



## BHANDERI INFRACON LIMITED

Our Company was incorporated on July 19, 2004, as “Bilshwar Industrial Estate Developers Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The name of our Company was changed to “Bhanderi Infracon Private Limited” vide fresh Certificate of Incorporation dated February 26, 2013 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on March 05, 2013, the name of our Company was accordingly changed to “Bhanderi Infracon Limited” vide a fresh Certificate of Incorporation dated April 29, 2013 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identification Number of our Company is U45201GJ2004PLC044481. For further details of our Company, please refer to section titled “History and Certain Other Corporate Matters” beginning on page 88 of this Prospectus.

**Registered Office:** B/12, Jabuka Complex, Near Bajrang Ashram, Below Vikas School, N.H.-8, Thakkar Bapanagar Ahmedabad - 382350, Gujarat, India  
**Tel:** +91 - 79 - 2283 0245; **Fax:** +91 - 79 - 2283 0245; **Email:** bhanderiinfracon@gmail.com; **Website:** www.bhanderiinfracon.com  
**Contact Person:** Mr. Mustafa Shabbir Badami, Company Secretary and Compliance Officer  
**Promoters of the Company:** Mr. Dhirubhai Mohanbhai Patel and Mr. Sunil Dhirubhai Patel

### THE ISSUE

**PUBLIC ISSUE OF 5,40,000 EQUITY SHARES OF RS. 10/- EACH FULLY PAID UP OF BHANDERI INFRACON LIMITED (“BIL” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF RS. 120/- PER EQUITY SHARE (THE “ISSUE PRICE”) (WHICH INCLUDES A SHARE PREMIUM OF RS. 110/- PER EQUITY SHARE), AGGREGATING TO RS. 648/- LAKHS (“THE ISSUE”), OF WHICH, 27,600 EQUITY SHARES OF RS. 10/- EACH WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKERS TO THE ISSUE (AS DEFINED IN THIS PROSPECTUS) (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.e. ISSUE OF 5,12,400 EQUITY SHARES OF RS. 10/- EACH IS HEREINAFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.73% AND 25.37%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY**

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10. THE ISSUE PRICE IS RS. 120. THE ISSUE PRICE IS 12 TIMES OF THE FACE VALUE THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SEBI (ICDR) REGULATIONS, 2009 AS AMENDED FROM TIME TO TIME**

*For Further Details See “Issue Related Information” Beginning on Page 170 of this Prospectus.*

All potential investors may participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to the section titled “Issue Procedure” beginning on page 177 of this Prospectus. Qualified Institutional Buyers and Non-Institutional Investors shall compulsorily participate in the Issue through the ASBA process.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first issue of our Company, there has so far been no formal market for the securities of the Company. The face value of the Equity shares is Rs. 10/- per Equity Share and the issue price is 12 times of the face value. The Issue Price as determined by our Company in consultation with the Lead Manager and as stated under the section titled “Basis for Issue Price” beginning on Page 59 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 or sustained trading in the equity shares of the issuer or regarding the price at which the equity shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by 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 section titled “Risk Factors” beginning on Page 11 of this Prospectus.**

### ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the issue, which is material in the context of the issue, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make 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

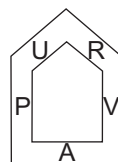
The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of the BSE Limited (“BSE”). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated July 01, 2014 from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE. For the purpose of this Issue, the designated Stock Exchange will be the BSE.

#### LEAD MANAGER TO THE ISSUE



**Choice Capital Advisors Private Limited**  
Shree Shakambhari Corporate Park, Plot No. 156-158,  
Chakravarti Ashok Society, J.B. Nagar, Andheri (E),  
Mumbai – 400 099  
**Tel :** +91 - 22 - 6707 9999  
**Fax:** +91 - 22 - 6707 9959  
**Email:** investor\_advisors@choiceindia.com  
**Website:** www.choiceindia.com  
**Contact Person:** Mr. Vikash Kumar Agarwal  
**SEBI Regn. No:** INM000011872

#### REGISTRAR TO THE ISSUE



**Purva Share Registry (India) Private Limited**  
9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg, Lower Parel (East),  
Mumbai - 400 011  
**Tel:** +91 - 22 - 2301 8261/ 2301 6761  
**Fax:** +91 - 22 - 2301 2517  
**E-mail:** basicomp@vsnl.com  
**Website:** www.purvashare.com  
**Contact Person:** Mr. V. B. Shah  
**SEBI Regn. No:** INR000001112

### ISSUE PROGRAMME

**ISSUE OPENS ON: TUESDAY, JULY 22, 2014**

**ISSUE CLOSES ON: FRIDAY, JULY 25, 2014**



## TABLE OF CONTENTS

Section	Title	Page No.
<b>I</b>	<b>GENERAL</b>	
	DEFINITIONS AND ABBREVIATIONS	01
	PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA	09
	FORWARD LOOKING STATEMENTS	10
<b>II</b>	<b>RISK FACTORS</b>	11
<b>III</b>	<b>INTRODUCTION</b>	
	SUMMARY OF OUR INDUSTRY	25
	SUMMARY OF OUR BUSINESS	27
	SUMMARY OF FINANCIAL STATEMENTS	28
	THE ISSUE	33
	GENERAL INFORMATION	34
	CAPITAL STRUCTURE	42
	OBJECTS OF THE ISSUE	54
	BASIS FOR ISSUE PRICE	59
	STATEMENT OF POSSIBLE TAX BENEFITS	62
<b>IV</b>	<b>ABOUT OUR COMPANY</b>	
	INDUSTRY OVERVIEW	71
	BUSINESS OVERVIEW	79
	KEY INDUSTRY REGULATIONS AND POLICIES	85
	HISTORY AND CERTAIN OTHER CORPORATE MATTERS	88
	OUR MANAGEMENT	91
	OUR PROMOTERS	102
	OUR PROMOTER GROUP AND GROUP ENTITIES	105
	DIVIDEND POLICY	117
<b>V</b>	<b>FINANCIAL INFORMATION</b>	
	FINANCIAL STATEMENTS	118
	MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	141
<b>VI</b>	<b>LEGAL AND OTHER INFORMATION</b>	
	OUTSTANDING LITIGATION, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES	150
	GOVERNMENT AND OTHER APPROVALS	155
	OTHER REGULATORY AND STATUTORY DISCLOSURES	157
<b>VII</b>	<b>ISSUE RELATED INFORMATION</b>	
	TERMS OF THE ISSUE	170
	ISSUE STRUCTURE	175
	ISSUE PROCEDURE	177
<b>VIII</b>	<b>MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION</b>	200
<b>IX</b>	<b>OTHER INFORMATION</b>	
	LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	262
	DECLARATION	264

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, the following terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modification notified thereto.

#### CONVENTIONAL/ GENERAL TERMS

<b>Term</b>	<b>Description</b>
Act/ Companies Act	The Companies Act, 1956 and amendments thereto. The Companies Act, 2013, to the extent notified by the Ministry of Corporate Affairs as on the date of filing this Prospectus.
Depositories Act	The Depositories Act, 1996 and amendments thereto.
Depository / Depositories	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time, in this case being CDSL and NSDL
EPS	Earnings per Share
IT Act	The Income Tax Act, 1961 and amendments thereto
Indian GAAP	Generally Accepted Accounting Principles in India
NAV	Net Asset Value per Share
PAT	Profit after Tax
RONW	Return on Net Worth
ROC / RoC / Registrar of Companies	The Registrar of Companies located at ROC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad – 380013, Gujarat
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992 and amendments thereto
SEBI Regulations / SEBI ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI Takeover Regulations / Takeover Code/ Takeover Regulations/ SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 issued by SEBI on February 20, 1997 and subsequent amendments thereto. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 has been repealed and been replaced by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 on September 23, 2011. The SEBI (SAST) Regulations 2011 which came into effect from October 22, 2011 and subsequent amendments thereto.
Securities Act	United States Securities Act of 1933, as amended.
Wealth Tax Act	The Wealth Tax Act, 1957 and amendments thereto.

## COMPANY RELATED TERMS

Terms	Description
“Bhanderi Infracon Limited” or “Bhanderi” or “BIL” or “The Company” or “ Our Company” or “ The Issuer” or “ The Issuer Company” or “We” or “us” or “Our”	Unless the context otherwise indicates, refers to Bhanderi Infracon Limited, a Public Limited Company incorporated under the Companies Act, 1956
Article / Articles of Association / AOA	Unless the context otherwise requires, refers to the Articles of Association of Bhanderi Infracon Limited as amended from time to time
Auditor or Statutory Auditor	S A R A & Associates, Chartered Accountants having their office at 202, May Building, 297/299/301, Princess Street, Near Marine Lines Flyover, Mumbai-400 002
Board of Directors / Board	The Board of Directors of Bhanderi Infracon Limited, or a duly constituted Committees thereof
Director(s)	The director(s) of our Company, unless otherwise specified.
Equity Shares / Shares	Equity Shares of our Company of Face Value of Rs.10/- each, fully paid up, unless otherwise specified in the context thereof
Group Companies	Includes those companies, firms and ventures promoted by our Promoters, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act, 1956 and disclosed in chapter titled “Our Promoter Group and Group Entities” beginning on page 105 of this Prospectus.
Key Managerial Personnel / KMP	The personnel listed as Key Managerial Personnel in the chapter titled “Our Management” beginning on page 91 of this Prospectus
Listing Agreements	The SME Equity Listing Agreement to be entered into by our Company with the SME Platform of BSE.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Bhanderi Infracon Limited, as amended from time to time.
Promoters / Our Promoters	Promoters of our Company being Mr. Dhirubhai Patel and Mr. Sunil Patel
Promoter Group	Unless the context otherwise requires, refers to such persons and entities constituting the Promoter group of our Company in terms of Regulation 2 (1)(zb) of the SEBI (ICDR) Regulations, 2009 and disclosed in the chapter titled “Our Promoter Group and Group Entities” on page 105 of this Prospectus
Registered Office	The Registered Office of our Company situated at B/12, Jabuka Complex, Near Bajrang Ashram, Below Vikas School, N.H. - 8, Thakkar Bapanagar, Ahmedabad - 382350, Gujarat
SME Exchange	Unless the context otherwise requires, refers to the SME platform of BSE Limited
Stock Exchange	Unless the context otherwise requires, refers to, the BSE Limited

## ISSUE RELATED TERMS

<b>Terms</b>	<b>Description</b>
Allotment / Allot / Allotment of Equity Shares	Unless the Context otherwise requires, the allotment of Equity Shares pursuant to the Issue to the successful applicants
Allocation / Allocation of Equity Shares	Unless the Context otherwise requires, the allocation of Equity Shares pursuant to the Issue to the successful applicants
Allottee(s)	Successful applicant(s) to whom the Equity Shares are being / have been allotted.
Applicant	Any Prospective Investor who makes an application for Equity Shares in terms of this Prospectus.
Application Amount	The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Prospectus.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares in this Issue.
Application Supported by Blocked Amount / ASBA	Means an application for subscribing to an issue containing an authorization to block the application money in a Bank Account maintained with SCSBs.
ASBA Account	Account maintained with SCSBs which will be blocked by such SCSBs to the extent of the appropriate application Amount of the ASBA applicant, as specified in the ASBA Application Form.
ASBA Applicant(s) / ASBA Investor(s)	Any Prospective investor(s)/Applicant(s) in this Issue who apply (ies) through the ASBA process.
Bankers to our Company	Axis Bank Limited
Bankers to the Issue / Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Banker to an Issue with whom Escrow Account will be opened and in this case being Axis Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue in consultation with the Stock Exchange which is described in the Chapter titled "Issue Procedure" beginning on page 177 of this Prospectus
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
Company Secretary and Compliance Officer	Mr. Mustafa Shabbir Badami
Controlling Branch	Such branches of the SCSBs which coordinate Applications made under this Issue by the ASBA Applicants with the Registrar to the Issue and the Stock Exchanges and a list of which is available at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, Pan, Occupation and Bank Account details
Depository Participant / DP	A Depository Participant as defined under the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available on <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> , or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the amount blocked by the SCSBs is transferred from the ASBA Account specified by the ASBA Applicants to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Applicants

Designated Stock Exchange	SME Platform of BSE Limited (BSE)
Eligible NRIs	NRIs from such jurisdiction outside India where it is not unlawful for our Company to make this Issue or an invitation under this Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Escrow Account	Account opened/ to be opened with the Escrow Collection Bank(s) and in whose favour the applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application.
Escrow Agreement	Agreement entered into amongst the Company, Lead Manager, the Registrar to the Issue, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Issue / Issue Size / IPO / Initial Public Offering / Public Issue	Public Issue of 5,40,000 Equity Shares of Rs. 10/- each fully paid of Bhanderi Infracon Limited ("BIL" or the "Company" or the "Issuer") for cash at a price of Rs. 120/- per Equity Share (including a share premium of Rs. 110 /- per Equity Shares) aggregating to Rs. 648 Lakhs.
Issue Agreement	The agreement dated April 17, 2014 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Opening Date	The date on which the issue opens for subscription being July 22, 2014
Issue Closing Date	The date on which the issue closes for subscription being July 25, 2014
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company under this Prospectus being Rs.120/-
Issue Proceeds	Proceeds to be raised by our Company through this Issue
LM / Lead Manager / Merchant Banker	Lead Manager to the Issue, in this case being Choice Capital Advisors Private Limited, SEBI Registered Category I Merchant Bankers.
Market Making Agreement	Market Making Agreement dated April 21, 2014 and Supplementary Market Making Agreement dated June 13, 2014 between our Company, Lead Manager and Market Maker.
Market Maker	Joindre Capital Services 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 any other period as may be notified by SEBI from time to time.
Market Maker Reservation Portion	The Reserved portion of 27,600 Equity shares of Rs. 10/- each at Rs. 120/- (including share premium of Rs. 110/-) per Equity Share aggregating to Rs. 33,12,000/- (Rupees Thirty Three Lakhs and Twelve Thousand Only) for Market Maker in the Initial Public Issue of Bhanderi Infracon Limited.
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 5,12,400 Equity Shares of Rs.10/- each at Rs. 120/- (including share premium of



	Rs. 110/- ) per Equity Share aggregating to Rs. 6,14,88,000/- (Rupees Six Crore Fourteen Lakhs and Eighty Eight Thousand Only) of Bhanderi Infracon Limited.
Non-Institutional Applicants	All Applicants that are not Qualified Institutional Buyers or Individual Investors and who have applied for Equity Shares for an amount more than Rs. 2,00,000 (but not including NRIs other than Eligible NRIs)
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
Payment through electronic transfer of funds	Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable.
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organisation, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organisation validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Prospectus	The Prospectus, filed with the ROC containing, inter alia, the Issue opening and closing dates and other information
Public Issue Account	Account opened with the Banker to the Issue i.e. Axis Bank Limited by our Company to receive monies from the Escrow Account and the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date.
Qualified Institutional Buyers / QIBs	As defined under the SEBI ICDR Regulations, "Qualified Institutional Buyer" means a mutual fund, venture capital fund, Alternative Investment Fund and foreign venture capital investor registered with SEBI, FII and sub-account (other than sub-account which is a foreign corporate or foreign individual) registered with SEBI, a public financial institution as defined in Section 2(72) of the Companies Act, 2013, Schedule commercial bank, Multilateral and Bilateral Development Financial Institution, State Industrial Development Corporation, Insurance Company registered with Insurance Regulatory and Development Authority, Provident Fund with minimum corpus of Rs. 250 million, Pension Fund with minimum corpus of Rs. 2500 Lakhs, National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India and insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India
Refund Account	Account opened with a SEBI Registered Banker to the issue from which the refunds of the whole or part of the Application Amount (excluding to the ASBA Applicants), if any, shall be made.
Refund Bank	The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened, in this case being Axis Bank Limited.
Refunds through electronic transfer of funds	Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable
Registrar / Registrar to the Issue	Registrar to the Issue being M/s Purva Shareregistry (India) Private Limited
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than Rs. 2,00,000/-.

