office by Directors	<p>163.</p> <p>The office of Director shall become vacant if:-</p> <p>(1) he is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(2) he applies to be adjudged an insolvent; or</p> <p>(3) he is adjudged an insolvent; or</p> <p>(4) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for less than six months; or</p> <p>(5) he fails to pay any call in respect of Shares of the Company held by him, whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government, by a notification in the Official Gazette removes the disqualification incurred by such failure; or</p> <p>(6) absents himself from three consecutive meetings of the Board of Directors, or from all meetings of the Board for a continuous period of three months, whichever is longer, without obtaining leave of absence from the Board; or</p> <p>(7) he (whether by himself or by any person for his benefit or on his account or any firm in which he is a partner or any private company of which he is a director), accepts a loan, or any guarantee or security for a loan, from the Company in contravention of Section 295 of the Act; or</p> <p>(8) he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement, entered into or to be entered into by or on behalf of the Company fails to disclose the nature of his concern or interest at a meeting of the Board of Directors as required by Section 299 of the Act; or</p> <p>(9) he becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(10) he is removed by an Ordinary Resolution of the Company before the expiry of his period of notice; or</p> <p>(11) if by notice in writing to the Company, he resigns his office, or</p> <p>(12) having been appointed as a Director by virtue of his holding any office or other</p>

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	employment in the Company, he ceases to hold such office or other employment in the Company.
Vacation of office by Directors (contd.)	<p>164.</p> <p>Notwithstanding anything contained in sub-clauses (3), (4) and (9) of Article 162 hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(1) for thirty days from the date of the adjudication, sentence or order;</p> <p>(2) where any appeal or petition is preferred within thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentence or order until the expiry of seven days from the date on which such appeal or petition is disposed of; or</p> <p>(3) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
Removal of Directors	<p>165.</p> <p>(1) The Company may subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles by Ordinary Resolution remove any Director not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of his period of office.</p> <p>(2) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any resolution to remove a Director under the Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(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 (whether or not he is a Member of a Company) shall be entitled to be heard on the resolution at the Meeting.</p> <p>(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to Members of the Company, the Company shall, unless the representations are, received by it too late for it to do so:</p> <p>(i) in the notice of the resolution given to the Members of the Company state the fact of the representations having been made, and</p> <p>(ii) send a copy of the representations to every Member of the Company to whom notice of the Meeting is sent (before or after the representations by the Company) and if a copy of the representations is not sent as aforesaid because they were 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 read out at the Meeting; provided that copies of the representation need not be sent or read out at the Meeting if on the application, either of the Company or of any other person who claims to be aggrieved by the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p>

Title of Article	Article Number and contents
	<p>(5) A vacancy created by the removal of the Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board, in pursuance of Article 153 or Section 262 of the Act be filled by the appointment of another Director in his place by the Meeting at which he is removed, provided special notice of the intended appointment has been given under Article 163 hereof. 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.</p> <p>(6) If the vacancy is not filled under sub-clause (5), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable of Article 153 or Section 162 of the Act, and all the provisions of that Article and Section shall apply accordingly</p> <p>(7) A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.</p> <p>(8) Nothing contained in this Article shall be taken:-</p> <p>(i) as depriving a person removed hereunder of any compensation of damages payable to him in respect of the termination of his appointment as Director, or</p> <p>(ii) as derogating from any power to remove a Director which may exist apart from this Article.</p>
Interested Directors not to participate or vote in Board's proceedings	<p>166.</p> <p>No Director shall as a Director take part in the discussion of or vote on any contract arrangement or proceedings 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 such contract or arrangement, not shall his presence count for the purpose of forming a quorum at the time of any such discussion or voting, and if he does vote, his vote shall be void. Provided however, that nothing herein contained shall apply to:-</p> <p>(1) any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</p> <p>(2) any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</p> <p>(i) in his being:</p> <p>(a) a director of such company; and</p> <p>(b) the holder of not more than shares of such number of value therein as is requisite to qualify him for appointment as a director, thereof, he having been nominated as director by the company, or</p> <p>(ii) in his being a member holding not more than two percent of its paid-up share capital.</p>
Director may be director of companies promoted by the	<p>167.</p> <p>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</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
Company	except in so far Section 309(6) or Section 314 of the Act may be applicable.
Appointment of Sole Selling Agents	<p>168.</p> <p>(1) The appointment, re-appointment and extension of the term of a 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 extension of the term of office in accordance with and subject to the provisions of the said Section and such rules or notifications, if any, as may be applicable.</p> <p>(2) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.</p>

## **ROTATION AND APPOINTMENT OF DIRECTORS**

<b>Title of Article</b>	<b>Article Number and contents</b>
Rotation of Directors	<p>169.</p> <p>Not less than two third of the total number of Directors shall (a) be persons whose period of the office is liable to termination by retirement by rotation and (b) save as otherwise expressly provided in the Articles be appointed by the Company in General Meeting.</p>
Retirement of Directors	<p>170.</p> <p>Subject to the provisions of Articles 148 and 150, the non-retiring Directors should be appointed by the Board for such period or periods as it may in its discretion deem appropriate.</p>
Retiring Directors	<p>171.</p> <p>Subject to the provisions of Section 256 of the Act and Articles 146 to 153, at every Annual General Meeting of the Company, one-third or such of the Directors for the time being as are liable to retire by rotation; or if their number is not three or a multiple of three the number nearest to one-third shall retire from office. The Debenture Directors, Nominee Directors, Corporation Directors, Managing Directors if any, subject to Article 184, shall not be taken into account in determining the number of Directors to retire by rotation. In these Articles a "Retiring Director" means a Director retiring by rotation.</p>
Appointment of Technical or Executive Directors	<p>172.</p> <p>(1) 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.</p> <p>(2) 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</p>

Title of Article	Article Number and contents
	the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.
Ascertainment of Directors retiring by rotation and filling of vacancies	<p>173.</p> <p>Subject to Section 256 (2) of the Act, the Directors retiring by rotation under Article 174 at every Annual General Meeting shall be those, who have been longest in office since their last appointment, but as between those who became Directors on the same day, those who are to retire shall in default of and subject to any agreement amongst themselves be determined by the lot.</p>
Eligibility for re-election	<p>174.</p> <p>A retiring Director shall be eligible for re-election and shall act as a Director throughout and till the conclusion of the Meeting at which he retires.</p>
Company to fill vacancies	<p>175.</p> <p>Subject to Sections 258 and 259 of the Act, the Company at the General Meeting, at which a Director retires in manner aforesaid, may fill up the vacancy by appointing the retiring Director or some other person thereto.</p>
Provision in default of appointment	<p>176.</p> <p>(1) If the place of retiring Director is not so 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 day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place.</p> <p>(2) If at the adjourned Meeting also, the place of the retiring Director is not filled up and the 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:</p> <p>(a) at that Meeting or the previous Meeting a resolution for the re-appointment of such Director has been put to the Meeting and lost.</p> <p>(b) 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.</p> <p>(c) he is not qualified or is disqualified for appointment</p> <p>(d) a resolution, whether Special or Ordinary is required for his appointment or re-appointment by virtue of any provisions of the Act, or</p> <p>(e) the provision of the sub-section (2) of section 263 of the Act is applicable to the case.</p>
Company may increase or reduce the number of Directors or remove any Director	<p>177.</p> <p>Subject to the provisions of Section 252, 255 and 259 of the Act, the Company may by Ordinary Resolution from time to time, increase or reduce the number of Directors and may alter qualifications.</p>
Appointment of	<p>178.</p>

Title of Article	Article Number and contents
Directors to be voted individually	<p>(1) 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.</p> <p>(2) A resolution moved in contravention of clause (1) hereof shall be void, whether or not objection was taken at the time of its being so moved, provided where a resolution so moved has passed no provisions or the automatic re-appointment of retiring Directors in default of another appointment as therein before provided shall apply.</p> <p>(3) For the purposes of this Article, a motion for approving a person's appointment, or for nominating a person for appointment, shall be treated as a motion for his appointment.</p>
Notice of candidature for office of Directors except in certain cases	<p>179.</p> <p>(1) No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting unless he or some other Member intending to propose him has given at least fourteen days notice in writing under his hand signifying his candidature for the office of a Director or the intention of such person to propose him as Director 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.</p> <p>(2) The Company shall inform its Members of the candidature of the person for the office of Director or the intention, of a Member to propose such person as candidate for that office by serving individual notices 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 regional language of that place.</p> <p>(3) Every person (other than Director retiring by rotation or otherwise or person who has left at the office of the Company a notice under Section 257 of the Act signifying his candidature for the office of a Director) proposed as a candidate for the office a Director shall sign and file with the Company his consent in writing to act as a Director, if appointed.</p> <p>(4) A person other than a Director appointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director or a person filling a casual vacancy in the office of a Director under Section 252 of the Act ,appointed as a Director re- appointed as an additional or alternate Director immediately on the expiry of his term of office shall not act as a Director of the Company unless he has within thirty days of his appointment signed and filled with the Registrar his consent in writing to act as such Director.</p>
Disclosure by Directors of their holdings of their Shares and debentures of the Company	<p>180.</p> <p>Every Director and every person deemed to be Director of the Company by virtue of sub-section (10) of Section 307 of the Act shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section. Any such notice shall be given in writing and if it is not given at a meeting of the Board the person giving the notice shall take all reasonable steps to secure that it is brought up and read at the next meeting of the Board after it is given.</p>