Revision Form	The form used by the Applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s)
SCSB	Shall mean a Banker to an Issue registered with SEBI(Banker to an Issue) Regulations, 1994, as amended from time to time, and which offers the service of making Application/s supported by Blocked Amount including blocking of bank account and a list of which is available on www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time
SCSB Agreement	The deemed agreement between the SCSBs, the Lead Manager, the Registrar to the Issue and our Company, in relation to the collection of Applications from the ASBA Applicants and payment of funds by the SCSBs to the Public Issue Account
SME Platform of BSE	The SME Platform of BSE which was approved by SEBI as an SME Exchange on September 27, 2011 for listing of equity shares offered under Chapter XB of the SEBI (ICDR) Regulations.
Underwriting Agreement	The Agreement dated April 21, 2014 and Supplementary Underwriting Agreement dated June 13, 2014 entered between the Underwriters and our Company
Working Day	All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday

#### INDUSTRY RELATED TERMS

Terms	Description
Acres	Area of 43,560 Square Feet
ASSOCHAM	Associated Chambers of Commerce and Industry of India
CAGR	Compounded Annual Growth Rate
GDP	Gross Domestic Product
NHAI	National Highways Authority of India
REC	Rural Electrification Corporation Limited
Sq. fts.	Square Feet
Sq.mts.	Square Meters
Sq. yds.	Square Yards
ULCRA	The Urban Land Ceiling and Regulation Act

## ABBREVIATIONS

Abbreviation	Full Form
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
AMC	Ahmedabad Municipal Corporation
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B.Com	Bachelor of Commerce
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CIN	Company Identification Number
CLRA	The Contract Labour (Regulation and Abolition) Act, 1970
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DoC	Department of Commerce
DP	Depository Participant
DP ID	Depository Participant's ID
DRT	Debt Recovery Tribunal
EBIDTA	Earnings before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
ESOP	Employee Stock Option Plan
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 registered with SEBI under applicable laws in India)
FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investor
FY / FISCAL / FINANCIAL YEAR	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GIR Number	General Index Registry Number
GOI / Government	Government of India
HSC	Higher Secondary Education
HUF	Hindu Undivided Family
IFRS	International Financial Reporting Standards
INR	Indian National Rupees
IPO	Initial Public Offer
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number

I.T. Act	Income Tax Act, 1961, as amended from time to time
Ltd.	Limited
MBA	Masters of Business Administration
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MOU	Memorandum of Understanding
N.A.	Not Applicable
NAV	Net Asset Value
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
No.	Number
NRE Account	Non Resident External Account
NRIs	Non Resident Indians
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
p.a.	per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price/Earnings Ratio
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
ROC	Registrar of Companies
Rs.	Rupees, the official currency of the Republic of India
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
Sec.	Section
Securities Act	The U.S. Securities Act as amended from time to time
STT	Securities Transaction Tax
Sub-Account	Sub-account registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended
TFT	Trade for Trade Segment
US/United States	United States of America
USD/US\$/\$	United States Dollar, the official currency of the United States of America
VCF/Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.

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, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of Articles of Association of our Company”, “Statement of Possible Tax Benefits”, “Key Industry Regulations and Policies” and “Financial Statements” on pages 62, 85 and 118, respectively, shall have the meanings given to such terms in these respective sections.

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

All references to “India” contained in this Prospectus are to the Republic of India and all references to the “Government” are to the Government of India.

### **Financial Data**

Unless stated otherwise, the financial data in this Prospectus is derived from the Company’s financial statements prepared and restated in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009.

The fiscal year of the Company commences on April 1st of each year and ends on March 31st of next year. All references to a particular fiscal year are to the 12 month period ended March 31st of that year. In this Prospectus, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly to what extent, the 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. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus would accordingly be limited.

Any percentage amounts, as set forth in “Risk Factors”, ‘Business Overview, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with Indian GAAP.

### **Currency of Presentation**

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

### **Industry and Market Data**

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

Further, the extent to which the market data is presented 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, methodologies and assumptions may vary widely among different industry sources.

## FORWARD LOOKING STATEMENTS

We have included statements in this Prospectus which contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expression or variations of such expressions are "forward-looking statements". Similarly, statement that describes our strategies, objectives, plans and goals are also forward looking statements.

These forward-looking statements are subject to a number of risks, uncertainties and assumptions that could significantly affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results to differ materially from our expectations include but are not limited to, the following:

- General economic and business conditions in the markets in which our company operate and in the local, regional, national and international economies;
- Changes in laws and regulations relating to the sectors/areas in which our company operates;
- The performance of the Indian and the Global financial markets;
- Increased competition in the sectors/areas in which our company operates;
- Our ability to successfully implement our growth strategy and expansion plans, technological changes and to launch and implement various projects and business plans for which funds are being raised through this Issue;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that our company may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Any adverse outcome in the legal proceedings in which our company is involved.
- Market fluctuations and industry dynamics beyond our control;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Conflicts of interest with affiliated companies, the promoter group and other related parties;
- Contingent Liabilities, environmental problems and uninsured losses; and
- Changes in government policies and regulatory actions that apply to or affect our business.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors", "Business Overview" and "Management Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 79 and 141 of this Prospectus.

By their nature, certain 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. Our Company, our Directors, the Lead Manager, and their respective affiliates do not have any obligation to, and do not intend 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, the Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange (s).

## 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 our Equity Shares. To obtain a complete understanding, you should read this section in conjunction with the Chapters “Business Overview” beginning on page 79, “Industry Overview” beginning on page 71 and “Management Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 141 as well as the other financial and statistical information contained in this Prospectus. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business, financial condition and results of operations. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors. In making an investment decision, prospective investors must rely on their own examination of the Company and the terms of the Issue, including the risks involved.*

### **Materiality**

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

- a. Some events may not be material individually, but may be found material collectively.
- b. Some events may have material impact qualitatively instead of quantitatively.
- c. Some events may not be material at present but may have material impact in future.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any risks described in this section. Unless otherwise stated, the financial information used in this section is derived from the restated audited financial statements of our Company.

### **INTERNAL RISK FACTORS**

#### ***1. There are outstanding legal proceedings involving our Company.***

There are outstanding legal proceedings involving our Company. These proceedings are pending before various courts. Details of such outstanding litigations as of the date of this Prospectus are as follows:

##### ***i. Appeal pending before the Hon’ble High Court of Gujarat for getting mutation entry done in respect of land acquired by our Company***

Our Company had acquired land bearing survey No 36 to 42 of village Odhav and survey No. 74, 75/1, 75/2, 79/1, 79/2 and 80 of village Nikol by way of a public auction in the year 2005 from M/s. Indian Electro Chemical Ltd. and others. The Recovery officer of DRT, Ahmedabad vide Order dated 23.03.05 confirmed the same and certificate of sale was issued in favour of the Company. However, a portion of the said land is yet to be recorded in the mutation register by the village Accountant (Talati cum mantri) in the name of the Company. The Company has filed an appeal vide Application No. 13061 of 2008 dated 21.10.2008 for getting the mutation entry done in respect of the same with Hon’ble High Court of Gujarat, which is pending adjudication.

**ii. Appeal pending before the Hon'ble Small Cause Court, Ahmedabad for an appropriate compensation in respect of land acquired by Ahmedabad Municipal Corporation**

A portion of land owned by the Company has been acquired by the Ahmedabad Municipal Corporation ('AMC') in the year 2005 for the purpose of development of public infrastructure thereon. Company filed an appeal vide Application No. 30689 of 2007 with the Hon'ble High Court of Gujarat for adjudication of appropriate Compensation payable to the Company against the said land acquired by AMC. The appeal was disposed of by the Hon'ble High Court vide order dated. 28.08.2008, with directions to the Municipal Commissioner, Ahmedabad, that final decision considering the representation of petitioner regarding appropriate compensation or land in lieu of land be taken within three months and also directed that appropriate steps be taken to pay the compensation not later than six months from the date of the order. The Company referred the matter to the Municipal Commissioner. However, the Compensation determined by the Municipal Commissioner in the opinion of the management of the Company was less than the value of the land acquired, the Company thus preferred an appeal vide Application No. 3, dated 5.12.2012 with the Hon'ble Small Cause Court at Ahmedabad against the decision of the Municipal Commissioner praying for an appropriate compensation keeping in view the value of the land in question. The said appeal is pending adjudication.

**iii. Appeal filed before the Hon'ble High Court of Gujarat, challenging notice for demolition issued by Ahmedabad Municipal Corporation**

The Company has filed an application under The Gujarat Registration of Unauthorized Development Act, 2011 in respect of one of its Factory Building. While decision in respect of the same is still pending under the act, the Ahmedabad Municipal Corporation issued demolition notice in respect the said Factory Building. The Company filed an application with the Hon'ble High Court of Gujarat vide application No. 7235 of 2013 challenging the said notice, The Hon'ble High Court of Gujarat has issued a stay order on the notice of the Ahmedabad Municipal Corporation dated 18.04.2013 and the decision of the application filed under The Gujarat Registration of Unauthorized Development Act, 2011 is pending. The Hon'ble High Court has vide an order dated 12.06.2014 further confirmed the order passed by it dated 18.04.2013 directing that status quo be maintained until the decision in respect of the application filed by the Company under The Gujarat Registration of Unauthorized Development Act, 2011 is taken.

**2. Our Company has not complied with certain statutory obligations as prescribed under various statutes in relation to the day to day working of the Company in the past.**

There have been certain non-compliances with relation to statutory obligations, including the Bombay Shops and Establishments Act, 1948 and Professional Tax Registration and the same may attract prosecutions and penalties under specified laws on our Company, Directors and Promoters. In the event, if any, statutory authorities initiate any action against us, the same may have adverse implications on the working of our Company.

**3. We have experienced negative cash flows in some of the previous financial years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions.**

The details of Cash flows of the Company are as follows:

**(Rs. in Lacs)**

Particulars	As at January 31, 2014	For the year ended on				
		March 2013	March 2012	March 2011	March 2010	March 2009
Net cash (used in) / from Operating activities	(38.81)	(2.51)	13.46	(25.04)	(52.91)	1.20



Net cash (used in) / from Investing activities	(433.12)	(48.68)	(1.97)	-	80.03	(80.04)
Net cash (used in) / from Financing activities	486.38	80.58	(13.85)	13.85	(16.39)	37.06
Net increase / (decrease) in cash and cash equivalents	14.44	29.38	(2.36)	(11.19)	10.73	(41.78)

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

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

Our funding requirements and the deployment of the proceeds of the Issue are purely based on our management’s estimates and have not been appraised by any bank or financial institution. Our Company may have to revise such estimates from time to time and consequently our funding requirements may also change. Further, the deployment of the funds towards the objects of the Issue is entirely at the discretion of our management and is not subject to monitoring by any external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

5. ***We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms at a future date, may have an adverse effect on our operations, profitability and growth prospects.***

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favorable terms, at a future date, it may result into our inability to finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

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

Our Company has taken unsecured loans from our Promoters, Directors and their relatives, the total outstanding amount of which as at January 31, 2014 is Rs. 1029.11 Lakhs. There was no agreement or any other documentation executed by the said parties with regard to the said unsecured loan and consequently there is no precondition for repayment of the said loan. If the loan is recalled on a short notice, our Company may have to, on an urgent basis arrange for equivalent funds to fulfill the necessary requirements. Inability of our Company to do so may require creating a security for the said loan. The occurrence of these events may have an adverse effect on our cash flow and financial conditions. For more details regarding the loan, please refer the chapter titled “Financial Statements” beginning on page 118 of this Prospectus.

- 7. *Our Company's Projects, comprising of sheds and Commercial Offices are ready for sale. However, there cannot be any assurance as to when the Company will be able to successfully realize the sale proceeds in respect of the said projects as also whether the proceeds would be the same as the expectations/estimates of the Company. There might also be a possibility that the Company might find it difficult or not be able to market the projects.***

At present the Company holds stock comprising of sheds and Commercial Offices, which are ready for sale. It might happen that we might not be able to sell these units at the time and at such rate as we expect. There is also a possibility that the Company might not realize the expected/estimated proceeds from the sale of the said projects. This could affect the Company's financial position; have an adverse effect of cash flows which in turn might affect the other projects of the Company due to shortage of finance as the Company amongst other sources depends on cash flow estimated to be generated from the sale proceeds of these projects for its current working capital requirement.

- 8. *Our Company has invested in Partnership Firms engaged in similar activities as that of the Company. Company's investment in the said firms might or might not prove to be profitable.***

At present the Company has invested in Partnership Firms which are engaged in similar activities as that of the Company. The Firms might fail in achieving their object or might not perform upto the desired level. As such, the Companies Investment in the said Partnership Firms might or might not be profitable and could also result in losses to the Company affecting its financial results as also its goodwill. The detailed description in respect of the said partnerships is given in the chapter titled "Our Promoter Group and Group Entities" beginning on page 105 of this Prospectus.

- 9. *Our operations have been concentrated in state of Gujarat in India. Our growth strategy to expand into new geographic areas poses risks.***

Our operations have been geographically concentrated in the States of Gujarat. Our business is therefore significantly dependent on the general economic condition and activity in the State in which we operate, and the central, state and local government policies relating to real estate. Although investment in the real estate sector in the area in which we operate has been so far encouraging, there can be no assurance that this will continue.

We may expand geographically, and may not gain acceptance or be able to take advantage of any expansion opportunities outside our current markets. This may place us at a competitive disadvantage and limit our growth opportunities. We may face additional risks if we undertake projects in other geographic areas in which we do not possess the same level of familiarity with various stakeholders and customers as enjoyed by our competitors. If we undertake projects of different size or style than those being developed by us, we may be affected by various factors, including but not limited to:

- (i) Adjusting our construction methods to different geographic areas;
- (ii) Obtaining the necessary construction materials and labour in sufficient amounts and on acceptable terms;
- (iii) Obtaining necessary governmental and other approvals in time or at all;
- (iv) Failure to realize expected synergies and cost savings;
- (v) Attracting potential customers in a market in which we do not have significant experience; and
- (vi) Cost of hiring new employees and absorbing increased infrastructure costs.

We may not be able to successfully manage some or all of the risks of such an expansion, which may have a material adverse effect on our revenues, profits and financial condition.

***10. We require certain statutory and regulatory approvals and licenses in the ordinary course of our business. If we are unable to obtain, renew or maintain any of such statutory or regulatory permits or approvals, it may have a material adverse effect on our business.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. Further, we may become liable to penal action if our activities are adjudged to be undertaken in the manner not authorized under the applicable law. This could materially and adversely affect our business, financial condition and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer to chapter titled “Government and Other Approvals” beginning on page 155 of this Prospectus.

***11. We may not be able to successfully identify and acquire suitable land or land development rights for development, which may adversely affect our business and growth prospects.***

Our ability to identify suitable land or land development rights for development is vital to our business. Once a potential development site has been identified, site visits and feasibility studies/surveys are undertaken, which include detailed analyses of factors such as regional demographics, gap analysis of current property development initiatives and market needs, and market trends. Such information may not be accurate, complete or current. Any decision for a project site which is based on inaccurate, incomplete or out dated information or any change in circumstances may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business, financial condition and results of operations.

Our ability to acquire ownership or development rights over suitable sites is dependent on a number of factors that may be beyond our control. These factors include the availability of suitable land, market conditions, the willingness of land owners to sell or grant development rights over land on attractive terms, the availability and cost of any required financing, encumbrances on the land, government directives on land use, and the obtaining of permits and approvals for land development.

***12. The business and future results of operations of our Company may be adversely affected if we incur any time or cost overruns.***

Our Company’s business plans are subject to various risks including time and cost overruns and delays in obtaining regulatory approvals. During the completion of project, there can be changes in the economic environment, local real estate market, prospective customer’s perception, price escalation, etc. Further, there could also be unexpected delays and cost overrun in relation to our projected / future projects and thus, no assurance can be given that they will be completed at the scheduled time and within the expected budget. If such changes take place during the course of development of any of our projects, then our projections regarding the costs, revenues, return on the project, profitability as well as our operations will be adversely affected.

***13. We may enter into joint development agreements with third parties to acquire construction and/or land development rights. Such joint development partners may not perform their obligations satisfactorily.***

Our Company may in the future undertake development of certain projects through joint development with third parties. The success of these joint developments depends significantly on the satisfactory performance by the joint development partners and the fulfillment of their obligations. If either of the party fails to perform its obligations satisfactorily, the joint development may be unable to perform adequately or deliver

its contracted services. In such a case, the Company may be required to make additional investments in the joint development/venture or become liable for its obligations, which could result in reduced profits or in some cases, significant losses and delays in completion of development projects. The inability of a joint development / venture partner to continue with a project due to financial or legal difficulties may put the Company in financial and legal difficulties to the extent of the share which may have impact on the results of operations.

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

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

***15. We depend on various third parties, including contractors and independent service providers, over whom we may have no control.***

We depend on various third parties, including contractors and independent service providers for the development of our projects. Further, we engage independent architects and construction contractors, who may in turn hire subcontractors and other third parties, for the design and construction of all our projects. The success of our projects therefore depends significantly on the performance of various third parties, including our contractors and service providers. While we follow a rigorous process for screening suitable service providers, we do not have absolute control over any of our contractors or service providers, thus there may be certain cases that the performance by the contractors is not up to a standard that meets our requirements or targeted quality levels. We may not be able to recover compensation for any resulting defective work or materials. We may therefore incur losses as a result of our projects being delayed or disrupted or having to fund the repair of defective work or pay damages to persons who have suffered loss as a result of such defective work. We may also be required to incur additional cost or time to develop our projects, which could adversely affect our business, financial condition and results of operations.

***16. The success of our business operations depends largely upon our Promoter, Directors and Key Managerial Personnel, the loss of any of them may negatively impact our business operations and financial conditions.***

Our success is highly dependent on the expertise and services of our Promoter Directors, Mr. Dhirubhai Patel and Mr. Sunil Patel, and other key managerial personnel. Our ability to successfully function and meet future business challenges partly depends on our ability to attract and retain these key managerial personnel. We cannot assure you that we will be able to retain any or all of the key members of our management. The loss of the services of any key member of our management team could have an adverse effect on our ability to implement new projects and expand our business. For further details of our Promoter, Directors and key managerial personnel, please refer to the chapter "Our Management" on page 91 of this Prospectus.



***17. Some of our Group Companies has objects similar to that of our Company's business and this could lead to a potential conflict of interest between Group Entities.***

Our Group Companies, Bhanderi Corporation Limited, Shreenathji Vastucon Private Limited and Sudarshan Procon Limited, are engaged in the kind of activities similar to our Company. Further, we have not entered into any non-compete agreement with any of our said group companies. We cannot assure you that our Promoters who have common interest in such other group companies would not favour the interest of the said group companies over our interest. Such a conflict of interest may have adverse effect on our business and growth.

**18. The success of our real estate development business is dependent on our ability to anticipate and respond to consumer requirements.**

We depend on our ability to understand the preferences of our customers and accordingly develop projects that suit their tastes and preferences. Therefore our ability to anticipate and understand the demands of the prospective customers is critical to the success of our real estate development business. Our inability to provide these customers their preference or our failure to anticipate and respond to customer needs accordingly will affect our business and prospects. This could also lead to loss of potential customers to our competitors who may offer better facilities.

**19. Our Company's Trademark has not been registered in the name of the Company. The registration of the Trademark has been applied in the name of Mr. Dhirubhai Patel, promoter and director of the Company. On registration, a deed of assignment shall be executed in favour of our Company by Mr. Dhirubhai Patel.**

Our Company's Trademark  has not been registered in the name of the Company. The registration of the Trademark  has been applied in the name of Mr. Dhirubhai Patel, Promoter and Director of our Company vide application dated February 15, 2014. On registration, a deed of assignment shall be executed in favour of our Company by Mr. Dhirubhai Patel. We are using the trademark without paying any fee to Mr. Dhirubhai Patel. Accordingly, we do not enjoy the statutory protections accorded to a registered trademark. Further, we can't assure that we will be able to enjoy these trademarks in future also.

**20. Our business is subject to various operating risks at our construction sites, the occurrence of which can affect our results of operations and consequently, financial condition of our Company.**

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

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

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

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

As on date, we have not made any alternate arrangements for meeting our capital requirements for the objects of the issue. We meet our capital requirements through our owned funds, internal accruals and debt.

Any shortfall in our net owned funds, internal accruals and our inability to raise debt would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations.

Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may affect our financial condition and results of operations. For further details please refer to the chapter titled “Objects of the Issue” beginning on page 54 of this Prospectus.

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

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

***24. We face competition in our business from both domestic and international competitors. Such competition may have an adverse impact on our business and financial performance.***

The real estate and construction industry is highly competitive and fragmented, and we face competition from various domestic and foreign real estate developers. Some of our competitors may have greater financial, marketing, sales and other resources than we do. Going forward we may seek to diversify into new geographical areas, we will face competition from competitors that have a pan-India presence and also from competitors that have a strong presence in regional markets. Competitive overbuilding in certain markets may have a material adverse effect on our operations.

***25. Our Promoters and Directors may have interest in our Company, other than reimbursement of expenses incurred or remuneration.***

Our Promoters and Directors may be deemed to be interested to the extent of the Equity Shares held by them, or their relatives or our Group Entities, and benefits deriving from their directorship in our Company. Our Promoters are interested in certain transactions entered into between our Company and themselves as well as between our Company and our Group Entities. For further details, please refer to the chapter titled “Business Overview” and “Our Promoter”, beginning on page 79 and 102, respectively and the Annexure 17 titled “Details of Related Party Transactions” under chapter titled “Financial Statements” beginning on page 139 of this Prospectus.

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

Post this Issue, our Promoters and Promoter Group will collectively own 73.25% of our Equity Share capital. Accordingly, our Promoters and Promoter Group will continue to have control over our business including matters relating to any sale of all or substantially all of our assets, the timing and distribution of dividends and the election, termination or appointment of our officers and directors. This control could delay, defer, or prevent a change in control in our Company, impede a merger, consolidation, takeover or other business combination involving our Company, or discourage potential acquirers from making an offer or otherwise attempting to obtain control over our Company even if it is in its best interest. Our Promoters and Promoter Group may also influence our material policies in a manner that could conflict with the interests of our other shareholders.

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

We do not own the premises on which our Registered Office is situated. Our Company has taken the registered office on lease basis from Ms. Ramilaben D Patel at the rent of Rs. 5,000 per month. We cannot assure you that we will have the right to occupy, these premises in the future, or that we will be able to continue with the uninterrupted use of this property, which may impair our operations and adversely affect our financial condition. Further this agreement is not registered and may not be adequately stamped under Indian law. In the event of any such irregularity, we may not be able to enforce our rights under such agreement in the event of a dispute. For further details of our office premises please refer to the chapter titled "Business Overview" on page 79 of this Prospectus.

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

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

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

We have entered into transactions with our promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details relating to such transactions, please refer to "Annexure 17 – Details of Related Party Transactions" under chapter titled "Financial Statements" beginning on page 139 of this Prospectus.

## **EXTERNAL RISK FACTORS**

**30. *The new Companies Act, 2013 is in the process of being implemented and any developments in the near future may be material with respect to the disclosures to be made in this Prospectus as well as other rules and formalities for completing the Issue***

The Companies Act, 2013 has been published on August 29, 2013 and the Ministry of Corporate Affairs has vide its notification dated September 12, 2013 and March 26, 2014 notified a total of 283 Sections of the Companies Act, 2013, which have become effective as on the date of this Prospectus. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Prospectus, any further notifications by the MCA after our filing of this Prospectus may be material with respect to the disclosures to be made in this Prospectus as well as other rules and formalities for completing the Issue.

The Companies Act, 2013 is expected to replace the existing Companies Act, 1956. The Companies Act, 2013 provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, the requirements for independent directors, director's liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act, 2013 is expected to be complemented by a set of rules that shall

set out the procedure for compliance with the substantive provisions of the Companies Act, 2013. In the absence of such rules, it is difficult to predict with any degree of certainty the impact, adverse or otherwise, of the Companies Act, 2013 on the Issue, and on the business, prospects and results of operations of the Company.

**31. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. Imposition of any other taxes by the Central and the State Governments may adversely affect our results of operations.

**32. *Instability of economic policies and the political situation in India could adversely affect our business.***

The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business, and the market price and liquidity of the Equity Shares, may be affected by changes in interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

**33. *A slowdown in economic growth in India or in the states of India, in which we operate, could cause our business to suffer.***

The performance and growth of our business are dependent on the health of the overall Indian economy and the economy of the State in India in which we operate. Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the industry in which we operate. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

**34. *We have not prepared, and currently do not intend to prepare, our financial statements in accordance with the International Financial Reporting Standards ("IFRS"). Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.***

Public companies in India, including us, may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for convergence with IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 (the "IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 35 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined. Our financial condition, results of operations, cash flows or changes in shareholders' equity may appear materially different under IFRS than under Indian GAAP or our adoption of converged Indian Accounting Standards may adversely affect our reported results of operations or financial condition. This may have a material adverse effect on the amount of income recognized during that period and in the corresponding (restated) period in the comparative Fiscal/period.



**35. *Natural calamities and force majeure events may have an adverse impact on our business.***

Certain events that are beyond control such as earthquakes, fire, floods and drought and similar natural calamities may cause interruption in the business of the Company that could adversely affect its result of operations.

**36. *Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact our business.***

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

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

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

**38. *Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.***

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**39. *Third party statistical and financial data in this Prospectus may be incomplete or unreliable.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure you that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

## **RISK RELATING TO EQUITY SHARES**

***40. Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirement and capital expenditures.***

The amount of our future dividend payments, if any, will depend upon our Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures, applicable Indian legal restrictions and other factors. There can be no assurance that our Company will be able to pay dividends.

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

Earlier to this Issue, there has been no public market for our Equity Shares. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments.

In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

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

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time, we are not required to obtain any in-principle approval for listing of shares issued. We have received permission from BSE Limited to use its name as the Stock Exchange in this offer document for listing our shares on the SME Platform of BSE. In accordance with Indian law and practice, permission for listing and trading of the Equity Shares issued pursuant to the Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the SME Platform of BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

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

Subsequent to the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges.

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

***44. Investor(s) may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months is not subject to capital gains tax in India if securities transaction tax (“STT”) is paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax. Any change in tax provisions may significantly impact your return on investments.

***45. Conditions in the Indian Securities market may affect the price or liquidity of the Equity Shares.***

Indian stock exchanges have, in the past, experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and increased margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected.

## Prominent Notes to Risk Factors

- A. Investors may contact the Lead Manager for complaints, information, clarifications or complaints pertaining to the Issue.
- B. The net worth of the Company as per our restated financial statements prepared in accordance with Indian GAAP and restated in accordance with SEBI (ICDR) Regulations was Rs 120.08 Lakhs as of March 31, 2013 and Rs. 619.67 Lakhs as of January 31, 2014. For more information, see the chapter titled “Financial Statements” beginning on page 118 of this Prospectus.
- C. The Book Value per Equity Share of Rs 10/- each fully paid as per the restated financial statements of the Company prepared in accordance with Indian GAAP and restated in accordance with SEBI (ICDR) Regulations was Rs. 11.01 per share as of March 31, 2013 and Rs. 41.87 per share as of January 31, 2014 . For more information, see the chapter titled “Financial Statements” beginning on page 118 of this Prospectus.
- D. The average cost of acquisition per Equity Share by our Promoters, Mr. Dhirubhai Patel and Mr. Sunil Patel is Rs. 10/- per share and Rs. 33.88/- per share, respectively. The average cost of acquisition of Equity shares held by our Promoters has been calculated by taking average of the amount paid by them (on FIFO basis) to acquire the Equity Shares issued by the Company, takes into consideration bonus shares, issued to them.
- E. Except as disclosed in the Chapters “Our Promoter Group and Group Entities” and “ Our Management” beginning on page 105 and 91 of this Prospectus, respectively, none of the Promoters, Directors or Key Managerial Personnel have any interest in the Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of the Equity Shares held by them or their relatives and associates or held by the Companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.
- F. For details of the related party transactions, including details of transactions between the Company with its group companies and the cumulative value of such transactions, see “Details of Related Party Transactions” in Chapter “Financial Statements” on page 118 of this Prospectus.
- G. For information on changes in the Company’s name and changes in object clause of the Memorandum of Association of the Company, see the chapter titled “ History and Certain Other Corporate Matters” beginning on page 88 of this Prospectus.
- H. Neither a member of the Promoter Group nor a Director nor any relative of any Director has financed the purchase by any other person of any securities of the Company during the six months immediately preceding the date of this Prospectus.
- I. Other than as stated in the chapter titled “Capital Structure” on page 42 of this Prospectus, the Company has not issued any Equity Shares for consideration other than cash.
- J. Investors may note that in case of over-subscription in the Issue, allotment to Retail applicants and other applicants shall be on proportionate basis. For more information, please refer to the paragraph titled “Basis of Allotment” beginning on page 195 of this Prospectus.
- K. Trading in Equity Shares for all investors shall be in dematerialised form only.
- L. Clarification or further information, if any, relating to the Issue shall be made available by the Lead Manager 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 are free to contact the Lead Manager for any complaints pertaining to the Issue who will be obliged to redress the same for the Investor.