Title of Article	Article Number and contents
Votes of Body Corporate	<p>181.</p> <p>A body corporate, whether a company within the meaning of the Act or not, which is a member of the Company, may by resolution of its Board of Directors or other governing body, authorize such person as it thinks fit to act as its representative at any meeting of the company or at any meeting of any class of members of the company and the persons so authorized shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise as if it were an individual member of the company and the production of a copy of the Minutes of such resolution certified by a director or the copy of the Minutes of such resolution certified by a Director or the or the Secretary of such body corporate as being a true copy of the Minutes of such resolution shall be accepted as sufficient evidence of the validity of the said representative's appointment and of his right to vote.</p>

## MANAGING DIRECTOR

Title of Article	Article Number and contents
Powers to appoint Managing Director	<p>182.</p> <p>Subject to the provisions of Section 267, 268, 269, 316 and 317 of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors or Whole time Directors of the Company, for a fixed term not exceeding five years as to the period for which he is or they are to hold such office, and may, from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places.</p> <p>(1) The Managing Director shall perform such functions and exercise such powers as are delegated to him by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 1956.</p> <p>(2) Subject to the provisions of Sections 255 of the Act, the Managing Director shall not be while he continues to hold that office, subject to retirement by rotation.</p>
Remuneration of Managing Director	<p>183.</p> <p>Subject to the provisions of Sections 309, 310 and 311 of the Act, a Managing Director shall, in addition to any remuneration that might be payable to him as a Director of the Company under these Articles, receive such remuneration as may from time to time be approved by the Company.</p>
Special position of Managing Director	<p>184.</p> <p>Subject to any contract between him and the Company, a Managing or Whole time 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, <i>ipso facto</i> and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.</p>
	<p>185.</p>



Title of Article	Article Number and contents
Powers of Managing Director	<p>The Director may from time to time entrust to and confer upon a Managing Director or Whole time Director for the time being such of the powers exercisable under these provisions by the Directors, as they 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 they think expedient, and they may confer such powers, either collaterally with, or to the exclusion of and in substitution for, all or any of the powers of the Directors in that behalf and from time to time, revoke, withdraw, alter, or vary all or any of such powers.</p>
Power of General Meeting to Appoint	<p>186.</p> <p>The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole time Director or Whole time Directors of the Company and may exercise all the powers referred to in these Articles.</p>
Power to Sign Receipts	<p>187.</p> <p>Receipts signed by the Managing Director for any moneys, goods or property received in the usual course of business of the Company or for any money, goods, or property lent to or belonging to the Company shall be an official discharge on behalf of and against the Company for the money, funds or property which in such receipts shall be acknowledged to be received and the persons paying such moneys shall not be bound to see to the application or be answerable for any misapplication thereof. The Managing Director shall also have the power to sign and accept and endorse cheques on behalf of the Company.</p>
Power to Sub-Delegate	<p>188.</p> <p>The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors where necessary) all or any of the powers, authorities and discretions for the time being vested in him in particular from time to time by the appointment of any attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they may think fit.</p>
Contract with Company	<p>189.</p> <p>Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and especially to do the work of Managing Director and also to do any work for the Company upon such terms and conditions and for such remuneration (subject to the provisions of the Act) as may from time to time be agreed between him and the Directors of the Company.</p>
Appointment and powers of Manager	<p>189A</p> <p>The Board may, from time to time, appoint any Manager (under Section 2(24) of the Act) to manage the affairs of the Company. The Board may from time to time entrust to and confer upon a Manager such of the powers exercisable under these Articles by the Directors, as they 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 they think expedient.</p>

## WHOLE TIME DIRECTOR

Title of Article	Article Number and contents
Power to appoint Whole Time Director and/or Whole-time Directors	<p>190.</p> <p>Subject to the provisions of the Act and of these Articles, the Board may from time to time with such sanction of the Central Government as may be required by law appoint one or more of its Director/s or other person/s as Whole-Time Director or Whole-Time Directors of the Company out of the Directors/ persons nominated under Article only either for a fixed term that the Board may determine or permanently for life time upon such terms and conditions as the Board may determine and thinks fit. The Board may by ordinary resolution and / or an agreement/s vest in such Whole-Time Director or Whole Time Directors such of the powers authorities and functions hereby vested in the Board generally as it thinks fit and such powers may be made exercisable and for such period of periods and upon such conditions and subject to such restrictions as it may be determined or specified by the Board and the Board has the powers to revoke, withdraw, alter or vary all or any of such powers and / or remove or dismiss him or them and appoint another or others in his or their place or places again out of the Directors / persons nominated under Article 192 only. The Whole Time Director or Whole Time Directors will be entitled for remuneration as may be fixed and determined by the Board from time to time either by way of ordinary resolution or a Court act/s or an agreement/s under such terms not expressly prohibited by the Act.</p>
To what provisions Whole time Directors shall subject	<p>191.</p> <p>Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Director shall not, while he/they continue to hold that office, be liable to retirement by rotation but (subject to the provisions of any contract between him/they and the Company) he/ they shall be subject to the same provision as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise under the ceases to hold the office of Director/s for any reason whatsoever save that if he/they shall vacate office whether by retirement, by rotation or otherwise under the provisions of the Act any Annual General Meeting and shall be re-appointed as a Director of Directors at the same meeting he/they shall not by reason only of such vacation, cease to be a Whole Time Director or Whole Time Directors.</p>
Seniority of Whole Time Director and Managing Director	<p>192.</p> <p>If at any time the total number of Managing Directors and Whole Time Directors is more than one-third who shall retire shall be determined by and in accordance with their respective seniorities. For the purpose of this Article the seniorities of the Whole Time Directors and Managing Directors shall be determined by the date of their respective appointments as Whole Time Directors and Managing Directors of the Company.</p>

## PROCEEDINGS OF THE BOARD OF DIRECTORS

Title of Article	Article Number and contents
Meeting of Directors	<p>193.</p> <p>The Directors may meet together as a Board for the dispatch of business from time to time, and unless the Central Government by virtue of the provisions of Section 285 of the Act allow otherwise, Directors shall so meet at least once in every three months and at least four such Meetings shall be held in every year. The Directors may adjourn and otherwise regulate their Meetings as they think fit. The provisions of this Article shall not be deemed to have</p>

Title of Article	Article Number and contents
	<p>been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum.</p>
Meetings of the Board of Directors through Electronic Communications	<p>193A.</p> <p>(1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), SEBI, the stock exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with stock exchanges, from time to time, the Director (s) may participate in the meeting(s) of the Board or any Committee of the Directors through any type of electronic mode like video conferencing etc. and the Director(s) so participating shall be deemed to be present in the meeting for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.</p> <p>(2) For conducting aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force, and the rules, regulations, circulars, notifications, guidelines etc. issued/ to be issued from time to time by MCA, SEBI, the stock exchanges or any other competent authority(ies) in this regard.</p>
Quorum	<p>194.</p> <p>(1) Subject to Section 287 of the Act the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Directors, if any, whose place may be vacant at the time and any fraction contained in that one third being rounded off as one) or three Directors whichever is higher. PROVIDED that where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the Total Strength, the number of the remaining Directors that is to say, the number of remaining who are not interested) present at the Meeting being not less than three shall be the quorum during such time.</p> <p>(2)for the purpose of clause(a)</p> <p>(i) "Total Strength" means total strength of the Board of Directors of the Company determined in pursuance of the Act after deducting there from number of the Directors if any, whose places may be vacant at the time, and</p> <p>(ii) "Interested Directors" means any Directors whose presence cannot by reason of any provisions in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.</p>
Procedure when Meeting adjourned for want of quorum	<p>195.</p> <p>If a meeting of the Board could not be held for want of quorum then, the Meeting shall automatically stand, adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place, unless otherwise adjourned to a specific date, time and place.</p>
Chairman of Meeting	<p>196.</p> <p>The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes</p>

Title of Article	Article Number and contents
	<p>after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.</p>
Question at Board meeting how decided	<p>197.</p> <p>Subject to the provisions of Section 316, 372A and 386 of the Act, questions arising at any meeting of the Board shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.</p>
Powers of Board meeting	<p>198.</p> <p>A meeting of the Board of Directors 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 for the time being of the Company which are vested in or exercisable by the Board of Directors generally.</p>
Directors may appoint Committee	<p>199.</p> <p>The Board of Directors may subject to the provisions of Section 292 and other relevant provisions of the Act, and of these Articles delegate any of the powers other than the powers to make calls and to issue debentures to such Committee or Committees and may from time to time revoke and discharge any such Committee of the Board, either wholly or in part and either as to the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation(s) that may from time to time be imposed on it by the Board of Directors. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect, as if done by the Board.</p>
Meeting of the Committee how to be governed	<p>200.</p> <p>The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding article. Quorum for the Committee meetings shall be two.</p>
Circular resolution	<p>201.</p> <p>(1) A resolution passed by circulation without a meeting of the Board or a Committee of the Board appointed under Article 201 shall subject to the provisions of sub-clause (2) hereof and the Act, be as valid and effectual as the resolution duly passed at a meeting of Directors or of a Committee duly called and held.</p> <p>(2) A resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation if the resolution has been circulated in draft together with necessary papers if any to all the Directors, or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee and has been approved by such of the Directors or members of the Committee, as are then in India, or by a majority of such of them as are entitled to vote on the resolution.</p>
	<p>202.</p>

<b>Title of Article</b>	<b>Article Number and contents</b>
Acts of Board or Committee valid notwithstanding defect in appointment	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 one or more of such Directors or any person acting as aforesaid; or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provision 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; provided nothing in the Article shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have terminated.