## SECTION III – INTRODUCTION

This is only a summary and does not contain all the information that you should consider before investing in our Equity Shares. You should read the entire Prospectus, including the information contained in the chapters titled 'Risk Factors' and 'Financial Statements' and related notes beginning on page 11 and 118 of this Prospectus before deciding to invest in our Equity Shares.

### SUMMARY OF OUR INDUSTRY

#### Introduction

Real estate in India continues to be a favoured destination globally, for investors, developers and non-resident Indians (NRIs), driven largely by investor-friendly government policies and increasing globalisation. The second largest employment generation sector after agriculture, real estate contributes about 6.3 per cent to India's gross domestic product (GDP). The foreign direct investment (FDI) in the sector is expected to touch US\$ 25 billion in the next 10 years from its current US\$ 4 billion.

The sector's progress is driven by factors such as rapid urbanisation, a growing trend towards nuclear families, positive demographics, rural–urban migration, ever-developing infrastructure, higher income levels and housing demand. The real estate sector, with its growing investment opportunities, is expected to post annual revenues of US\$ 180 billion by 2020.

*Source: <http://www.ibef.org/industry/real-estate-overview>*

#### Market Dynamics

The real estate sector in India is witnessing rapid growth in the residential, commercial and industrial segments. Real estate development, once restricted to bigger cities, have shown marked progress in smaller cities and towns owing to availability of banks loans, higher earnings and improved standard of living.

The real estate sector of India is projected to post annual revenues of US\$ 180 billion by 2020 against US\$ 66.8 billion in 2010-11, a compound annual growth rate (CAGR) of 11.6 per cent. The demand is expected to grow at a CAGR of 19 per cent in the period 2010-2014, with Tier I metropolitan cities expected to account for about 40 per cent of this growth. As of now, Mumbai, Delhi-National Capital Region (NCR) and Bengaluru cater for 46 per cent of total office space demand in India. This demand is expected to be rise sharply in Tier II cities such as Kolkata and Chennai in the period 2010-14.

Today, Delhi-NCR accounts for about 30 per cent of the total mall supply in India. About 53 per cent of demand for total mall space is projected to come from the country's top seven cities, namely Delhi-NCR, Bengaluru, Mumbai, Kolkata, Pune, Hyderabad, and Chennai, in the period 2010-2014.

*Source: <http://www.ibef.org/industry/real-estate-overview>*

#### Investment Opportunities

India's office space stock is estimated to rise by 40 per cent to 642.2 million sq ft by 2017, according to a report by real estate consultancy Knight Frank India. The current Indian market offers some of the most competitive rates in the Asia-Pacific region, according to a report by property services firm DTZ. The report also states that Indian cities will have some of the fastest rental growths in the region over the period 2013-17, but will remain among the most competitive.

The share of luxury retail space in India will be 1.4 per cent by 2015, according to a report by real estate services firm Cushman & Wakefield. NCR and Mumbai, areas that have embraced the mall culture, are the two most favoured destinations for luxury retailers.

The construction development sector, including townships, housing and built-up infrastructure garnered total FDI worth US\$ 22,671.95 million in the period April 2000-August 2013. Construction (infrastructure) activities during the period received FDI worth US\$ 2,280.95 million, according to the Department of Industrial Policy and Promotion (DIPP).

*Source: <http://www.ibef.org/industry/real-estate-overview>*

### **Government Initiatives**

According to the existing FDI policy, 100 per cent FDI in the construction development sector is permitted through the automatic route. DIPP is looking at relaxing FDI norms further to encourage investment. It has also proposed a reduction in the minimum capitalization for wholly-owned subsidiaries from US\$ 10 million to US\$ 5 million, and from US\$ 5 million to US\$ 2.5 million for joint ventures with Indian partners.

One of the major initiatives of the Ministry of Housing and Urban Poverty Alleviation (MHUPA) is to provide affordable housing for poor people living in urban areas. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is one its flagship schemes, a reform driven investment programme which started with the objective of creating economically productive, efficient, responsive and inclusive cities.

The Real Estate (Regulation and Development) Bill, 2013, as approved by the Union Cabinet is a pioneering initiative aimed at delivering a uniform regulatory environment to protect the consumer, help in quick verdicts of disputes and ensure systematic growth of the sector.

*Source: <http://www.ibef.org/industry/real-estate-overview>*

### **Road Ahead**

India needs to invest US\$ 1.2 trillion over next 20 years to modernize urban infrastructure and keep pace with the burgeoning urbanization, as per a report (India's urban awakening) released by McKinsey Global Institute (MGI).

Demand for space from sectors such as education and healthcare has opened up opportunities in the real estate sector. Also, growth in the number of tourists has led to demand for service apartments. This demand in the tourism sector is expected to generate 50,000 new hotel rooms over the next four to five years, across India's major cities.

*Source: <http://www.ibef.org/industry/real-estate-overview>*

For further details on our Business, please see “Industry Overview” on page 71 of this Prospectus.

## SUMMARY OF OUR BUSINESS

Our Company “Bhanderi Infracon Limited”, a Real Estate Development Company, was incorporated in the year 2004. Our Promoters, Mr. Dhirubhai Patel and Mr. Sunil Patel, established real estate developers, have over 25 years of experience in the real estate sector. The Company was taken over with an idea to develop untapped opportunities viz. buying, selling, development, re-development of properties, investments in joint ventures, investment in partnerships, investment in completed / partially completed / upcoming projects etc.

Our Promoters undertook the modest activities in the initial years of operations, capitalizing on an excellent opportunity by acquiring Non Agricultural Land at village Odhav and Nikol, Ahmedabad in Public Auction held by Debt Recovery Tribunal (DRT), Ahmedabad vide sale certificate and sale confirmation issued by the Recovery Officer, DRT, Ahmedabad dated March 23, 2005. The total extent of the land acquired was approximately 1,61,172 sq. mts. Our Company undertook to plot, develop Industrial and Commercial units over the said Land and this project was successfully completed.

Our Company had initiated the Joint Development Agreement with M/s Neelkanth Corporation to construct common road, electrification, drainage and all other necessary infrastructure on the said land. The said Joint Development Agreement has been terminated and all Development activities i.e. development of sheds and commercial offices (shops), are presently carried out by our Company.

Currently, Our Company is engaged in development of Residential Flats and Bungalows under Partnership firms, namely: Tulsi Enterprises and Dharnidhar Developers respectively. The complete details of interest in said Partnership firms have been provided on page 112 of this Prospectus under the chapter titled “Our Promoter Group and Group Entities”

While conceptualizing a project, we rely on a research based approach for layout planning, FSI utilization, unit size, fittings and interiors, and determining sales and marketing strategy. Depending on our market research, regulatory practices and consumer preferences, we alter our development mix and product design to ensure that our products cater to customer requirements. Our Company intends to exploit the opportunities that are available in the Real Estate Sector and our operations will cover all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects, maintenance and management of our completed developments etc. Our Company may also enter into project specific joint ventures or partnerships with other companies to enhance our credentials. We are working continuously to strengthen our infrastructure, enhance our presence and build capabilities to execute end to end projects on our own.

### Our Services

We provide land development/construction services for the sectors described below:

- a) **Residential:** In the residential sector, we construct residential buildings;
- b) **Commercial:** In the commercial sector, our services consist of the construction of structures such as Commercial offices and Shops; and
- c) **Industrial:** In the industrial sector, our services consist of the construction of factories, sheds and workshops.

### Our Strength

- Significant experience and strong presence in Gujarat
- Good Reputation and Brand Image
- Experienced management team
- Joint Development Model

For further details on our Business, please see “Business Overview” on page 79 of this Prospectus.

## SUMMARY OF FINANCIAL STATEMENTS

The following summary of financial data has been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations, 2009 and restated as described in the Auditor's Report in the Section titled "Financial Information". You should read this financial data in conjunction with our financial statements for the years ended 2009, 2010, 2011, 2012, 2013 and for the period ended as on January 31, 2014 including the notes thereto and the reports thereon, which appears under the chapter titled "Financial Statements" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page 118 and 141 of this Prospectus.

### STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in Rupees)

Sr. No.	PARTICULARS	As at					
		31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>A</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders Fund</b>						
	Share Capital	1,48,00,000	1,09,09,000	1,00,000	1,00,000	1,00,000	1,00,000
	Reserves & Surplus	4,71,67,173	10,99,335	1,05,79,297	1,04,34,031	1,02,81,867	95,35,171
	<b>Total Shareholder's Funds</b>	<b>6,19,67,173</b>	<b>1,20,08,335</b>	<b>1,06,79,297</b>	<b>1,05,34,031</b>	<b>1,03,81,867</b>	<b>96,35,171</b>
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long term Borrowings	-	-	-	-	-	-
	Deferred Tax Liability (Net)	-	-	-	-	-	-
	Other Long Term Liabilities	25,59,000	66,00,000	48,69,269	63,32,111	64,45,772	1,02,27,566
	Long Term Provisions	50,000	1,80,000	-	-	-	-
	<b>Total Non-Current Liabilities</b>	<b>26,09,000</b>	<b>67,80,000</b>	<b>48,69,269</b>	<b>63,32,111</b>	<b>64,45,772</b>	<b>1,02,27,566</b>
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	10,29,10,622	1,03,70,925	21,20,925	35,05,925	21,20,922	42,35,003
	Trade Payables	8,92,32,528	6,47,66,476	13,05,286	12,57,165	12,56,295	37,92,436
	Other Current Liabilities	13,88,842	45,97,297	38,16,817	38,11,710	37,05,580	34,50,214
	Short Term Provisions	-	-	-	-	-	-
	<b>Total Current Liabilities</b>	<b>19,35,31,991</b>	<b>7,97,34,698</b>	<b>72,43,028</b>	<b>85,74,800</b>	<b>70,82,797</b>	<b>1,14,77,653</b>
	<b>Total (1+2+3)</b>	<b>25,81,08,164</b>	<b>9,85,23,033</b>	<b>2,27,91,594</b>	<b>2,54,40,942</b>	<b>2,39,10,436</b>	<b>3,13,40,390</b>
<b>B</b>	<b>Assets</b>						
<b>4</b>	<b>Non-Current Assets</b>						
	<b>Fixed Assets</b>						
	Tangible Assets	2,18,484	2,30,784	3,11,407	70,480	95,102	1,28,326
	Intangible Assets	-	-	-	-	-	-
	Capital Work-in-Progress	-	-	-	-	-	-
	Non-Current Investments	4,87,47,655	54,73,862	1,005	1,005	1,005	-
	Long Term Loans & Advances	10,72,579	3,66,165	50,70,684	86,37,579	90,14,549	1,42,095



	Deferred Tax Asset (Net)	34,708	30,694	18,350	15,916	14,961	12,523
	Other non-current assets	-	-	-	-	-	-
	<b>Total Non-Current Assets</b>	<b>5,00,73,426</b>	<b>61,01,505</b>	<b>54,01,446</b>	<b>87,24,980</b>	<b>91,25,617</b>	<b>2,82,944</b>
<b>5</b>	<b>Current Assets</b>						
	Current Investments	-	-	-	-	-	80,04,223
	Inventories	20,34,11,118	8,31,59,989	1,36,87,957	1,39,57,800	1,08,72,500	1,70,85,826
	Trade Receivable	-	60,82,000	34,60,530	22,80,530	22,80,530	34,90,046
	Cash & Cash Equivalents	46,23,620	31,79,540	2,41,661	4,77,632	15,96,255	5,23,265
	Short Term Loans & Advances	-	-	-	-	35,534	19,54,086
	Other current assets	-	-	-	-	-	-
	<b>Total Current Assets</b>	<b>20,80,34,738</b>	<b>9,24,21,528</b>	<b>1,73,90,148</b>	<b>1,67,15,962</b>	<b>1,47,84,819</b>	<b>3,10,57,446</b>
	<b>Total Assets (4+5)</b>	<b>25,81,08,164</b>	<b>9,85,23,033</b>	<b>2,27,91,594</b>	<b>2,54,40,942</b>	<b>2,39,10,436</b>	<b>3,13,40,390</b>

**STATEMENT OF PROFIT AND LOSSES, AS RESTATED**

**(Amount in Rupees)**

PARTICULARS	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Income</b>						
Revenue From Operations						
Sales and Services	1,05,00,000	62,00,000	3,61,262	19,08,370	1,06,08,285	84,18,471
Other Income	72,489	9,47,186	6,21,936	1,240	5,07,895	92,919
<b>Total</b>	<b>1,05,72,489</b>	<b>71,47,186</b>	<b>9,83,198</b>	<b>19,09,610</b>	<b>1,11,16,180</b>	<b>85,11,390</b>
<b>Expenditure</b>						
Purchases	-	-	-	-	-	-
Operating Expenses	12,78,47,938	7,37,28,442	1,14,455	42,16,961	22,11,805	61,13,871
Changes in Inventories	(12,02,51,129)	(6,94,72,032)	2,69,843	(30,85,300)	62,13,326	(54,84,458)
Employee Benefit Expenses	5,36,200	2,55,500	83,500	48,000	1,89,000	4,42,000
Depreciation and Amortization expense	51,800	80,623	55,729	24,622	33,224	44,830
Other Expenses	6,20,355	12,53,209	2,77,709	4,83,148	13,71,607	61,24,587
<b>Total</b>	<b>88,05,164</b>	<b>58,45,742</b>	<b>8,01,236</b>	<b>16,87,431</b>	<b>1,00,18,962</b>	<b>72,40,830</b>
<b>Net Profit Before Tax</b>	<b>17,67,325</b>	<b>13,01,444</b>	<b>1,81,962</b>	<b>2,22,179</b>	<b>10,97,218</b>	<b>12,70,560</b>
Less: Current Tax	(4,50,000)	(3,93,750)	(39,130)	(70,970)	(3,52,960)	(4,57,905)
Deferred Tax	4,014	12,344	2,434	955	2,438	4,633
<b>Net Profit after Tax and before Extra-Ordinary Items</b>	<b>13,21,338</b>	<b>9,20,038</b>	<b>1,45,266</b>	<b>1,52,164</b>	<b>7,46,696</b>	<b>8,17,288</b>
<b>Extra-Ordinary Item (net of Tax)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit after Extra Ordinary Items</b>	<b>13,21,338</b>	<b>9,20,038</b>	<b>1,45,266</b>	<b>1,52,164</b>	<b>7,46,696</b>	<b>8,17,288</b>

**STATEMENT OF CASH FLOWS, AS RESTATED**

(Amount in Rupees)

PARTICULARS	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit Before tax	17,67,325	13,01,444	1,81,962	2,22,179	10,97,218	12,70,560
<b>Adjustment For:</b>						
Depreciation	51,800	80,623	55,729	24,622	33,224	44,830
Loss on sale of Assets	-	-	-	-	-	-
Profit on sale of Assets	-	-	(99,656)	-	-	-
Preliminary Expenses Written off	-	6,01,500	-	-	-	-
Interest Income	-	-	-	-	(3,56,023)	-
Dividend	-	(120)	(480)	-	(1,18,720)	(86,980)
Share of (Profit) / Loss From Partnership Firm	(1,096)	(6,04,558)	-	-	-	-
Sundry Balance write back	-	-	-	-	-	-
<b>Operating profit before working capital changes</b>	<b>18,18,029</b>	<b>13,78,889</b>	<b>1,37,555</b>	<b>2,46,801</b>	<b>6,55,699</b>	<b>12,28,410</b>
<b>Adjustment For:</b>						
Inventories	(12,02,51,129)	(6,94,72,032)	2,69,843	(30,85,300)	62,13,326	(54,84,458)
Trade Receivable	60,82,000	(26,21,470)	(11,80,000)	-	12,09,516	70,82,883
Short Term Loans and Advances	-	-	-	35,534	19,18,552	6,45,914
Long Term Loans and Advances	(5,92,384)	47,79,899	35,00,000	3,65,000	(87,33,299)	-
Other Non-current Assets	-	-	-	-	-	-
Short Term Borrowings	9,25,39,697	-	-	-	-	-
Trade Payables	2,44,66,052	6,34,61,190	48,121	870	(25,36,141)	37,92,436
Other Current liabilities	(32,08,456)	7,80,480	5,107	1,06,130	2,55,366	(4,25,781)
Other Long Term liabilities	(40,41,000)	17,30,731	(14,62,842)	(1,13,661)	(37,81,794)	(44,62,032)
Long Term Provisions	-	-	-	-	-	-
<b>Working Capital changes</b>	<b>(50,05,220)</b>	<b>(13,41,202)</b>	<b>11,80,229</b>	<b>(26,91,427)</b>	<b>(54,54,474)</b>	<b>11,48,962</b>
<b>Cash Generated From Operation</b>	<b>(31,87,191)</b>	<b>37,687</b>	<b>13,17,784</b>	<b>(24,44,626)</b>	<b>(47,98,775)</b>	<b>23,77,372</b>
<b>Income Taxes Paid</b>	<b>(6,94,030)</b>	<b>(2,89,130)</b>	<b>27,765</b>	<b>(59,000)</b>	<b>(4,92,115)</b>	<b>(22,57,820)</b>
<b>Cash Flow From Operating Activities (A)</b>	<b>(38,81,222)</b>	<b>(2,51,443)</b>	<b>13,45,549</b>	<b>(25,03,626)</b>	<b>(52,90,890)</b>	<b>1,19,552</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase/Sale of Long Term Investment	(4,32,73,793)	(54,72,857)	-	-	80,03,218	(80,04,223)
Purchase/Sale of Fixed Assets	(39,500)	-	(1,97,000)	-	-	-
Profit / (Loss) From Partnership Firm	1,096	6,04,558	-	-	-	-

<b>Net Cash Flow From Investing Activities (B)</b>	<b>(4,33,12,197)</b>	<b>(48,68,299)</b>	<b>(1,97,000)</b>	<b>-</b>	<b>80,03,218</b>	<b>(80,04,223)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issuance of share capital	4,86,37,500	4,09,000	-	-	-	-
Interest Paid	-	-	-	-	-	-
Interest Received	-	-	-	-	3,56,023	-
Preliminary Expenses Incurred	-	(6,01,500)	-	-	-	-
Dividend Received	-	120	480	-	1,18,720	86,980
Long Term Borrowings	-	-	-	-	-	-
Short Term Borrowings	-	82,50,000	(13,85,000)	13,85,003	(21,14,081)	36,19,420
<b>Net Cash Flow From Financing Activities (C)</b>	<b>4,86,37,500</b>	<b>80,57,620</b>	<b>(13,84,520)</b>	<b>13,85,003</b>	<b>(16,39,338)</b>	<b>37,06,400</b>
<b>Net increase/(decrease) in cash and cash Equivalents</b>	<b>14,44,081</b>	<b>29,37,878</b>	<b>(2,35,971)</b>	<b>(11,18,623)</b>	<b>10,72,990</b>	<b>(41,78,271)</b>
Opening balance of Cash and Cash Equivalents	31,79,540	2,41,661	4,77,632	15,96,255	5,23,265	47,01,537
<b>Closing Balance Of Cash and Cash Equivalents</b>	<b>46,23,620</b>	<b>31,79,540</b>	<b>2,41,661</b>	<b>4,77,632</b>	<b>15,96,255</b>	<b>5,23,265</b>

## THE ISSUE

### Present Issue In Terms of this Prospectus

<b>Equity Shares Offered:</b> Present Issue of Equity Shares by our Company	Issue of 5,40,000 Equity Shares of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 120/- per Equity Share aggregating Rs. 648.00 Lakhs
Consisting of	
<b>Issue Reserved for Market Makers</b>	27,600 Equity Shares of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 120/- per Equity Share aggregating Rs. 33.12 Lakhs
<b>Net Issue to Public</b>	5,12,400 Equity Shares of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 120/- per Equity Share aggregating Rs. 614.88 Lakhs
	<b>Of which</b>
	2,56,200 Equity Shares of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 120/- per Equity Share will be available for allocation to Investors of up to Rs. 2.00 Lakhs
	2,56,200 Equity Shares of Rs. 10/- each fully paid of the Company for cash at a price of Rs. 120/- per Equity Share will be available for allocation to Investors of above Rs. 2.00 Lakhs
<b>Equity Shares outstanding prior to the issue</b>	14,80,000 Equity Shares of Rs. 10/- each
<b>Equity Shares outstanding after the issue</b>	20,20,000 Equity Shares of Rs. 10/- each
<b>Objects of the issue</b>	Please refer chapter titled “Objects of the Issue” on page 54 of this Prospectus

This issue is being made in terms of chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. The Issue is being made through the Fixed Price Process hence, as per sub regulation (4) of regulation 43 of SEBI (ICDR) Regulations, 2009 at least 50% of the Net Issue to the Public will be available for allocation on a proportionate basis to Retail Individual Applicants, subject to valid Applications being received at the Issue Price. The unsubscribed portion in any of the categories may be allocated to applicants in the other category. For further details please refer to “Issue Structure” on page 175 of this Prospectus

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on March 01, 2014 and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act, 1956 at the EGM held on March 24, 2014.

## GENERAL INFORMATION

Our Company was incorporated as 'Bileshwar Industrial Estate Developers Private Limited' under the Companies Act, 1956 pursuant to Certificate of Incorporation dated July 19, 2004 issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. The name of our Company was changed to 'Bhanderi Infracon Private Limited' pursuant to fresh certificate of incorporation consequent upon change of name dated February 26, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company under the Companies Act and the name of our Company was changed to 'Bhanderi Infracon Limited' pursuant to fresh certificate of incorporation consequent upon change of name on conversion to public limited company dated April 29, 2013, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Our corporate identification number is U45201GJ2004PLC044481.

### REGISTERED OFFICE OF OUR COMPANY

B/12, Jabuka Complex,  
Near Bajrang Ashram, Below Vikas School,  
N. H. 8, Thakkar Bapanagar  
Ahmedabad - 382350  
Gujarat, India  
**Tel:** +91-079-2283 0245  
**Fax:** +91-079-2283 0245  
**Website:** www.bhanderiinfracon.com  
**Email:** bhanderiinfracon@gmail.com  
**Company Registration Number:** 044481  
**Company Identification Number:** U45201GJ2004PLC044481

For details relating to changes to our Registered Office, see Para titled 'Changes in Registered Office' on page 88 of chapter titled 'History and Certain Corporate Matters' of this Prospectus.

### REGISTRAR OF COMPANIES

#### Registrar of Companies, Gujarat, Dadra and Nagar Haveli

RoC Bhavan, Opp Rural Park Society,  
Behind Ankur Bus Stop, Naranpura,  
Ahmedabad - 380013  
Gujarat, India  
**Tel:** +91-079-2743 7597  
**Fax:** +91-079-2743 8371  
**Website:** ww.mca.gov.in  
**Email:** roc.ahmedabad@mca.gov.in

### NAME OF THE STOCK EXCHANGE WHERE PROPOSED TO BE LISTED

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

### ISSUE PROGRAMME

Issue Opens on: July 22, 2014  
Issue Closes on: July 25, 2014

## OUR BOARD OF DIRECTORS:

Our Board comprises the following:

Sr. No.	Name	Age	DIN	Address	Designation
1.	Sunil Dhirubhai Patel	31	00307827	16, Vikram Park, Opp. Bajrang Ashram, N.H. Road – 8, Saijpur Bogha, Ahmedabad – 382350, Gujarat, India	Managing Director
2.	Dhirubhai Mohanbhai Patel	58	02043847	16, Vikram Ploting, N.H. Road – 8, Opp: Bajrangdas Bapas Ashram, Takkar Bapanagar, Ahmedabad – 382350, Gujarat, India	Chairman and Whole Time Director
3.	Rohit Amrutbhai Thumar	27	06489378	145/2, Daemod Park, Behind Ratam Park, Near Uttamnagar, Nikol Gam Road, Ahmedabad – 382350, Gujarat, India	Independent Director
4.	Kanubhai Govindbhai Bhanderi	46	06698850	145/2, Diamond Park, Uttamnagar, Nikol Gam, Ahmedabad - 382415, Gujarat, India	Independent Director
5.	Mahesh Jayantilal Savaliya	26	06698871	A-34, Shrinath Park Society, Opp. Power House, Nikol Gam Road, Ahmedabad-380006, Gujarat	Independent Director

For further details of our Directors, see chapter titled “Our Management” on page 91 of this Prospectus.

## COMPANY SECRETARY AND COMPLIANCE OFFICER

Mustafa Shabbir Badami,  
Company Secretary and Compliance Officer,  
B/12, Jabuka Complex,  
Near Bajrang Ashram, Below Vikas School,  
N. H. 8, Thakkar Bapanagar  
Ahmedabad - 382350  
Gujarat, India  
**Tel:** +91-079-2283 0245  
**Fax:** +91-079-2283 0245  
**Website:** www.bhanderiinfracon.com  
**Email:** bhanderiinfracon@gmail.com

**Investor may contact the Compliance Officer and/or Registrar to the Issue and/or Lead Manager to the Issue in case of any Pre-Issue or Post-Issue related matters such as non-receipt of letter of Allotment, credit of allotted Equity Shares in the respective beneficiary account, refund orders, etc.**

**All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with copy to the concerned SCSBs to whom the Application Form was submitted, 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 SCSBs where the ASBA Form was submitted by the ASBA Applicant.**

**All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to Lead Manager, who shall respond to the same.**

#### **LEAD MANAGER TO THE ISSUE**

##### **Choice Capital Advisors Private Limited**

Shree Shakambhari Corporate Park,  
156-158, Chakravarti Ashok Society,  
J.B. Nagar, Andheri (E), Mumbai – 400 099  
**Tel:** +91-022-6707 9999  
**Fax:** +91-022-6707 9959  
**Website:** www.choiceindia.com  
**Email:** vikash@choiceindia.com  
**Contact Person:** Mr. Vikash Kumar Agarwal  
**SEBI Registration No:** INM000011872

#### **LEGAL ADVISORS TO THE ISSUE**

Law Chamber of Siddharth Murarka  
2/4, 1<sup>st</sup> Cross, Old Hanuman Lane,  
3<sup>rd</sup> Floor, Mumbai – 400002  
**Tel:** +91-022-6610 7755 / 7799  
**Fax:** +91-022-6610 7744  
**Website:** www.siddharthmurarka.com  
**Email:** contact@siddharthmurarka.com  
**Contact Person:** Mr. Siddharth Murarka

#### **REGISTRAR TO THE ISSUE**

##### **Purva Sharegistry (India) Private Limited**

9, Shiv Shakti Industrial Estate,  
J. R. Boricha Marg,  
Lower Parel (East),  
Mumbai – 400 011  
**Tel:** +91-022-2301 8261/ 6761  
**Fax:** +91-022-2301 2517  
**Website:** www.purvashare.com  
**Email:** busicomp@vsnl.com  
**Contact person:** Mr. V.B. Shah  
**SEBI Registration No.:** INR000001112



## **STATUTORY AUDITORS TO THE COMPANY**

### **S A R A & Associates, Chartered Accountants**

202, 2nd Floor, May Building,  
297/299/301 Princess Street,  
Near Marine Lines Flyover,  
Mumbai- 400 002

**Tel:** +91-022- 4922 7200

**Fax:** +91-022-2209 1106

**Website:** www.sara-india.com

**Email:** rajesh@sara-india.com

**Contact Person:** CA Rajesh Agarwal

**Membership No.** 078310

**Firm Registration No.** 120927W

S A R A & Associates holds a peer reviewed certificate dated January 10, 2013 issued by the Institute of Chartered Accountants of India.

## **BANKERS TO THE COMPANY**

### **Axis Bank Limited**

Pushpak Arcade, Hirawadi Crossroad,  
Narol-Naroda Highway,  
Near Bajrang Ashram, Bapunagar,  
Ahmedabad - 380 024.