## **POWERS OF THE BOARD**

<b>Title of Article</b>	<b>Article Number and contents</b>
General powers of management vested in the Board of Directors	<p>203.</p> <p>The Board may exercise all such powers of the Company and do all such acts and things as are not, by the Act, or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid Articles, as may be prescribed by the Company in General Meeting but no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.</p> <p>Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <p>(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;</p> <p>(b) remit, or give time for the repayment of, any debt due by a Director,</p> <p>(c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition or any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;</p> <p>(d) borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose;</p> <p>(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed 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 is greater, provided that the Company in the General Meeting or the Board of Directors shall not contribute any amount to any political party or for any political purposes to any individual or body;</p>

Title of Article	Article Number and contents
	<p>(i) Provided that in respect of the matter referred to in clause (d) and clause (e) such consent shall be obtained by a resolution of the Company which shall specify the total amount upto which moneys may be borrowed by the Board under clause (d) of as the case may be total amount which may be contributed to charitable or other funds in a financial year under clause (e)</p> <p>(ii) Provided further that the expression “temporary loans” in clause (d) above shall mean loans repayable on demand or within six months from the date of the loan such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.</p>
<p>Certain powers to be exercised by the Board only at Meetings</p>	<p>204.</p> <p>(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;</p> <p>(a) the power to make calls, on shareholders in respect of money unpaid on their Shares,</p> <p>(b) the power to issue Debentures,</p> <p>(c) the power to borrow moneys otherwise than on Debentures,</p> <p>(d) the power to invest the funds of the Company, and</p> <p>(e) the power to make loans</p> <p>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:</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
<p>Certain powers of the Board</p>	<p>205.</p> <p>Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, but subject to the restrictions contained in the last preceding Article, it is hereby declared that the Directors shall have the following powers, that is to say, power:</p> <p>(a) To pay the cost, charges and expenses preliminary and incidental to the promotion,</p>

Title of Article	Article Number and contents
	formation, establishment and registration of the Company.
	(b) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
	(c) Subject to Section 292 and 297 and other provisions applicable of the Act to purchase or otherwise acquire for the Company any property, right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.
	(d) At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in share, bonds, debentures, mortgages, or otherwise securities of the Company, and any such Shares may be issued either as fully paid-up or with such amount credited as paid-up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
	(e) To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
	(f) To accept from any Member, as far as may be permissible by law to a surrender of his Shares or any part thereof, on such terms and conditions as shall be agreed.
	(g) To appoint any person to accept and hold in trust for the Company any property belonging to the Company, 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 trust, and to provide for the remuneration of such trustee or trustees.
	(h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon either according to Indian law or according to foreign law and either in India or abroad and to observe and perform or challenge any award made thereon.
	(i) To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.
	(j) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
	(k) Subject to the provisions of Sections 291, 292, 295, 370,372 and all other applicable provisions of the Act, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being Shares of this Company), or without security and in such manner as they may think fit and from time to time vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
	(l) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or

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	<p>surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.</p> <p>(m) To open bank account and 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 purpose.</p> <p>(n) 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 the working expenses of the Company.</p> <p>(o) To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwelling or chawls, or by grants of moneys, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing, to provide other associations, institutions, funds or trusts and by providing or subscribing or contributing towards place of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit and subject to the provision of Section 293(1)(e) of the Act, to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or object which shall have any moral or other claim to support or aid by the Company, either by reason of locality of operation, or of the public and general utility or otherwise.</p> <p>(p) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as reserve fund or any special fund to meet contingencies or to repay redeemable preference shares or debentures or debenture stock, or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purpose referred to in the preceding clause), as the Board may in their absolute discretion, think conducive to the interest of the Company and subject to Section 292 of the Act, to invest several sums so set aside or so much thereof as required to be invested, upon such investments (other than Shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any such part thereof for the benefit of the Company, in such a manner and for such purposes as the Board in their absolute discretion, think conducive to the interest of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof or upon which the capital moneys of the Company might rightly be applied or expended; and to divide the general reserve or reserve fund into such special funds as the Board may think fit with full power to transfer the whole or any portion of reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of redeemable preference shares or debentures or debenture stock, and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds interest at such rate as the Board may think proper.</p> <p>(q) To appoint, and at their discretion, remove or suspend, such general managers, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisors, research workers, labourers, clerks, agents and servants for</p>



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	<p>permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amount as they may think fit. And also from time to time to provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think and the provisions contained in the four next following sub-clauses shall be without prejudice to the general conferred by this sub-clause.</p> <p>(r) To appoint or authorize appointment of officers, clerks and servants for permanent or temporary or special services as the Board may from time to time think fit and to determine their powers and duties and to fix their salaries and emoluments and to require securities in such instances and of such amounts as the Board may think fit and to remove or suspend any such officers, clerks and servants. Provided further that the Board may delegate matters relating to allocation of duties, functions, reporting etc. of such persons to the Managing Director or Manager.</p> <p>(s) From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.</p> <p>(t) Subject to Section 292 of the Act, from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow money, and to authorise the members for the time being of any such local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such terms and subject to such conditions as the Board may think fit, and Board may at any time remove any person so appointed, and may annul or vary any such delegation.</p> <p>(u) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or person to be the Attorney or Attorneys of the Company, for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and subject to the provisions of Section 292 of the Act) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of any company, or the shareholders, directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers authorities and discretions for the time being vested in them.</p> <p>(v) Subject to Sections 294 and 297 and other applicable provisions of the Act, for or in relation to any of the matters aforesaid or, otherwise for the purposes of the Company to enter into all such 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.</p> <p>(w) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.</p> <p>(x) To purchase or otherwise acquire any land, buildings, machinery, premises,</p>

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	<p>hereditaments, property, effects, assets, rights, credits, royalties, business and goodwill of any joint stock company carrying on the business which the Company is authorized to carry on in any part of India.</p>
	<p>(y) To purchase, take on lease, for any term or terms of years, or otherwise acquire any factories or any land or lands, with or without buildings and out-houses thereon, situated in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit. And in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory.</p>
	<p>(z) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings, machinery, goods, stores, produce and other movable property of the Company, either separately or co jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported-by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.</p>
	<p>(aa) To purchase or otherwise acquire or obtain license for the use of and to sell, exchange or grant license for the use of any trade mark, patent, invention or technical know-how.</p>
	<p>(ab) To sell from time to time any articles, materials, machinery, plants, stores and other articles and thing belonging to the Company as the Board may think proper and to manufacture, prepare and sell waste and by-products.</p>
	<p>(ac) From time to time to extend the business and undertaking of the Company by adding, altering or enlarging all or any of the buildings, factories, workshops, premises, plant and machinery, for the time being the property of or in the possession of the Company, or by erecting new or additional buildings, and to expend such sum of money for the purpose aforesaid or any of them as they be thought necessary or expedient.</p>
	<p>(ad) To undertake on behalf of the Company any payment of rents and the performance of the covenants, conditions and agreements contained in or reserved by any lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions, and otherwise to acquire on free hold sample of all or any of the lands of the Company for the time being held under lease or for an estate less than freehold estate.</p>
	<p>(ae) To improve, manage, develop, exchange, lease, sell, resell and re-purchase, dispose off, deal or otherwise turn to account, any property (movable or immovable) or any rights or privileges belonging to or at the disposal of the Company or in which the Company is interested.</p>
	<p>(af) To let, sell or otherwise dispose of subject to the provisions of Section 293 of the Act and of the other Articles any property of the Company, either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as it thinks fit and to accept payment in satisfaction for the same in cash or otherwise as it thinks fit.</p>
	<p>(ag) Generally subject to the provisions of the Act and these Articles, to delegate the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p>
	<p>(ah) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.</p>

## MANAGEMENT

Title of Article	Article Number and contents
	206.
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.

## MINUTES

Title of Article	Article Number and contents
	207.
Minutes to be made	(1) The Company shall cause minutes of all proceedings of General Meeting and of all proceedings of every meeting of the Board of Directors or every Committee thereof within thirty days of the conclusion of every such meeting concerned by making entries thereof in books kept for that purpose with their pages consecutively numbered.  (2) Each page of every such books 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:  (a) in the case of minutes of proceedings of a meeting of Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.  (b) in the case of minutes of proceeding of the General Meeting, by the Chairman of the said 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.
	208.
Minutes to be evidence of the proceeds  Books of minutes of General Meeting to be kept	(1) The minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board or every Committee kept in accordance with the provisions of Section 193 of the Act shall be evidence of the proceedings recorded therein.  (2) The books containing the aforesaid minutes shall be kept at the Registered Office of the Company and be open to the inspection of any Member without charge as provided in Section 196 of the Act and any Member shall be furnished with a copy of any minutes in accordance with the terms of that Section.
	209.
Presumptions	Where the minutes of the proceedings of any General Meeting of the Company or of any meeting of the Board or of a Committee of Directors have been kept in accordance with the provisions of Section 193 of the Act, until the contrary is proved, the meeting shall be deemed to have been duly called and held, all proceedings thereat to have been duly taken place and in particular all appointments of Directors or Liquidators made at the meeting shall be deemed to be valid.