**Tel:** +91-079-2273 1172

**Fax:** +91-079-2273 1175

**Website:** www.axisbank.com

**Email:** bapunagar.operationshead@axisbank.com

**Contact person:** Ms. Simrit Kaur

## **BANKERS TO THE ISSUE / ESCROW COLLECTION BANKS AND REFUND BANKERS**

### **Axis Bank Limited**

Jeevan Prakash Building,  
Ground Floor, Sir P. M. Road,  
Fort, Mumbai -400001

**Tel:** +91-22-4086 7371/ +91-22-4086 7464

**Fax:** +91-22-40867327

**Website:** www.axisbank.com

**Email:** singh.sandeep@axisbank.com

**Contact person:** Mr. Sandeep Singh, Mr. Viraj Vaidya, Mr. Nachiket Kalwit

## **SELF CERTIFIED SYNDICATE BANKS**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in>. For details of designated branches of SCSBs collecting ASBA Application Form, please refer the above-mentioned SEBI website.

## STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES FOR THE ISSUE

Since Choice Capital Advisors Private Limited is the sole Lead Manager to this Issue, all the responsibilities of a merchant banker in this Issue will be managed by them.

### CREDIT RATING

This being an issue of Equity Shares, credit rating is not required.

### IPO GRADING

IPO Grading of the Issue not being mandatory, no IPO Grading agency has been appointed.

### DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

### MONITORING AGENCY

As per Regulation 16(1) of SEBI (ICDR) Regulations, the requirement of Monitoring Agency is not mandatory if the issue size is below Rs 50,000 Lakhs. Since this Issue Size is only of Rs 648.00 lacs, our Company has not appointed any monitoring agency for this Issue. However, as per Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the Equity Shares and the corporate governance requirements, inter-alia, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

### APPRAISING ENTITY

The present issue is not being appraised by any appraising agency.

### EXPERT OPINION

Except for (a) Auditors' reports on the restated financial statements and Statement of Possible Tax Benefits included in this Prospectus; and (b) Legal Due Diligence Reports dated July 07, 2014 and July 10, 2014, our Company has not obtained any other expert opinion.

### UNDERWRITING AGREEMENT

The company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by the Lead Manager – Choice Capital Advisors Private Limited. Pursuant to the terms of the Underwriting Agreement dated April 21, 2014 and Supplementary Underwriting Agreement dated June 13, 2014, the obligations of the underwriters are several and are subject to certain conditions specified therein. The underwriter has indicated its intention to underwrite the following number of specified securities being offered through this Issue:

Name and address of the underwriter	No. of Equity Shares underwritten	Amount underwritten (Rs. In Lakhs)	% of the Total Issue size underwritten
<b>Choice Capital Advisors Private Limited</b> Shree Shakambhari Corporate Park, 156-158, Chakravarti Ashok Society, J.B. Nagar, Andheri (E), Mumbai – 400 099 <b>Tel:</b> +91-022- 6707 9999 <b>Fax:</b> +91-022-6707 9959	5,40,000	648.00	100

<b>Email ID:</b> vikash@choiceindia.com <b>Website:</b> www.choiceindia.com <b>Contact Person:</b> Vikash Kumar Agarwal <b>SEBI Registration No:</b> INM000011872			
<b>TOTAL</b>	<b>5,40,000</b>	<b>648.00</b>	<b>100</b>

In the opinion of the Board of Directors of our Company, the resources of the above mentioned underwriter are sufficient to enable them to discharge their obligations in full.

#### **DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Lead Manager have entered into an agreement dated April 21, 2014 and Supplementary Market Making Agreement dated June 13, 2014 with the following Market Maker, duly registered with the SME Platform of BSE in order to fulfill the obligations of Market Making:

##### **Joindre Capital Services Limited**

32, Raja Bahadur Mansion, Ground Floor,

Opp. Bank of Maharashtra,

Mumbai Samachar Marg, Fort,

Mumbai – 400 023

**Tel:** +91-022-4033 4567

**Fax:** +91-022-4033 4568

**Website:** www.joindre.com

**Email:** info@joindre.com

**Contact Person:** Mr. Yogesh Kapadia

**SEBI Registration No:** INB011107555

**Market Maker Registration No (SME Segment of BSE):** SMEMM0008906112013

Joindre Capital Services Limited, registered with SME segment of BSE will act as the market makers 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 such period as may be notified by amendment to SEBI (ICDR), Regulations.

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

Following is a highlight of the Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs.1,00,000/- .However, investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their entire holding to the Market Maker(s) (individually or jointly) in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three months from the market making period, the market maker would be exempted to provide buy quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 27,600 Equity Shares out to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 27,600 Equity Shares would not to be taken into consideration of

computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.

4. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
5. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
6. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors. At this stage, Joindre Capital Services Limited is acting as the sole Market Maker.
7. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. Price circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Market maker may be present in the opening call auction, but there is no obligation on him to do so.
9. The Market Maker may be allowed to withdraw temporarily/fully from the market under special circumstances such as system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.
10. The Market Maker(s) shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106V of the SEBI (ICDR) Regulations, 2009. Further the Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

11. SEBI has issued a circular no. CIR/MRD/DSA/31/2012 dated November 27, 2012 providing guidelines for Market Makers for the inventory management on the SME Exchange / Platform. The Market Makers agree to abide by such guidelines/circulars and any further guidelines/circulars issued by SEBI or Stock Exchange from time to time. The circular limits on the upper side for market makers during the market making process has been applicable, based on the issue size and as follows:

<b>Issue Size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue size)</b>	<b>Re- Entry threshold for buy quotes (including mandatory initial inventory of 5% of Issue size)</b>
Up to Rs 20 crore	25%	24%
Rs 20 crore to Rs 50 crore	20%	19%
Rs 50 crore to Rs 80 crore	15%	14%
Above Rs 80 crore	12%	11%

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

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

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

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

Sr. No.	Market Price Slab (in Rs.)	Proposed Spread (in % to sale price)
1.	Upto 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

## CAPITAL STRUCTURE

The share capital of our company, as on the date of this Prospectus and after giving effect to the Issue is as stated below:

(Rs. In Lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorised Share Capital</b>		
	50,00,000 Equity Shares of Rs. 10/- each	500.00	-
<b>B</b>	<b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>		
	14,80,000 Equity Shares of face value of Rs. 10/- each	148.00	-
<b>C</b>	<b>Present issue in terms of the Prospectus</b>		
	Issue of 5,40,000 Equity Shares of Rs. 10/- each at a price of Rs.120/- per Equity Share.	54.00	648.00
	<b>Which comprises</b>		
	27,600 Equity Shares of Rs. 10/- each at a price of Rs.120/- per Equity Share reserved as Market Maker Portion	2.76	33.12
	Net Issue to the Public of 5,12,400 Equity Shares of Rs. 10/- each at a price of Rs.120/- per Equity Share	51.24	614.88
	<b>Of which</b>		
	2,56,200 Equity Shares of Rs.10/- each at a price of Rs. 120/- per Equity Share will be available for allocation for Retail Individual Investors of up to Rs. 2 Lakhs	25.62	307.44
	2,56,200 Equity Shares of Rs.10/- each at a price of Rs. 120/- per Equity Share will be available for allocation for other Investors of above Rs. 2 Lakhs	25.62	307.44
<b>D</b>	<b>Equity Share Capital after the Issue</b>		
	20,20,000 Equity Shares of Rs. 10/- each	202.00	-
<b>E</b>	<b>Securities Premium Account</b>		
	Before the Issue		447.47
	After the Issue		1041.47

1. All Equity Shares are fully paid-up.
2. The Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on March 01, 2014 and by the shareholders of our Company vide a special resolution passed pursuant to section 81(1A) of the Companies Act, 1956 at the EGM held on March 24, 2014.

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

## Changes in the Authorized Capital

The initial authorized share capital of Rs. 1,00,000 divided into 10,000 Equity Shares of Rs. 10 each was increased to Rs. 5,00,00,000 divided into 50,00,000 Equity Shares of Rs. 10 each pursuant to a resolution of the shareholders of our Company passed in Extra Ordinary General Meeting held on February 05, 2013.

### Notes to the Capital Structure

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

Date of allotment/ Fully Paid up	No. of equity shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consideration	Nature of Allotment	Cumulative No. of equity Shares	Cumulative paid-up Capital (Rs.)	Cumulative Securities Premium (Rs.)
July 19, 2004	10,000	10	10	Cash	Subscription to Memorandum of Association <sup>(1)</sup>	10,000	1,00,000	NIL
March 01, 2013	40,900	10	10	Cash	Further Allotment <sup>(2)</sup>	50,900	5,09,000	NIL
March 18, 2013	10,40,000	10	-	Bonus	Bonus in the ratio of 104:1 <sup>(3)</sup>	10,90,900	1,09,09,000	NIL
September 02, 2013	3,89,100	10	125	Cash	Further Allotment <sup>(4)</sup>	14,80,000	1,48,00,000	4,47,46,500

(1) Initial allotment of 10,000 Equity Shares to Harshadbhai Bhatt and Tekchand Chawla pursuant to subscription to the Memorandum of Association.

(2) Allotment of an aggregate of 40,900 Equity Shares to Sunibhai Patel, Bhumikaben Patel, Dhirubhai Patel, Ramilaben Patel, Sunilbhai Patel HUF, Dhirubhai Patel HUF, Jagdishbhai Radadia, Vipulbhai Senjalia, Ashaben Radadia and Kishorbhai Bhanderi.

(3) Bonus issue of an aggregate of 10,40,000 Equity Shares undertaken through the capitalisation of Rs. 1,04,00,000 from the free reserves of our Company to Bhumikaben Patel and Dhirubhai Patel in the ratio of 104 equity shares for every one Equity Share held by the members holding equity shares of the Company as on February 28, 2013 i.e. Record date.

(4) Allotment of an aggregate of 3,89,100 Equity Shares on preferential basis to Sunilbhai Patel.

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

Date of allotment	Name of the allottees	No. of Equity Shares allotted	Face value (Rs.)	Issue price (Rs.)	Reasons for allotment	Whether any benefits accrued to our Company
March 18, 2013	Bhumikaben Patel	2,08,000	10	-	Bonus issue in the ratio 104:1	-
	Dhirubhai Patel	8,32,000				
	<b>TOTAL</b>	<b>10,40,000</b>				

3. We presently do not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this Issue, by way of split / consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable for, directly or indirectly, for our Equity Shares) whether on a preferential basis or otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.
4. We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under sections 391-394 of the Companies Act, 1956. The Company has not issued any shares for consideration other than cash, except for the bonus shares as detailed above.
5. We have not issued any Equity Shares at a price less than the Issue Price in the one year immediately preceding the date of filing of this Prospectus.

#### 6. Details of Promoters' contribution and Lock-in

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

##### (i) Details of build-up of shareholding of Promoters

As on the date of this Prospectus, our Promoters, Mr. Sunil Patel and Mr. Dhirubhai Patel hold 14,46,600 Equity Shares, which constitutes 97.74% of the issued, subscribed and paid-up Equity Share capital of our Company. None of the Equity Shares held by our Promoters is subject to any pledge.

Date of Allotment / Transfer /Acquisition and when made fully paid up	No. of Equity Shares*	Face Value (Rs.)	Issue / Acquisition/ Transfer Price**	Consideration (Cash / other than cash)	Sources of Fund (Owned / Borrowed)	Nature of allotment/ acquisition	Pre- Issue Share - holding %	Post – Issue Share – holdin g %
<b>Sunil Patel</b>								
March 01, 2013	9,000	10	10	Cash	Owned	Further Allotment	0.61	0.45
March 20, 2013	2,08,000	10	N.A	N.A	N.A	Gift <sup>(1)</sup>	14.05	10.30
March 20, 2013	8,32,000	10	N.A	N.A	N.A	Gift <sup>(2)</sup>	56.22	41.19
September 02, 2013	3,89,100	10	125	Cash	Owned	Further Allotment	26.29	19.26
<b>Sub Total (A)</b>	<b>14,38,100</b>						<b>97.17</b>	<b>71.19</b>
<b>Dhirubhai Patel</b>								
October 08, 2004	4,000	10	10	Cash	Owned	Acquisition <sup>(3)</sup>	0.27	0.20
January 02, 2006	1,000	10	10	Cash	Owned	Acquisition <sup>(4)</sup>	0.07	0.05
June 01, 2006	(4,500)	10	10	Cash	N.A	Transfer <sup>(5)</sup>	(0.30)	(0.22)



March 31, 2007	4,500	10	10	Cash	Owned	Acquisition <sup>(6)</sup>	0.30	0.22
March 18, 2008	3,000	10	10	Cash	Owned	Acquisition <sup>(7)</sup>	0.20	0.15
March 01, 2013	500	10	10	Cash	Owned	Further Allotment	0.03	0.02
March 18, 2013	8,32,000	10	N.A	N.A	N.A	Bonus issue in the ratio 104:1	56.22	41.19
March 20, 2013	(8,32,000)	10	N.A	N.A	N.A	Gift	(56.22)	(41.19)
<b>Sub Total (B)</b>	<b>8,500</b>						<b>0.57</b>	<b>0.42</b>
<b>Total (A+B)</b>	<b>14,46,600</b>						<b>97.74</b>	<b>71.61</b>

\* All the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares.

\*\* The cost of acquisition excludes the stamp duty paid.

- (1) Gift of 2,08,000 Equity Shares by Ms. Bhumikaben Patel.
- (2) Gift of 8,32,000 Equity Shares by Mr. Dhirubhai Patel.
- (3) Acquisition of 4,000 Equity Shares from Harshadbhai Bhatt.
- (4) Acquisition of 1,000 Equity Shares from Tekchand Chawla.
- (5) Transferred 4,500 Equity Shares to Jagdishbhai Radadia.
- (6) Acquisition of 4,500 Equity Shares from Jagdishbhai Radadia.
- (7) Acquisition of 3,000 Equity Shares from Ghanshyam Finiya.

**(ii) Details of Promoters Contribution locked-in for (3) three years**

Pursuant to the Regulation 32(1) (a) and 36(a) of SEBI (ICDR) Regulations, an aggregate of 20% of the post-Issue equity share capital of the company shall be locked-in by the promoters for a period of three (3) years from the date of allotment. All Equity Shares of our Company held by our Promoters are eligible for Promoters' contribution.

Accordingly, 4,04,000 Equity Shares, aggregating up to 20% of the post-Issue capital of the Company, held by the Promoter, shall be locked in for a period of three years from the date of Allotment in the Issue. Details of the same are as follows:

Date of Allotment/ Acquisition and when made fully paid-up	No. of Equity Shares allotted	Face Value (Rs.)	Issue/ acquisition price per Equity Share (Rs.)	Consideration (Cash/ other than Cash)	Nature of Allotment/ acquisition	Sources of Fund (Owned / Borrowed)	No. of Equity Shares being locked in	Percentage of Post-Issue paid up capital (%)
<b>Sunil Patel</b>								
March 01, 2013	9,000	10	10	Cash	Further Allotment	Owned	9,000	0.45
September 02, 2013	3,89,100	10	125	Cash	Further Allotment	Owned	3,89,100	19.26

<b>Dhirubhai Patel</b>								
March 31, 2007	4,500	10	10	Cash	Acquisition	Owned	4,000	0.20
March 18, 2008	3,000	10	10	Cash	Acquisition	Owned	1,900	0.09
<b>Total</b>							<b>4,04,000</b>	<b>20.00</b>

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before the listing of the Equity Shares.

The Promoters' contribution has been brought in to the extent of not less than the specified minimum amount and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations. Our Company has obtained written consents from our Promoters for the lock-in of 4,04,000 Equity Shares for a period of three years from the date of Allotment in the Issue. The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, we confirm the following:

- a) The Equity Shares offered for minimum Promoter's contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or have resulted from an issuance of Equity Shares pursuant to a bonus issue out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;
- b) The minimum Promoter's contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;
- c) The Equity Shares held by our Promoters and offered for minimum Promoter's contribution are not subject to any pledge;

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

The Equity Shares which are subject to lock-in shall carry inscription 'non transferable' along with the duration of specified non-transferable period mentioned in the face of the security certificate.

The entire Pre-Issue Equity Shares are in dematerialized form, which shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

***(iii) Details of Share Capital locked-in for (1) one year***

In addition to 20% of the post-Issue shareholding of our Company locked-in for three years as the minimum Promoters' contribution, the balance Pre-Issue Paid-up Equity Share Capital i.e. 10,76,000 Equity Shares, would be locked-in for a period of one year from the date of Allotment in the proposed Initial Public Offering. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

***(iv) Other requirements in respect of 'lock-in'***

Pursuant to Regulation 39 of the SEBI (ICDR) Regulations, 2009, the Equity Shares held by our Promoters can be pledged only with banks or financial institutions as collateral security for loans granted by such banks or

financial institutions for the purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of such loan. As on date of this Prospectus, none of the Equity Shares held by our Promoter have been pledged to any person, including banks and financial institutions.

Pursuant to Regulation 40 of the SEBI (ICDR) Regulations, 2009, Equity Shares held by the Promoters, which are locked in as per Regulation 36 of the SEBI (ICDR) Regulations, 2009, may be transferred to and amongst the Promoters/ Promoter Group or to a new promoter or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

Pursuant to Regulation 40 of the SEBI Regulations, Equity Shares held by shareholders other than the Promoters, which are locked-in as per Regulation 37 of the SEBI Regulations, may be transferred to any other person holding shares, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as applicable.

*(v) Details of aggregate shareholding of our Promoters and Promoter Group*

Shareholder	Pre-Issue		Post-Issue	
	No. of Equity Shares	% Holding	No. of Equity Shares	% Holding
Sunil Patel	14,38,100	97.17	14,38,100	71.19
Bhumikaben Patel	8,000	0.54	8,000	0.40
Dhirubhai Patel	8,500	0.57	8,500	0.42
Ramilaben Patel	8,000	0.54	8,000	0.40
Sunilbhai Patel HUF	8,500	0.57	8,500	0.42
Dhirubhai Patel HUF	8,500	0.57	8,500	0.42
<b>TOTAL</b>	<b>14,79,600</b>	<b>99.97</b>	<b>14,79,600</b>	<b>73.25</b>

7. Our Promoters and their immediate relatives, Directors and Promoter Group have neither purchased, nor have they sold any Equity Shares, during a period of six months preceding the date of filing this Prospectus.

8. Except as stated below, none of our Directors or key managerial personnel hold Equity Shares in the Company:

Sr. No.	Name of the Directors/ Key managerial personnel	No. of Shares	As a % of Pre Issue Share Capital	As a % of Post Issue Share Capital
1.	Sunil Patel	14,38,100	97.17	71.19
2.	Dhirubhai Patel	8,500	0.57	0.42
	<b>TOTAL</b>	<b>14,46,600</b>	<b>97.74</b>	<b>71.61</b>

9. During the period of six months immediately preceding the date of filing of this Prospectus, no financing arrangements existed whereby our Promoters, our Promoter Group, Our Directors and their relatives may have financed the purchase of Equity Shares by any other person.

## 10. Our Shareholding pattern

The table below presents the shareholding pattern of our Company as on the date of this Prospectus:

Category Code	Category of Shareholder	Pre-Issue					Post-Issue					Shares pledged or otherwise encumbered	
		No. of Shareholders	Total No. of Shares	No. of shares held in dematerialised Form	Total Shareholding as a % of Total number of shares		No. of Shareholders	Total No. of Shares	No. of shares held in dematerialised Form	Total Shareholding as a % of Total number of shares			
					As a % of (A + B)	As a % of (A + B + C)				As a % of (A + B)	As a % of (A + B + C)	No. of Shares	As a % of Shareholding
<b>(A)</b>	<b>Promoter and Promoter Group</b>												
<b>(1)</b>	<b>Indian</b>												
(a)	Individuals/ HUF	6	14,79,600	14,79,600	99.97	99.97	6	14,79,600	14,79,600	73.25	73.25	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total (A) (1)</b>	<b>6</b>	<b>14,79,600</b>	<b>14,79,600</b>	<b>99.97</b>	<b>99.97</b>	<b>6</b>	<b>14,79,600</b>	<b>14,79,600</b>	<b>73.25</b>	<b>73.25</b>	<b>0.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>												
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00
(d)	Any Others (Specify)	0	0	0	0.00	0.00	0	0	0	0.00	0.00	0	0.00

	<b>Sub Total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>6</b>	<b>14,79,600</b>	<b>14,79,600</b>	<b>99.97</b>	<b>99.97</b>	<b>6</b>	<b>14,79,600</b>	<b>14,79,600</b>	<b>73.25</b>	<b>73.25</b>	<b>0.00</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>												
<b>(1)</b>	<b>Institutions</b>												
(a)	Mutual Funds/UTI	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(b)	Financial Institutions/ Banks	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(d)	Venture Capital Funds	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(e)	Insurance Companies	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(f)	Foreign Institutions Investors	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(h)	Nominated Investors (as defined in Chapter XB of SEBI (ICDR) Regulations, 2009)	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(i)	Market Makers	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(j)	Any Others (Specify)	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
	<b>Sub Total (B) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>[.]</b>	<b>[.]</b>	<b>[.]</b>	<b>[.]</b>	<b>[.]</b>	<b>[.]</b>	<b>[.]</b>
<b>(2)</b>	<b>Non-Institutions</b>												
(a)	Bodies Corporate	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(b)	Individuals- Shareholders holding nominal share capital up to Rs. 1 Lakh	1	400	400	0.03	0.03	[.]	[.]	[.]	[.]	[.]	[.]	[.]

	Individuals- Shareholders holding nominal share capital in excess of Rs.1 Lakh	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(c)	Any Others (Specify)	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
	<b>Sub Total (B) (2)</b>	<b>1</b>	<b>400</b>	<b>400</b>	<b>0.03</b>	<b>0.03</b>	[.]	[.]	[.]	[.]	[.]	[.]	[.]
	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1</b>	<b>400</b>	<b>400</b>	<b>0.03</b>	<b>0.03</b>	[.]	<b>5,40,400</b>	<b>5,40,400</b>	<b>26.75</b>	<b>26.75</b>	[.]	[.]
	<b>Total (A)+(B)</b>	<b>7</b>	<b>14,80,000</b>	<b>14,80,000</b>	<b>100</b>	<b>100</b>	[.]	[.]	[.]	[.]	[.]	[.]	[.]
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0.00	0.00	[.]	[.]	[.]	[.]	[.]	[.]	[.]
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>7</b>	<b>14,80,000</b>	<b>14,80,000</b>	<b>100</b>	<b>100</b>	[.]	<b>20,20,000</b>	<b>20,20,000</b>	<b>100</b>	<b>100</b>	[.]	[.]

*Our Company will file the shareholding pattern of our Company, in the form prescribed under Clause 37 of the Listing Agreement, one day prior to the Listing of Equity Shares. The shareholding pattern will be uploaded on the website of BSE before commencement of trading of such Equity Shares.*

## Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group:

Sr. No.	Name of the Shareholder	Pre – Issue		Post Issue	
		No of Equity Shares	% of Pre-Issue Capital	No of Equity Shares	% of Post Issue Capital
	<b>Promoter</b>				
1.	Sunil Patel	14,38,100	97.17	14,38,100	71.19
2.	Dhirubhai Patel	8,500	0.57	8,500	0.42
	<b>Promoter Group</b>				
3.	Bhumikaben Patel	8,000	0.54	8,000	0.40
4.	Ramilaben Patel	8,000	0.54	8,000	0.40
5.	Sunil Dhirubhai Patel HUF	8,500	0.57	8,500	0.42
6.	Dhirubhai Mohanbhai Patel HUF	8,500	0.57	8,500	0.42
	<b>TOTAL</b>	<b>14,79,600</b>	<b>99.97</b>	<b>14,79,600</b>	<b>73.25</b>

The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No of Shares Held	Average Cost of Acquisition (in Rs)
Sunil Patel	14,38,100	33.88
Dhirubhai Patel	8,500	10
Promoter Group	33,000	10

Note: (i) Including the Equity Shares issued pursuant to bonus issue.

(ii) The cost of acquisition excludes the stamp duty paid.

### 11. Top ten shareholders

The list of the top ten shareholders of our Company and the number of Equity Shares held by them is provided below:

#### a. As on the date of filing this Prospectus

Sr. No.	Name of the Shareholders*	Number of Equity Shares	%
1.	Sunil Patel	14,38,100	97.17
2.	Dhirubhai Patel	8,500	0.57
3.	Sunil Dhirubhai Patel HUF	8,500	0.57
4.	Dhirubhai Mohanbhai Patel HUF	8,500	0.57
5.	Bhumikaben Patel	8,000	0.54
6.	Ramilaben Patel	8,000	0.54
7.	Kishorbhai Bhandari	400	0.03
	<b>TOTAL</b>	<b>14,80,000</b>	<b>100.00</b>

\* Our Company has only seven shareholders as on the date of this Prospectus.

**b. Ten days prior to filing of this Prospectus**

Sr. No.	Name of the Shareholders*	Number of Equity Shares	%
1.	Sunil Patel	14,38,100	97.17
2.	Dhirubhai Patel	8,500	0.57
3.	Sunil Bhai Patel HUF	8,500	0.57
4.	Dhirubhai Patel HUF	8,500	0.57
5.	Bhumikaben Patel	8,000	0.54
6.	Ramilaben Patel	8,000	0.54
7.	Kishorbhai Bhanderi	400	0.03
	<b>TOTAL</b>	<b>14,80,000</b>	<b>100.00</b>

\* Our Company had only seven shareholders ten days prior to the date of this Prospectus.

**c. Two years prior to filing of this Prospectus**

Sr. No.	Name of the Shareholders*	Number of Equity Shares	%
1.	Dhirubhai Patel	8,000	80.00
2.	Bhumikaben Patel	2,000	20.00
	<b>TOTAL</b>	<b>10,000</b>	<b>100.00</b>

\* Our Company had two shareholders two years prior to the date of this Prospectus.

12. The entire Pre-Issue Equity Shares are in dematerialized form, which shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.
13. Our Company, our Directors, our Promoters and the Lead Manager to this Issue have not entered into any buy-back and/or standby and/or safety net and/or any other similar arrangements for purchase of Equity Shares being offered through this Issue from any person connected with the Issue.
14. The Lead Manager and its associates do not hold any Equity Shares in our Company as on the date of filing of this Prospectus.
15. Our Company has not raised any bridge loan against the proceeds of this Issue.
16. As on the date of this Prospectus, there are no outstanding financial instruments or warrants or any other rights that would entitle the existing Promoters or Shareholders or any other person any option to receive Equity Shares after the offering.
17. As on the date of this Prospectus, none of the shares held by our promoters/promoter group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
18. The Equity Shares of our Company are fully paid up and there are no partly paid up Equity Shares as on date of this Prospectus.
19. Since the entire price i.e of Rs. 120/- per share (Rs. 10/- face value + Rs. 110/- premium) is being called on application, all the successful applicants will be issued fully paid-up Equity Shares at the time of Allotment.
20. Our Company has not made any public issue of any kind or class of securities since its incorporation.



21. Our Company does not have any ESOP/ESPS scheme for our employees and we do not intend to allot any Equity Shares to our employees under ESOP/ESPS scheme from the proposed Issue.
22. Our Promoters or Promoter Group will not participate in the Issue.
23. The Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of registering this Prospectus with the RoC and the Issue Closing Date shall be reported to the Stock Exchanges within twenty-four hours of such transactions.
24. An over-subscription to the extent of 10% of this Issue size may be retained for the purpose of rounding off while finalizing the basis of allotment of Equity Shares.
25. In case of over-subscription in all categories the allocation in the issue shall be in accordance with the requirements of regulation 43(4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
26. Under-subscription, if any, in any portion would be met out of the spill over from other categories at the sole discretion of our Company in consultation with the Lead Manager and the Designated Stock Exchange.
27. This issue is being made through Fixed Price method.
28. The total number of members of our Company as on the date of filing this Prospectus is 7 (Seven).
29. 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.
30. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
31. An investor cannot make an Application for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
32. The shares locked in by our Promoters are not pledged to any party. The Equity Shares held by our Promoters which are locked-in for a period of one year can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of shares is one of the terms of sanction of such loan.  
  
Further, the equity shares held by our Promoters which are locked-in for a period of three years can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided that the loan had been taken for purpose of financing one or more of the objects of the issue and the pledge of shares is one of the terms of sanction of the loan.
33. Except as disclosed under chapter titled "Issue Structure" beginning on page 175 of this Prospectus, there will be no further issue of Equity Shares either by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Prospectus with BSE until the Equity Shares have been listed.
34. The Equity Shares forming part of Promoters' contribution do not consist of any private placement made by solicitation of subscription from unrelated persons, either directly or through any intermediary.
35. None of the Equity Shares have been issued to Promoter or member of the Promoter Group or any member of our Company for consideration other than cash except for bonus shares as mentioned above.

## OBJECTS OF THE ISSUE

This Issue is being undertaken to meet the objects, as set forth herein, and to realize the benefits of listing of our Equity Shares on Stock Exchanges, which in our opinion would enhance our Company's brand name and create public market for our Equity Shares in India.

The Issue Proceeds from the Issue are proposed to be utilized by our Company for the following objects:

1. To meet the incremental working capital requirements
2. To meet the expenses towards general corporate purposes.
3. To meet the Issue Expense.