## THE SECRETARY

<b>Title of Article</b>	<b>Article Number and contents</b>
Secretary	<p>210.</p> <p>The Directors may from time to time appoint, and at their discretion, remove any individual, (hereinafter called “the Secretary”) to perform any functions, 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 Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies (Appointment and Qualifications of Secretary) Rules, 1988.</p>

## **THE SEAL**

<b>Title of Article</b>	<b>Article Number and contents</b>
The Seal, its custody and use	<p>211.</p> <p>(1) Seal</p> <p>The Board 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.</p> <p>(2) Common Seal for use outside India</p> <p>The Board may for the purpose of use of the Common Seal outside India, cause a facsimile of the Common Seal to be made and authorize the use of it in the manner provided under Section 50 of the Companies Act, 1956</p> <p>(3) Safe Custody of Seal</p> <p>The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the Company.</p> <p>(4) Affixing of Seal on deeds and instruments’</p> <p>On every deed or instrument on which the Common Seal of the Company is required to be affixed, the Seal be affixed in the presence of a Director or a Secretary or any other person or persons Authorised in this behalf by the Board, who shall sign every such deed or instrument to which the Seal shall be affixed.</p> <p>(5) Affixing of Seal on Share Certificates</p> <p>Notwithstanding anything contained in Clause (d) above, the Seal on Share Certificates shall be affixed in the presence of such persons as are Authorised from time to time to sign the Share Certificates in accordance with the provisions of the Companies (Issue of Share Certificates) Rules in force for the time being.</p> <p>(6) Removal of Common Seal outside the office premises</p> <p>The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office inside or outside for affixture and for return to safe custody to the Registered Office.</p>

## **DIVIDENDS AND CAPITALISATION OF RESERVES**

Title of Article	Article Number and contents
Division of profits	<p>212.</p> <p>(1) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if and 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.</p> <p>(2) 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.</p>
The Company at General Meeting may declare dividend	<p>213.</p> <p>The Company in General Meeting may declare dividends, to be paid to Members according to their respective rights and interest in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 207 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.</p>
Dividends out of profits only	<p>214.</p> <p>No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.</p>
Interim dividend	<p>215.</p> <p>The Board of Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.</p>
Debts may be deducted	<p>216.</p> <p>(1) The Directors may retain any dividends 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 the lien exists.</p> <p>(2) The Board of Directors may retain the dividend payable upon Shares in respect of which any person is, under the Transmission Article, entitled to become a Member or which any person under that Article is entitled to transfer until such person shall become a Member or shall duly transfer the same.</p>
Capital paid-up in advance to carry interest, not the right to earn dividend	<p>217.</p> <p>Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.</p>
Dividends in proportion to amounts paid-up	<p>218.</p> <p>All dividends shall be apportioned and paid proportionately 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 provided that it shall rank for dividends as from a particular date such Share shall rank for dividend accordingly.</p>

Title of Article	Article Number and contents
No Member to receive dividend while indebted to the Company and the Company's right in respect thereof	<p>219.</p> <p>No Member shall be entitled to receive payment of any interest or dividend or bonus in respect of his Share or Shares, whilst any money may be due or owing from him to the Company in respect of such Share or Shares (or otherwise however either alone or jointly with any other person or persons) and the Board of Directors may deduct from the interest or dividend to any Member all such sums of money so due from him to the Company.</p>
Effect of transfer of Shares	<p>220.</p> <p>A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.</p>
Dividend to joint holders	<p>221.</p> <p>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.</p>
Dividend how remitted	<p>222.</p> <p>The dividend payable in cash may be paid by cheque or warrant sent through post or by any other mode as may be permissible under the act from time to time directly to registered address of the shareholder entitled to the payment of the dividend or in case of joint holders to the registered address of that one of the joint holders who is first named on the Register of Members or to such person and to such address as the holder or joint holders may in writing direct. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transit or for any dividend lost, to the Member or person entitled thereto by forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.</p>
Notice of dividend	<p>223.</p> <p>Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Share in the manner herein provided.</p>
Reserves	<p>224.</p> <p>The Directors may, before recommending or declaring any dividend set aside out of the profits of the Company such sums as they think proper as reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies or for any other purposes to which the profits of the Company may be properly applied and pending such application, may at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Directors may from time to time think fit.</p>
Dividend to be paid within time required by law.	<p>225.</p> <p>The Company shall pay the dividend, or send the warrant in respect thereof to the shareholders entitled to the payment of dividend, within such time as may be required by law from the date of the declaration unless:-</p> <p>(1) where the dividend could not be paid by reason of the operation on any law; or</p>

Title of Article	Article Number and contents
	<p>(2) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or</p> <p>(3) where there is dispute regarding the right to receive the dividend; or</p> <p>(4) where the dividend has been lawfully adjusted by the Company against any sum due to it from shareholder; or</p> <p>(5) where 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.</p>
Unpaid or unclaimed dividend	<p>226.</p> <p>(1) Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called “Unpaid Dividend of MITCON Consultancy &amp; Engineering Services Limited”.</p> <p>(2) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Investor Education and protection Fund established the Central Government. A claim to any money so transferred to the above fund may be preferred to the Central Government/Committee appointed by the Central Government by the shareholders to whom the money is due.</p> <p>(3) No unclaimed or unpaid dividend shall be forfeited by the Board.</p>
Set-off of calls against dividends	<p>227.</p> <p>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.</p>
Dividends in cash	<p>228.</p> <p>No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalisation 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.</p>
Capitalisation	<p>229.</p> <p>(1)The Company in General Meeting may, upon the recommendation of the Board, resolve:</p> <p>(a) That is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the Members who would have been entitled thereto, if distributed by way of</p>

Title of Article	Article Number and contents
	<p>dividend and in the same proportion.</p> <p>(2) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provisions contained in clause (3) either in or towards;</p> <p>(a) paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</p> <p>(b) paying up in full unissued Shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst Members in the proportion aforesaid, or</p> <p>(c) partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</p> <p>(3) A security premium account and capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus shares.</p>
Board to give effect	<p>230.</p> <p>The Board shall give effect to the resolution passed by the Company in pursuance of above Article.</p>
Fractional certificates	<p>231.</p> <p>(1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby and all allotments and issues of fully paid Shares and</p> <p>(b) Generally do all acts and things required to give effect thereto.</p> <p>(2)The Board shall have full power:</p> <p>(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</p> <p>(b) to authorise 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 capitalisation 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.</p> <p>(3) Any agreement made under such authority shall be effective and binding on all such Members.</p> <p>(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.</p>

## ACCOUNTS



Title of Article	Article Number and Contents
Books to be kept	<p>232.</p> <p>(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:</p> <p>(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place</p> <p>(b) all sales and purchases of goods by the Company</p> <p>(c) the assets and liabilities of the Company and</p> <p>(d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost as may be prescribed by the Government</p> <p>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.</p> <p>(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.</p>
Inspection by Members	<p>233.</p> <p>No Members (not being a Director) shall have any right of inspecting any account books or documents of the Company except as allowed by law or authorised by the Board.</p>
Statements of accounts to be furnished to General Meeting	<p>234.</p> <p>The Board of Directors shall from time to time in accordance with Sections 210, 211, 212, 216 and 217 of the Act, cause to be prepared and laid before each Annual General Meeting a profit and loss account/statement of profit and loss for the financial year of the Company and a balance sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the Meeting by more than six months or such extended period as shall have been granted by the Registrar under the provisions of the Act.</p>
Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219	<p>235.</p> <p>(1) The Company shall comply with the requirements of Section 219 of the Act.</p> <p>(2) The copies of every balance sheet including the Profit &amp; Loss Account/statement of profit and loss, 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 of 21 days before the Annual General Meeting. The Company shall also display the full text of all such documents on the Company's website in such a way that these documents can be accessed easily and quickly during such period as per the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), SEBI,</p>

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	<p>the stock exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with stock exchanges, from time to time.</p>
	<p>(3) The Company shall issue advertisements in prominent newspapers in both vernacular and English at least 21 (twenty one) days before the Annual General Meeting stating that the copies of the aforementioned documents are available for inspection on the Company's website and the Registered Office of the Company.</p>
	<p>(4) 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 (in the modes specified in section 53 of the Act or through electronic means) 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. If a Member requests for a physical copy of these documents, the same shall be sent by the Company, by post, to such Member, without any cost to the Member.</p>
Accounts to be audited	<p>236.</p> <p>Once at least in every year the accounts of the Company shall be examined, balanced and audited and the correctness of the profit and loss Account and the balance sheet ascertained by one or more Auditor or Auditors.</p>
Appointment of Auditors	<p>237.</p> <p>(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.</p> <p>(2) 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.</p> <p>(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:</p> <p>(a) he is not qualified for re-appointment;</p> <p>(b) he has given to the Company notice in writing of his unwillingness to be re-appointed;</p> <p>(c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or</p> <p>(d) 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.</p> <p>(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.</p> <p>(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.</p>

Title of Article	Article Number and Contents
	<p>(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 Auditor, the vacancy shall only be filled by the Company in General Meeting.</p> <p>(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 to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof, to the Members 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.</p>
Accounts when audited and approved to be conclusive except as to errors discovered within 3 months	<p>238.</p> <p>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.</p>
<b>DOCUMENTS AND NOTICES</b>	
Title of Article	Article Number and Contents
To whom documents must be served or given	<p>239.</p> <p>Document or notice of every Meeting shall be served or given on or to (a) every Member (b) every person entitled to a Share in consequence of the death or insolvency of a Member and (c) the Auditor or Auditors for the time being of the Company, PROVIDED that when the notice of the Meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 109, a statement of material facts referred to in Article 100 need not be annexed to the notice, as is required by that Article, but it shall merely be mentioned in the advertisement that the statement has been forwarded to the Members of the Company.</p>
Information to be furnished by the Members	<p>239A.</p> <p>In order to facilitate the service of notice or documents to the Members in the electronic mode, the Company shall obtain the electronic mail addresses and other relevant information from its Members. The Company shall update its records once in every three (3) months. The Members shall keep the Company informed of any changes to this information mentioned in the records of the Company or the Depository, within 15 (fifteen) days of such change.</p>
Members bound by documents or notices served on or given to previous holders	<p>240.</p> <p>Every person, who by operation of law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which prior to his name and address being entered in the Register of Members shall have been duly served on or given to the person from whom he derived, his title to such Share.</p>

Title of Article	Article Number and Contents
Service of documents on the Company	<p>241.</p> <p>A document may be served on the Company or an officer thereof by sending it to the Company or officer at the Registered Office of the Company by registered post or by electronic mode or by leaving it at its Registered Office.</p>
Authentication of documents and proceedings	<p>242.</p> <p>Save as otherwise expressly provided in the Act, a document or proceedings requiring authentication by the Company may be signed by a Director, the Managing Director, or the Secretary or other authorised officer of the Company and need not be under the Seal of the Company.</p>

## REGISTERS AND DOCUMENTS

Title of Article	Article Number and Contents
Registers and documents to be maintained by the Company	<p>243.</p> <p>The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:</p> <ul style="list-style-type: none"> <li>(a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act</li> <li>(b) 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.</li> <li>(c) Register and index of Members and debenture holders as required by Sections 150, 151 and 152 of the Act.</li> <li>(d) Foreign register, if so thought fit, as required by Section 157 of the Act</li> <li>(e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.</li> <li>(f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.</li> <li>(g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.</li> <li>(h) Register of investments made by the Company in Shares and Debentures of the bodies corporate in the same group as required by Section 372(2) of the Act.</li> <li>(i) 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.</li> <li>(j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.</li> </ul>
Inspection of Registers	<p>244.</p> <p>The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all</p>

Title of Article	Article Number and Contents
	<p>proceedings of General Meetings shall be open to inspection and extracts may be taken therefrom 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.</p>
<b>WINDING UP</b>	
Title of Article	Article Number and Contents
Distribution of assets	<p>245.</p> <p>If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the Shares held by them respectively, and if in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the Shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.</p>
Distribution in specie or kind	<p>246.</p> <p>(1) 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.</p> <p>(2) 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.</p> <p>(3) 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.</p>
Right of shareholders in case of sale	<p>247.</p> <p>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</p>

<b>Title of Article</b>	<b>Article Number and Contents</b>
	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.
Directors and others right to indemnity	<p>248.</p> <p>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 expenses, 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.</p>
Director, officer not responsible for acts of others	<p>249.</p> <p>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.</p>

## SECRECY CLAUSE

<b>Title of Article</b>	<b>Article Number and Contents</b>
Secrecy Clause	<p>250.</p> <p>Every Director/Manager, Auditor, treasurer, trustee, member of a committee, officer, servant, agent, accountant or any other person-employed in the business of the Company shall, if so required by the Director, before entering upon his duties, sign a declaration pledging himself, to observe a strict secrecy respecting all transactions and affairs of the Company with the Company customers and the state of the accounts with individuals and in matter thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.</p>
No Member to enter	<p>251.</p>

Title of Article	Article Number and Contents
the premises of the Company without permission	No Member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Board of Directors or Managing Director, or to inquire discovery of or any information respecting any details 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 relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

## **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 entered into more than two years before the date of this Prospectus) which are or may be deemed material have been entered into or to be entered into by our Company. These contracts and the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10.00 am to 4.00 pm on Working Days from the date of this Prospectus until the Issue Closing Date.

#### **A. Material Contracts to the Issue**

1. Issue Agreement dated September 10, 2013 between our Company and the Lead Managers.
2. Memorandum of Understanding dated August 30, 2013 between our Company and Link Intime India Private Limited as the Registrar to the Issue.
3. Escrow Agreement dated September 16, 2013 between our Company, Lead Manager and the Escrow Collection Banks.
4. Underwriting Agreement dated October 7, 2013 between our Company and the Lead Managers.
5. Copy of Tripartite agreement dated April 18, 2013 entered in to between our Company, CDSL and the Registrar to the Issue.
6. Copy of Tripartite agreement dated May 2, 2013 entered in to between our Company, NSDL and the Registrar to the Issue.

#### **B. Material Documents**

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation of our Company dated April 16, 1982.
3. Certificate of Commencement of Business dated December 4, 1982.
4. Fresh Certificate of Incorporation Consequent upon Change of Name dated September 7, 2000.
5. Fresh Certificate of Incorporation Consequent upon Change of Name dated October 15, 2010.
6. Copies of the Board and shareholders resolutions authorizing the Issue.
7. Copies of annual reports of our Company for the Financial Years ending on March 31, 2013, 2012, 2011, 2010 and 2009.
8. Consents of Auditors, Bankers to our Company, Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor to the Issue, Directors of our Company, Underwriter to the Issue, Market Maker, Company Secretary and Compliance Officer, as referred to, in their respective capacities.
9. Due Diligence certificate dated October 7, 2013 to SEBI from the Lead Managers.
10. The Report of M/s. Joshi & Sahney, Chartered Accountants, the statutory Auditors of our Company, dated October 7, 2013 prepared as per Indian GAAP and mentioned in this Prospectus together with copies of the balance sheet and statement of profit and loss of our Company referred to therein.



11. The statement of tax benefits dated July 12, 2013 of M/s. Joshi & Sahney, Chartered Accountants.
12. IPO grading report by CRISIL Limited along with their rationale dated September 16, 2013.
13. Consent of CRISIL Limited dated September 23, 2013 for the inclusion of its grading of the Issue in this Prospectus.
14. Copy of certificate dated October 6, 2013 issued by M/s. Joshi & Sahney, Chartered Accountants regarding sources and deployment of funds.
15. Copies of the agreements dated June 30, 1995, July 1, 2000, July 1, 2005, July 25, 2008, September 19, 2011 and May 16, 2013 entered into between our Company and our Managing Director regarding his terms and conditions of appointment as Managing Director.
16. Undertakings by our Company.
17. In-principle approval dated September 16, 2013 from the NSE for listing of the securities.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at anytime 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.

## DECLARATIONS

We, the Directors of MITCON Consultancy & Engineering Services Limited, hereby declare and certify that all relevant provisions of the Companies Act and the guidelines issued by the Government of India or the regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, the SEBI Act, or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Prospectus are true and correct.

Signed by all the Directors of our Company

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**Mr. Anand Kusre**  
(Chairman)

---

**Dr. Pradeep Bavadekar**  
(Managing Director)

---

**Mr. Omprakash Bundellu**  
(Independent Director)

---

**Mr. Ashok Dagadu Mahajan**  
(Independent Director)

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**Mr. Surajit Roy**  
(Independent Director)

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**Mr. Harkesh Mittal**  
(Independent Director)

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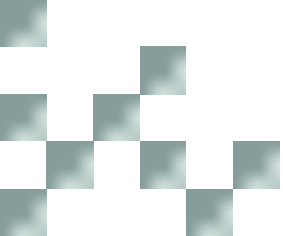
**Mr. Ram Mapari**  
(Controller of Finance)

---

**Mr. Madhav Oak**  
(Company Secretary and Compliance Officer)

Date:

Place:



September 2013

# CRISIL SME Fundamental Grading

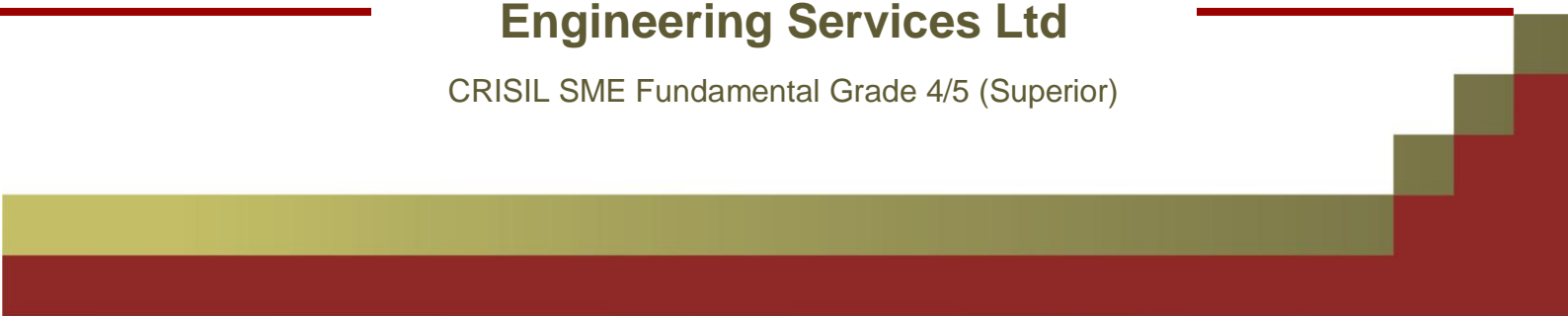


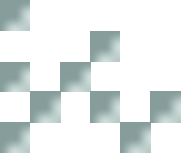
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**MITCON Consultancy and  
Engineering Services Ltd**

CRISIL SME Fundamental Grade 4/5 (Superior)

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## CRISIL SME fundamental grading scale

The CRISIL SME fundamental grade reflects the fundamentals of the company as compared to other SMEs in India.

CRISIL SME Fundamental Grade	Assessment
SME 5/5	Excellent fundamentals
SME 4/5	Superior fundamentals
SME 3/5	Good fundamentals
SME 2/5	Moderate fundamentals
SME 1/5	Poor fundamentals

## About CRISIL Limited

CRISIL is a global analytical company providing ratings, research, and risk and policy advisory services. We are India's leading ratings agency. We are also the foremost provider of high-end research to the world's largest banks and leading corporations.

## About CRISIL Research

CRISIL Research is India's largest independent and integrated research house. We provide insights, opinions, and analysis on the Indian economy, industries, capital markets and companies. We are India's most credible provider of economy and industry research. Our industry research covers 70 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our network of more than 4,500 primary sources, including industry experts, industry associations, and trade channels. We play a key role in India's fixed income markets. We are India's largest provider of valuations of fixed income securities, serving the mutual fund, insurance, and banking industries. We are the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries. We pioneered independent equity research in India, and are today India's largest independent equity research house. Our defining trait is the ability to convert information and data into expert judgements and forecasts with complete objectivity. We leverage our deep understanding of the macroeconomy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. We deliver our research through an innovative web-based research platform. Our talent pool comprises economists, sector experts, company analysts, and information management specialists.

## CRISIL Privacy

CRISIL respects your privacy. We use your contact information, such as your name, address, and email id, to fulfil your request and service your account and to provide you with additional information from CRISIL and other parts of McGraw Hill Financial you may find of interest.

For further information, or to let us know your preferences with respect to receiving marketing materials, please visit [www.crisil.com/privacy](http://www.crisil.com/privacy). You can view McGraw Hill Financial's Customer Privacy Policy at <http://www.mhfi.com/privacy>.

**Last updated: May, 2013**

## Disclaimer:

This report has been sponsored by the National Stock Exchange of India Ltd. A CRISIL SME Fundamental Grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue. A CRISIL SME Fundamental Grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL SME Fundamental Grade is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL SME Fundamental Grade is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the issuer / users / distributors of CRISIL SME Fundamental Grading. For more information please contact 'Client Servicing' at +91-22-33423561, or via e-mail: [clientservicing@crisil.com](mailto:clientservicing@crisil.com).

### Grading summary

CRISIL has assigned a CRISIL SME fundamental grade of 'SME 4/5' (pronounced 'SME four on five') to the proposed IPO of MITCON Consultancy and Engineering Services Ltd (MITCON). This SME fundamental grade indicates that the fundamentals of the company are superior compared to other SMEs in India.

#### Key strengths

- MITCON has a strong foothold in the technical consultancy market. Over the past three decades, the company has expanded its offerings to cover a range of technical consultancy and engineering services.
- The company caters to a number of industries including power, energy, environment, BFSI, market research, infrastructure, bio-technology and pharmaceuticals. The multi-industry exposure lowers its dependence on any single industry and mitigates the risk of slowdown in any particular industry/market. For example – the contribution of the power generation industry to total revenues of the consultancy business declined from 36.9% in FY10 to 20.7% in FY13.
- MITCON has a strong clientele including prominent government institutions (Tamil Nadu Electricity Board, National Institute for Micro, Small & Medium Enterprises, and Bureau of Energy Efficiency), and private organisations (Hindustan Petroleum, Bharat Forge, GSPC Pipavav and VRL Logistics).
  - By successfully expanding its client base, the company has been able to lower its client concentration. The contribution of the top 10 clients of the consulting business has decreased to 29.6% of total consulting revenues in FY13 compared to 44.6% in FY11. Moreover, no single client contributed to more than 12% of the total revenues in FY13.
- The company's planned expansion in other major cities across the country is expected to (i) open up new growth opportunities, (ii) reduce the risk of geographic concentration and (iii) further widen the client and revenue base.
- MITCON has a strong board comprising reputed personalities from banking, education and government sectors, which has helped the company to establish strong corporate governance practices. It also has a strong senior management team with several years of experience and domain expertise in the consulting industry.

#### Key challenges

- On account of muted economic growth and slowdown in investment spending, MITCON's consulting business has been under pressure for the past two years. Revenues from this segment witnessed a tepid CAGR of 5.7% between FY10 and FY13, compared to 35.1% between FY08 and FY10. If investment activity fails to pick up, demand for its consulting services - particularly power generation, energy and infrastructure related - may remain subdued in the near future.
- Owing to an increase in debtor days, the company's working capital was stretched in FY13. Due to a challenging business environment, some of MITCON clients were unable to pay their dues on time, which led to an increase in debtor days to 130 in FY13 from 89 in FY12. This, coupled with a decline in creditor days, resulted in an increase in working capital days to 113 days in FY13 from 54 days in FY12.
- We believe the management's decision to downsize the vocational training business can put pressure on revenue growth in the near term. However, as this is a low-margin business compared to consulting, the company is likely to be able to improve its margins in the long run by scaling down the training business.

#### Key financials

- MITCON's operating income grew at a CAGR of 27.1% over FY08-12 to ₹538 mn led by strong growth across all the four segments – consulting, vocational training, IT training and laboratories. However, revenues declined by 13.3% to ₹467 mn in FY13 owing mainly to slowdown in investment spending activity in the economy.

- EBITDA grew at a five-year CAGR of 17.1% to ₹136 mn in FY13. EBITDA margin declined marginally to 29.0% in FY13 from 29.9% in FY08 owing to the high costs associated with the vocational training business.
- Profit after tax increased at a five-year CAGR of 21% to ₹99 mn in FY13. MITCON recorded an average PAT margin of 18.4% over FY08-13.
- Over the past five years, MITCON reported healthy RoE of 25.4% on average. RoE declined to 18% in FY13 from 31.2% in FY11 owing to a marginal drop in PAT margin and decline in revenues (which, in turn, lowered the asset turnover).

### Company background

MITCON Consultancy & Engineering Services Ltd (MITCON) was established in 1982, promoted by leading commercial banks and financial institutes such as ICICI Bank, IDBI and IFCI; and state development corporations such as State Industrial & Investment Corporation of Maharashtra Ltd (SICOM), Maharashtra Industrial Development Corporation (MIDC), and Maharashtra Small Scale Industries Development Corporation (MSSIDC). From offering soft consultancy services such as draft report preparation initially, the company has gradually expanded its service offerings to become a technical consultancy and training services provider.

At present, the company provides consultancy, engineering, and vocational and entrepreneurship training services. Its consultancy services cover diverse areas such as decentralised power generation, carbon credit, energy conservation, industrial infrastructure, environment engineering, food processing, and market research.

The company is headquartered in Pune and has sales offices in Ahmedabad, Aurangabad, Chennai, Delhi, Mumbai and Nagpur. With a small presence outside Maharashtra, the company intends to expand to other Indian cities. MITCON is a IS/ISO 9001:2008 certified company.

**Table 1: Summary of business segments**

Business segment	Services provided	Industries covered	Financial performance	
			Share in overall revenue (FY13)	Five year CAGR (FY08-13)
<b>Consulting</b>	Offers a gamut of technical, financial and engineering services, including project management services, feasibility studies, energy audit, detailed project reports, project implementation, impact assessment, and infrastructure consulting services. Additionally, it provides a range of services to the BFSI sector.	Decentralised power generation, energy and carbon, environment management, infrastructure, and banking and finance.	57%	16.9%
<b>Vocational training</b>	Conducts entrepreneurship development programmes, agriculture-based training, and other vocational training services in Maharashtra.	NA	32%	21.6%
<b>IT training</b>	Provides basic IT courses, accounting software training, software programming courses, and corporate training courses.	NA	8%	11.8%
<b>Laboratories</b>	Market survey, business incubation, consulting, technical assistance and financial syndication services.	Biotechnology, pharmaceutical and food processing	2%	11.6%

Source: Company, CRISIL Research

## IPO Details

The proposed IPO is in the form of fresh issue of shares amounting to ₹250 mn. MITCON plans to spend most of this amount for acquiring property and equipment, and setting up offices in five cities (Ahmedabad, Bengaluru, Chennai, Hyderabad and New Delhi). It also plans to start two environment testing laboratories in Ahmedabad and Bengaluru.

**Table 2: Pre-IPO share holding pattern**

Name	No. of shares	Percentage
Promoter shareholding (A)	0	0.0
Institutional (B)	72,80,000	91.0
Individual shareholders (C)	7,20,000	9.0
Total (A+B+C)	80,00,000	100.00

Source: DRHP

**Table 3: Issue details**

Type of issue	Fresh issue
Issue size	₹250 mn of gross proceeds
Face value	₹10
Price band	Not available at the time of grading
Lead managers	IDBI Capital Market Services Ltd, Keynote Corporate Services Ltd
Legal advisors to the issue	Krishnamurthy & Co.
Registrar to the issue	Link Intime India Private Ltd

Source: DRHP

**Table 4: Objects of the issue**

Sl no.	Particulars	Amount to be deployed in FY14 (₹ mn)	Amount to be deployed in FY15 (₹ mn)	Total amount
1	Acquisition of property for setting up new offices in five cities and environment testing laboratories in two cities	161.4	-	161.4
2	Purchase of new office equipment for new offices	3.3	2.5	5.8
3	Purchase of furniture and carrying out interior designing for the new offices and laboratories	29.1	-	29.1
4	Purchase of equipment for environment testing laboratories	10.2	-	10.2
5	General corporate purposes	8.0	-	8.0
6	Issue-related expenses	35.6	-	35.6
	<b>Total</b>	<b>247.5</b>	<b>24.8</b>	<b>250.0</b>

Source: DRHP



## Grading Rationale

### *Business prospects*

- MITCON is an established player in the technical consultancy market, particularly in Maharashtra. It has expanded its bouquet of services over the past three decades and currently provides an array of consultancy and training services such as project feasibility studies, energy audit, project management and preparation of detail project reports, and IT and vocational training.
- Over the past three decades, the company has developed domain expertise in certain industries, particularly power generation, which has helped it gain a strong foothold in those industries. Currently, it provides a wide range of services to small power generation projects – project feasibility studies, assistance for getting approvals, detailed appraisal reports, financial syndication, pre-contract engineering services, and post-contract project management services.
- MITCON's clientele includes established names from the government and private sectors. Over the past three decades, the company has successfully reduced its client concentration, with no single client contributing more than 12% to revenues as of FY13 compared to 17.9% in FY11. As of June 30, 2013; the company had 352 clients.
- Demand for MITCON's consulting service is expected to be driven by (i) the company's diversified exposure to both matured (power generation, energy and BFSI) as well as emerging (bio-technology, food processing and environmental management) industries and (ii) its presence across major business hubs of the country (Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad and Mumbai).
- Most industries served by MITCON are estimated to grow over the next few years, which should translate into strong demand for the company's consulting business.
  - Demand for the company's power-related consulting service (which is the largest sub-segment of the consulting business) is expected to remain stable owing to steady growth in power demand. As per CRISIL Research's estimate, demand for power is forecast to log 6.2% CAGR over FY12-17 compared to 6.1% CAGR over FY08-12.
  - MITCON, along with other technical consultancy providers, is expected to benefit from increased infrastructure spending by the government over FY13-17. Average infrastructure spending by the government over FY13-17 is aimed at 9-10% of GDP, which is significantly higher than 7.5% achieved during the previous five-year period.
  - However, a weak economic scenario and muted investment spending activity may impede growth of some of these industries, which will in turn affect the demand for MITCON's consulting services.
- The company is much smaller in size compared to some of the other technical consultancies such as Engineers India Ltd, Feedback Ventures and Mott MacDonald India. This limits the ability of the company to acquire large ticket clients/projects.

### *Management and corporate governance*

- MITCON has an experienced senior management team with expertise in the consulting industry. The managing director (MD), Dr Pradeep Bavadekar, has 18 years of experience in management and technical consultancy, and over 15 years of experience in manufacturing, marketing and advertising of automotive components, plastic and chemical equipment. The senior vice presidents of power projects, Mr Sunil Natu, and controller of finance, Mr Ram Mapari, have nearly three decades of experience each.
- The company's board of directors consists of reputed personalities, which in our opinion is the major reason for the company to be well managed compared to other SMEs in the country. At present, the board comprises six directors - including the MD, four nominee directors and one independent director. The four largest shareholding



institutes – ICICI Bank, IFCI, SICOM and SIDBI – have one nominee director each on the board. The directors have vast experience in diverse industries such as banking, advisory, education, government and entrepreneurship.

- The company's management operates a trust, MITCON Foundation, in Pune. The company has had certain transactions with the trust in the past – including issuance of corporate guarantee and incurring expenses on behalf of the trust. Although the company is likely to recover its dues from the trust within the next three years, any such related party transaction in the future may be detrimental to minority shareholders.

### **Financial Performance**

- MITCON's revenues grew at a CAGR of 17.9% over FY08-13 to ₹467 mn driven by strong demand for the company's power, energy and carbon, and banking and finance related consulting services.
  - We expect the company's decision to downsize its vocational training business to impact its revenue stream in the near term. This segment accounted for 32% of the total revenues in FY13.
- The company has been able to maintain stable EBITDA margin between FY08 and FY13 despite challenging business conditions. While MITCON's EBITDA margin declined to 27.6% in FY12 from 29.9% in FY08 owing mainly to the high-cost structure of the vocational training business, it improved to 29% in FY13 following the downsizing of the vocational training business (a low-margin segment compared to consultancy).
- The company recorded an average PAT margin of 18.4% over FY08-13. PAT margin increased to 19.7% in FY13 from 17% in FY08 driven by improvement in EBITDA margin and increase in non-operating income.
- Due to a difficult business environment, some of MITCON's clients had to shelve their projects in FY13 and were unable to pay their dues to the company on time. As a result, its debtor days increased significantly to 130 in FY13 from 89 in FY12. This, coupled with a decrease in creditor days to 68 from 82 in FY12, stretched MITCON's working capital days to 113 in FY13 from 54 in FY12.

## Financial summary of MITCON

### Income statement

(₹ mn)	FY08	FY09	FY10	FY11	FY12	FY13
<b>Operating income</b>	<b>206</b>	<b>274</b>	<b>376</b>	<b>473</b>	<b>538</b>	<b>467</b>
<b>EBITDA</b>	<b>62</b>	<b>87</b>	<b>119</b>	<b>147</b>	<b>148</b>	<b>136</b>
<b>EBITDA margin</b>	<b>29.9%</b>	<b>31.9%</b>	<b>31.5%</b>	<b>31.1%</b>	<b>27.6%</b>	<b>29.0%</b>
Depreciation	5	9	9	9	21	15
<b>EBIT</b>	<b>57</b>	<b>79</b>	<b>109</b>	<b>138</b>	<b>128</b>	<b>120</b>
Interest	0	1	1	1	1	1
<b>Operating PBT</b>	<b>56</b>	<b>78</b>	<b>108</b>	<b>138</b>	<b>127</b>	<b>120</b>
Other income	1	4	4	5	9	13
Exceptional inc/(exp)	3	1	3	0	15	7
<b>PBT</b>	<b>61</b>	<b>83</b>	<b>116</b>	<b>143</b>	<b>151</b>	<b>139</b>
Tax provision	22	30	48	44	47	40
Minority interest	-	-	-	-	-	-
<b>PAT (Reported)</b>	<b>38</b>	<b>54</b>	<b>67</b>	<b>99</b>	<b>104</b>	<b>99</b>
Less: Exceptionals	3	1	3	0	15	7
<b>Adjusted PAT</b>	<b>35</b>	<b>53</b>	<b>64</b>	<b>99</b>	<b>89</b>	<b>92</b>

### Ratios

	FY08	FY09	FY10	FY11	FY12	FY13
<b>Growth</b>						
Operating income (%)	24.0	32.9	37.4	25.7	13.9	(13.3)
EBITDA (%)	34.1	41.8	35.8	24.0	1.0	(8.7)
Adj PAT (%)	29.5	50.4	21.5	54.1	(10.1)	3.8
Adj EPS (%)	(99.7)	50.4	21.5	54.1	(10.1)	3.8
<b>Profitability</b>						
EBITDA margin (%)	29.9	31.9	31.5	31.1	27.6	29.0
Adj PAT Margin (%)	17.0	19.3	17.1	20.9	16.5	19.7
RoE (%)	26.0	29.5	27.1	31.2	21.4	18.0
RoCE (%)	41.5	43.8	46.1	43.6	30.7	23.4
RoIC (%)	51.9	59.6	57.5	58.8	40.0	33.4
<b>Valuations</b>						
Price-earnings (x)	-	-	-	-	-	-
Price-book (x)	-	-	-	-	-	-
EV/EBITDA (x)	NM	NM	NM	NM	NM	NM
EV/Sales (x)	NM	NM	NM	NM	NM	NM
Dividend payout ratio (%)	3.3	2.8	2.6	2.5	2.4	2.5
Dividend yield (%)	-	-	-	-	-	-
<b>B/S ratios</b>						
Inventory days	-	-	-	-	3	5
Creditors days	164	149	157	114	82	68
Debtor days	74	71	89	73	89	130
Working capital days	(29)	(13)	0	17	54	113
Gross asset turnover (x)	1.9	1.9	2.2	2.2	2.2	1.9
Net asset turnover (x)	2.4	2.3	2.8	2.7	2.8	2.6
Sales/operating assets (x)	2.4	2.3	2.8	2.7	2.8	2.5
Current ratio (x)	1.7	2.3	2.2	2.7	3.8	5.9
Debt-equity (x)	0.0	0.0	0.0	-	-	-
Net debt/equity (x)	(0.4)	(0.5)	(0.5)	(0.4)	(0.4)	(0.4)
Interest coverage	118.4	133.7	87.4	258.4	148.1	226.6

### Balance Sheet

(₹ mn)	FY08	FY09	FY10	FY11	FY12	FY13
<b>Liabilities</b>						
Equity share capital	5	5	5	5	5	5
Reserves	148	199	264	360	460	555
Minorities	-	-	-	-	-	-
<b>Net worth</b>	<b>153</b>	<b>204</b>	<b>269</b>	<b>365</b>	<b>465</b>	<b>560</b>
Convertible debt	-	-	-	-	-	-
Other debt	1	1	0	-	-	-
<b>Total debt</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred tax liability (net)	9	16	30	28	26	22
<b>Total liabilities</b>	<b>163</b>	<b>221</b>	<b>299</b>	<b>394</b>	<b>491</b>	<b>582</b>
<b>Assets</b>						
Net fixed assets	118	116	155	198	185	180
Capital WIP	-	-	1	0	1	2
<b>Total fixed assets</b>	<b>118</b>	<b>116</b>	<b>156</b>	<b>198</b>	<b>187</b>	<b>182</b>
<b>Investments</b>	<b>-</b>	<b>5</b>	<b>5</b>	<b>9</b>	<b>21</b>	<b>29</b>
<b>Current assets</b>						
Inventory	-	-	-	-	3	3
Sundry debtors	42	52	90	94	130	165
Loans and advances	8	14	21	32	43	49
Cash & bank balance	62	100	122	141	165	178
Marketable securities	-	10	16	19	25	37
<b>Total current assets</b>	<b>112</b>	<b>176</b>	<b>250</b>	<b>287</b>	<b>367</b>	<b>432</b>
<b>Total current liabilities</b>	<b>66</b>	<b>76</b>	<b>111</b>	<b>105</b>	<b>97</b>	<b>73</b>
<b>Net current assets</b>	<b>45</b>	<b>100</b>	<b>139</b>	<b>182</b>	<b>270</b>	<b>359</b>
<b>Intangibles/Misc. expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>14</b>	<b>13</b>
<b>Total assets</b>	<b>163</b>	<b>221</b>	<b>299</b>	<b>394</b>	<b>491</b>	<b>582</b>

### Cash flow

(₹ mn)	FY08	FY09	FY10	FY11	FY12	FY13
Pre-tax profit	58	82	112	143	136	133
Total tax paid	(16)	(22)	(35)	(46)	(50)	(44)
Depreciation	5	9	9	9	21	15
Working capital changes	12	(7)	(10)	(21)	(58)	(64)
<b>Net cash from operations</b>	<b>59</b>	<b>62</b>	<b>77</b>	<b>85</b>	<b>49</b>	<b>40</b>
<b>Cash from investments</b>						
Capital expenditure	(66)	(7)	(49)	(56)	(19)	(10)
Investments and others	-	(15)	(6)	(8)	(18)	(19)
<b>Net cash from investments</b>	<b>(66)</b>	<b>(22)</b>	<b>(54)</b>	<b>(63)</b>	<b>(37)</b>	<b>(29)</b>
<b>Cash from financing</b>						
Equity raised/(repaid)	3	-	-	-	-	-
Debt raised/(repaid)	(0)	(1)	(0)	(0)	-	-
Dividend (incl. tax)	(1)	(2)	(2)	(3)	(3)	(3)
Others (incl extraordinary)	(0)	(0)	3	0	14	6
<b>Net cash from financing</b>	<b>1</b>	<b>(2)</b>	<b>0</b>	<b>(3)</b>	<b>11</b>	<b>3</b>
Change in cash position	(6)	38	23	19	23	13
Closing cash	62	100	122	141	165	178

### Per share

	FY08	FY09	FY10	FY11	FY12	FY13
Adj EPS (₹)	4.4	6.6	8.0	12.3	11.1	11.5
CEPS	5.0	7.7	9.2	13.5	13.7	13.4
Book value	19.1	25.5	33.6	45.6	58.2	70.0
Dividend (₹)	0.2	0.2	0.2	0.3	0.3	0.3
Actual o/s shares (mn)	8	8	8	8	8	8

**Note:** Per share data adjusted for share split of 1:10, and the subsequent 1:15 bonus shares issuance in June 2013

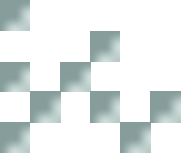
All figures have been reclassified as per CRISIL standards

Source: CRISIL Research

## Annexure I: Profile of the board of directors

Name	Age	Designation	Date of joining	Qualification	Role and experience
Dr. Pradeep Bavadekar	57	Managing Director	June 23, 1995	Ph.D. in marketing management	Has 33 years of experience in management and technical consultancy; and manufacturing, marketing and advertising in automotive components, plastic and chemical equipment. At present, he is the managing trustee of MITCON Foundation.
Mr Anand Trimbak Kusre	65	Chairman, Non-executive Director (nominee of ICICI bank)	June 07, 2002	M.Tech (Chem)	Has over 25 years of experience with ICICI Bank, including senior positions in project finance, operations and technology finance. Mr Kusre is associated with major science and technology initiatives launched by the Government of India and leading financial institutions. At present, he is a professor at Shailesh J Mehta School of Management, IIT Bombay.
Mr Omprakash Venkatswamy Bundellu	63	Non-executive Director (nominee of SIDBI)	March 26, 2010	Master's degree in Science and Master's degree in Financial Management	Has 36 years of commercial and development banking experience. Previously held the position of probationary officer with Indian Bank; and a number of managerial positions with IDBI bank, including whole-time director. At present, Mr Bundellu is the chairman of CARE Ratings and CARE Kalypto Risk, and director of Principal Mutual Fund and Laxmi Organic Industries.
Mr Ashok Dagadu Mahajan	57	Non-executive Director (nominee of SICOM Ltd)	September 24, 2007	Degree in financial management, degree in business management, Bachelor's degree in Chemical Engineering	Has over 30 years of experience. Currently, Mr Mahajan is working with SICOM Ltd as head-corporate advisory services. Previously worked as the production in-charge, Ilac (Calico) Chemicals.
Mr Surajit Roy	53	Non-executive Director (nominee of IFCI Ltd)	September 25, 2012	ISC, Master's degree in History	Currently serves as the MD of MPCON Ltd. Has held decision-making positions in a number of organisations, including chief of operations (Rajasthan) at Ansal API, chief operating officer at Delhi Integrated Multimodal Transit Systems Ltd (DIMTS) and executive vice president (operations) at DLF Ltd.
Mr Harkesh Mittal	NA	Non-Executive and Independent Director	June 6, 2008	Master's degree in Management, Bachelor's degree in Dairy Technology	Over two decades of experience with the Government of India. At present, Mr Mittal serves as the Secretary of the Technology Development Board, Government of India and Member Secretary, National Science and Technology Entrepreneurship Development Board of India.

Source: Company, CRISIL Research



## Annexure II: Profile of key management personnel

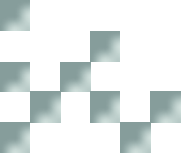
Name	Designation	Date of joining	Qualification	Total experience (years)
Dr Bavadekar	Managing Director	June 23, 1995	Ph.D. in marketing management	33
Mr Ram Mapari	Controller of Finance	August 23, 1988	B.Com.	28
Mr Vasant Todkar	Chief Manager-(MD's Secretariat) & Management Representative-ISO	January 8, 2007	B.A.	30
Mr Shailesh Borwankar	Chief Manager (Human Resources)	February 1, 2010	B. Sc. (Chemistry), DISM	18
Mr Madhav Oak	Company Secretary	February 14, 2013	B. Com., C.S., L. L. B.	6
Mr Sunil Natu	Senior Vice President, Power Division	October 5, 1984	B.E. (Mechanical)	32
Mr Dilip Kulkarni	Senior Vice President, Banking & Finance Division	September 7, 2006	B. Com.	38
Mr Chandrashekhar Bhosle	Senior Vice President, Training & Entrepreneurship Division	April 1, 2005	B. Sc. (Microbiology), National Trainers Course	25
Mr Sanjay Shevkar	Executive Vice President, Environment Engineering	April 16, 2010	M. Sc. (Environmental Science)	18
Mr Chandrashekhar Kulkarni	Assistant Vice President, Bio-pharma Division	July 26, 2007	M. Sc., D.C.A., PGDCR, IPPRA	13
Mr Deepak Zade	Senior Vice President, Energy & Carbon Services Division	May 3, 1999	M. Tech (Energy Management), B.E. (Mechanical)	13
Mr Parag Pawar	Executive Vice President, E-School	April 1, 2004	B. Sc., MBA (Personnel Management)	8
Mr Prasad Pawar	Assistant Vice President, Infrastructure Division	June 11, 2010	B. E. (Civil)	12
Mr S. Shankarraman	Senior Vice President, SAFE Division	April 1, 2010	B. Sc., L.L.B.	33
Mr Manish Kanojia	Executive Vice President-Corporate Business, Mumbai	October 3, 2012	B.Sc. (Chemistry), MBA (Marketing)	12

Source: Company, CRISIL Research

## Annexure III: Shareholding structure

Name of the institution/personnel	As on June 26, 2013	
	No. of shares	% holding
<b>Institutional shareholders</b>		
ICICI Bank Ltd	1,520,000	19
Small Industries Development Bank of India	1,000,000	12.5
IFCI Ltd	1,000,000	12.5
SICOM Ltd	800,000	10
Maharashtra Industrial Development Corporation	300,000	3.75
Maharashtra Small Scale Industries Development Corporation Ltd	160,000	2
Development Corporation of Konkan Ltd	80,000	1
Development Corporation of Vidarbha Ltd	80,000	1
Marathwada Development Corporation Ltd	120,000	1.5
Maharashtra Electronics Corporation Ltd	80,000	1
Maharashtra State Financial Corporation	300,000	3.75
EDC Ltd (previously known as Economic Development Corporation of Goa)	320,000	4
Bank of Maharashtra	280,000	3.5
State Bank of India	280,000	3.5
Bank of India	160,000	2
Central Bank of India	160,000	2
Dena Bank	160,000	2
Bank of Baroda	160,000	2
Union Bank of India	160,000	2
Canara Bank	160,000	2
<b>Total (A)</b>	<b>7,280,000</b>	<b>91.0</b>
<b>Individual shareholders</b>		
Dr. Pradeep Bavadekar	560,000	7
Mr S.C.Natu	60,000	0.75
Mr R.D.Mapari	40,000	0.5
Mr R.G.Tanawade	40,000	0.5
Mr D.M.Zade	20,000	0.25
<b>Total (B)</b>	<b>720,000</b>	<b>9.0</b>
<b>Total (A+B)</b>	<b>8,000,000</b>	<b>100.0</b>

Source: Company, CRISIL Research



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## **Our Capabilities**

### **Making Markets Function Better**

#### **Economy and Industry Research**

- Largest team of economy and industry research analysts in India
- Coverage on 70 industries and 139 sub-sectors; provide growth forecasts, profitability analysis, emerging trends, expected investments, industry structure and regulatory frameworks
- 90 per cent of India's commercial banks use our industry research for credit decisions
- Special coverage on key growth sectors including real estate, infrastructure, logistics, and financial services
- Inputs to India's leading corporates in market sizing, demand forecasting, and project feasibility
- Published the first India-focused report on Ultra High Net-worth Individuals
- All opinions and forecasts reviewed by a highly qualified panel with over 200 years of cumulative experience

#### **Funds and Fixed Income Research**

- Largest and most comprehensive database on India's debt market, covering more than 15,000 securities
- Largest provider of fixed income valuations in India
- Value more than ₹53 trillion (USD 960 billion) of Indian debt securities, comprising outstanding securities
- Sole provider of fixed income and hybrid indices to mutual funds and insurance companies; we maintain 12 standard indices and over 100 customised indices
- Ranking of Indian mutual fund schemes covering 70 per cent of assets under management and ₹4.7 trillion (USD 85 billion) by value
- Retained by India's Employees' Provident Fund Organisation, the world's largest retirement scheme covering over 60 million individuals, for selecting fund managers and monitoring their performance

#### **Equity and Company Research**

- Largest independent equity research house in India, focusing on small and mid-cap companies; coverage exceeds 125 companies
- Released company reports on 1,442 companies listed and traded on the National Stock Exchange; a global first for any stock exchange
- First research house to release exchange-commissioned equity research reports in India
- Assigned the first IPO grade in India

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