The main object as stated in the Memorandum of Association enables our Company to undertake the activities for which the funds are being raised through this Issue. The existing activities of our Company are within the objects clause of our Memorandum. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

## FUND REQUIREMENT

We intend to utilise the proceeds of Fresh issue, on the following:

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1	Incremental Working Capital Requirement	600.00
2	General Corporate Purposes	28.00
3	Issue expenses*	35.00
	<b>Total</b>	<b>663.00</b>
<b>Means of Finance</b>		
1.	Public Issue Proceeds	648.00
2.	Internal Accruals	15.00
	<b>Total</b>	<b>663.00</b>

\*As on July 04, 2014, our Company has incurred a sum of Rs. 11 Lakhs against issue related expenses. The same has been certified by the Statutory Auditors of our Company, M/s. S A R A & Associates, Chartered Accountants vide their certificate dated July 04, 2014.

The objects of the Issue detailed above are proposed to be funded from the Proceeds of the Issue and Internal Accruals. Accordingly, we confirm that it is not required to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

The fund requirement as stated in the table above is based on our internal management estimates. In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the overall objects.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, we will bridge the fund requirements from internal accruals or debt/equity financing.

While we intend to utilize the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements.

No part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group concerns/companies promoted by our promoters.

## DETAILS OF USE OF THE PROCEEDS

### 1. Augmenting of working capital requirement

We operate in an industry which is highly working capital intensive. In order to meet the incremental working capital requirements, Rs 600.00 lacs is proposed out of the issue proceeds to meet the increased working capital margin money requirements.

Inventory, Debtors, Advances, Creditors have been taken at various levels, which is in consonance with the industry practices and past trends. The estimates of working capital requirement are based on the management's internal estimates which are as follows:

<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>	<b>Restated Audited 31.01.2014</b>	<b>Estimated 31.03.2015</b>
<b>(A) Current Assets</b>		
Inventory	2034.11	2265.62
Trade Receivables	-	-
Cash and Cash Equivalents	46.24	62.02
Short term loans and advances & other current assets	-	-
<b>Total Current Assets</b>	<b>2080.35</b>	<b>2327.64</b>
<b>(B) Current Liabilities</b>		
Trade Payables	892.33	524.62
Provisions	-	-
Other Current Liabilities	13.89	13.89
<b>Total Current Liabilities</b>	<b>906.22</b>	<b>538.51</b>
<b>(C) Working Capital Gap (A-B)</b>	<b>1174.13</b>	<b>1789.13</b>
<b>Existing Fund Based Facility</b>	<b>-</b>	<b>-</b>
Unsecured loan from Promoters & Relatives	1029.11	1029.11
<b>From capital and internal accruals</b>	<b>145.02</b>	<b>160.02</b>
<b>To be Met out of Issue Proceeds</b>	<b>-</b>	<b>600.00</b>

The incremental working capital requirement of our Company is proposed to be raised as working capital margin from the Issue proceeds.

### Basis of Estimation

The incremental long term working capital requirements are based on Company's historical data and estimation of the future requirements in FY 2014-15 considering the growth in activities of our Company.

The Company is in the business of buying and selling of residential and commercial units. Besides this the company is engaged in development, re-development of properties, investments in joint ventures, investment in partnerships, investment in completed / partially completed / upcoming projects etc.

Considering the above business model the working capital requirement is calculated based on availability of opportunity and the capability of the company to arrange working capital. The assumption regarding holding period of each asset is not applicable in this type of business.

## 2. General Corporate Purposes

Our Company intends to deploy not more than 10% of the IPO Proceeds for general corporate purposes, including but not restricted to, future growth requirements, strategic initiatives and otherwise meeting the exigencies faced in the ordinary course of business, or any other purposes as approved by the Board.

## 3. Issue Related Expenses

The estimated issue related expenses include issue management fees, underwriting fees, registrar fees, legal advisor fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated at Rs 35.00 lakhs:

Expenses	Expenses (Rs in Lakhs)
Payment to Merchant Banker, selling commissions, underwriting, SCSB commissions, brokerages, statutory/regulatory fees, payment to other intermediaries such as Legal Advisors, Registrars, Bankers, etc and other out of pocket expenses	25.00
Printing and Stationary and postage expenses	4.00
Advertising and Marketing expenses	3.00
Other Expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>35.00</b>

## SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

The net proceeds of the issue proposed will be utilized towards the stated objects during FY 2014-15. Further, our Company has incurred the following expenditure on the project till July 4, 2014. The same has been certified by our Statutory Auditors, M/s. S A R A & Associates, Chartered Accountants vide their certificate dated July 4, 2014:

Particulars	Amount (Rs in Lakhs)
Issue Related Expenses	11.00
<b>Total</b>	<b>11.00</b>

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

## BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Proceeds of the Issue.

## APPRAISAL OF THE OBJECTS

None of the objects for which the Issue Proceeds will be utilised have been financially appraised. The estimates of the cost of objects mentioned above are based on internal estimates of our Company.

## MONITORING UTILIZATION OF FUNDS

The net proceeds of the Issue being less than Rs 500 Crores, it is not mandatory for us to appoint a monitoring agency under the SEBI Regulations.

The management of the Company will monitor the utilization of funds raised through this public issue. Pursuant to Clause 52 of the SME Listing Agreement, our Company shall on half-yearly basis disclose to the Audit

Committee the applications of the proceeds of the Issue. Our Company shall prepare a statement of funds utilized for purposes other than stated in this Prospectus and place it before the Audit Committee on an annual basis. Such disclosures shall be made until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

#### **INTERIM USE OF FUNDS**

Our Company in compliance with the Companies Act, 1956/the Companies Act, 2013 and with the policies established by the Board will have flexibility in deploying Issue proceeds received by us from the Issue during the interim period pending utilization for the Objects of the Issue. Pending utilization of the funds raised from the Issue, our Company intends to temporarily invest the funds in interest bearing liquid instruments, including deposits with bank or for reducing overdraft and investment in money market mutual funds and other financial products and interest bearing securities. Such investment would be in accordance with the investment policies or investment limits approved by the Board of Directors from time to time.

## BASIC TERMS OF ISSUE

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

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

The present issue has been authorized pursuant to a resolution of our Board dated March 01, 2014 and by Special Resolution passed under Section 81(1A) of the Companies Act, 1956 at the Extra - Ordinary General Meeting of our shareholders held on March 24, 2014.

<b>Face Value</b>	Each Equity Share shall have the face value of Rs. 10/- each
<b>Issue Price</b>	Each Equity Shares is being offered at a price of Rs. 120/- each
<b>Market Lot and Trading Lot</b>	The Market lot and the Trading lot for the Equity Share is 1,200 and the multiple of 1,200 Equity Shares; subject to minimum allotment of 1,200 Equity Shares to the successful applicants
<b>Terms of Payment</b>	100% of the issue price of Rs. 120/- shall be payable on Application. For more details please refer to page 189 of this Prospectus.
<b>Ranking of Equity Shares</b>	The Equity Shares shall be subject to the Memorandum and Articles of Association of our Company and shall rank pari-passu in all respect including dividends with the existing Equity Shares of the Company.

## MINIMUM SUBSCRIPTION

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten the details of which have been disclosed on page 38 of this Prospectus.

If the issuer does not receive of 100% subscription of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 39 of the Companies Act, 2013.

## BASIS FOR ISSUE PRICE

The Issue Price of Rs 120/- per Equity Share has been determined by our Company, in consultation with the Lead Manager on the following qualitative and quantitative factors. The face value of the Equity Share is Rs 10/- and Issue Price is Rs 120/- per Equity Share which is 12 times the face value.

Investors should read the following summary with the “Risk Factors” beginning on page 11 of this Prospectus, chapter titled “Business Overview” beginning from page 79 and “Financial Information” beginning from page 118 of this Prospectus. The trading price of the Equity Shares of our Company could decline due to risk factors and you may lose all or part of your investments.

### QUALITATIVE FACTORS

Our Company is managed by a team of competent personnel having knowledge of core aspects of real estate market. The faith of the management in the staff and their performance has enabled us to build up capabilities to expand our business. We believe that the following business strengths allow us to successfully compete in the industry:

- Experienced Management Team;
- Good Reputation and Brand Image;
- Significant experience and strong presence in Gujarat; and
- Joint Development Model

For further details, see “*Business Overview - Our Strengths*” on page 80 of this Prospectus.

### QUANTITATIVE FACTORS

Information presented in the section is derived from our Company’s restated financial statements prepared in accordance with Indian GAAP.

Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. *Basic & Diluted Earnings Per Share (EPS) (On Face Value of Rs. 10 per share):*

Period	Basic and Diluted EPS (Rs)	Weight
Year ended March 31, 2011	0.14	1
Year ended March 31, 2012	0.14	2
Year ended March 31, 2013	0.87	3
<b>Weighted Average EPS</b>	<b>0.51</b>	
10 months period ended January 31, 2014*	1.03	

\* Not Annualised

Notes:

- *Earnings per Share have been calculated in accordance with Accounting Standard 20 - Earnings per Share issued by the Institute of Chartered Accountants of India.*
- *The EPS Calculations include the retrospective effect from bonus issue made by the company on March 18, 2013. For further details, please refer to “Annexure 7- Statement of Accounting Ratios” of the Auditors Report on page 134 of this Prospectus.*

**2. Price to Earnings (P/E) ratio in relation to issue price of Rs. 120 per Equity Share of Rs. 10/- each:**

Particulars	P/E Ratio at the Issue Price
Based on Basic & Diluted EPS for FY 2012-13	137.93
Based on Weighted Average EPS of the last three financial years	235.29

Industry P/E*	
Highest – Sunteck Realty Ltd	123.70
Lowest – Ansal Housing & Construction Ltd	2.80
Average – Construction	19.80

\*Source: Capital Market, Vol XXIX/05, April 28-May 11, 2014

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

Period	RoNW (%)	Weight
Year ended March 31, 2011	1.44	1
Year ended March 31, 2012	1.36	2
Year ended March 31, 2013	7.66	3
<b>Weighted Average RONW</b>	<b>4.52</b>	
10 months period ended January 31, 2014	2.13	

Note: The Return on Net worth has been computed by dividing net profit after tax as restated, by Net Worth as at the end of the year/period.

**4. Minimum Return on increased Net Worth after the Issue required to maintain pre-Issue EPS:**

A. Based on Basic and Diluted EPS of Rs. 0.87

At the Issue Price of Rs. 120: 1.39%

B. Based on Weighted Average EPS of Rs. 0.51

At the Issue Price of Rs. 120: 0.81%

**5. Net Asset Value per Equity Share (of face value of Rs. 10/- each)**

Particulars	NAV
As on March 31, 2013	11.01
As on January 31, 2014	41.87
NAV Post-Issue	62.76
Issue Price Rs.	120



## 6. Peer Group Comparison of Accounting Ratios

Particulars	Face Value per Equity Share (Rs.)	P/E Ratio#	EPS (Basic) (Rs.)	Return on Net Worth (%)	Net Asset Value / Share (Rs.)
Bhanderi Infracon Limited*	10	143.68	0.87	7.66	11.01
<b>Peers</b>					
Arihant Superstructures Ltd	10	29.21	1.26	7.65	15.59
Sunteck Realty Ltd	2	278.81	1.09	1.85	59.02
RPP Infra Projects Ltd	10	14.54	4.80	10.55	45.51

Source: Respective annual report of the Company, as available, for the Financial Year 2013. Information on industry peer is on a Standalone basis.

\* Based on restated financial statements of the Company for Financial Year 2013.

# Based on closing market price as on May 02, 2014 on BSE and EPS for the year ended March 31, 2013, extracted from the respective annual report of the Company, as available on BSE website.

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

The Issue Price of Rs. 120 per Equity Share is 12 times of the face value of Rs. 10 per equity share.

The Company in consultation with the Lead Manager believes that the Issue price of Rs. 120/- per share for the public issue is justified in view of the above parameters.

For further details, please refer to the section titled 'Risk Factors', 'Business Overview' and 'Financial Information' beginning on page 11, 79 and 118, respectively of this Prospectus for a more informed view.

## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
Bhanderi Infracon Limited  
B/12, Jabuka Complex,  
Near Bajrang Ashram, Below Vikas School,  
NH. 8, Thakkarbapanagar,  
Ahmedabad – 382350

Dear Sirs,

### Initial Public Offer of Equity Shares

#### Tax benefits

We refer to the proposed Initial Public Offer of Bhanderi Infracon Limited (the "Company") and give below the current position of tax benefits available to the Company and to its Shareholders as per the provisions of the Income-tax Act, 1961, Wealth-tax Act, 1957 and the Gift Tax Act, 1958 for inclusion in the Offer document for the proposed initial public issue.

The Benefits discussed in the statement are not exhaustive. The current position of tax benefits available to the Company and to its Shareholders is provided for general information purposes only. In view of the individual nature of tax benefits, each investor is advised to consult its own tax consultant with respect to the specific tax implications arising out of its participation in the issue.

Unless otherwise specified, sections referred to below are sections of the Income-tax Act, 1961 (the "Act"). All the provisions set out below are subject to conditions specified in the respective sections for the applicable period.

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.

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

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. 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.

#### SPECIAL SPECIFIC TAX BENEFITS TO THE COMPANY

There are no special specific tax benefits available to the Company

## **I. GENERAL TAX BENEFITS TO THE COMPANY (Under the Income-Tax Act)**

1. In accordance with section 10(34), dividend income (referred to in section 115-O) will be exempt from tax.
2. In accordance with section 32(1), the Company can claim depreciation on specified tangible assets (being Buildings, Plant and Machinery, Furniture, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business. In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the Company engaged in the business of manufacture or production of any article or thing, the Company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant in the year of acquisition and installment subject to conditions specified in section 32(1) (ia) of the Act.
3. In case of loss under the head "Profit and Gains from Business or Profession", it can be set-off with incomes of all heads except salary head and the excess loss after set-off can be carried forward for set-off with the business income of the next eight Assessment Years. The Following expenditure can be carried forwarded for unlimited life of the business of the Company
  - a) Unabsorbed depreciation
  - b) Unabsorbed capital expenditure on scientific research
  - c) Unabsorbed expenditure on Family planning expanses.
4. If the Company invests in the equity shares of another Company or in the unit of an equity oriented fund, as per the provisions of Section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a Company is not includible in the total income if the transaction is chargeable to securities transaction tax. However, when the Company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the book profit tax payable under section 115 JB.
5. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrator of the specified undertakings or income received in respect of units from the specified Company is exempt from tax in the hands of the Company, under section 10(35) of the I.T. Act.
6. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
  - 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
  - 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation of the cost.
7. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
8. In accordance with section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with the present issue such as underwriting commission, brokerage, and other expenses or extension of its undertaking or in connection with setting up a new unit for

an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.

9. In accordance with section 35DDA, the Company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.
10. In accordance with section 35, the Company is eligible for –
  - Deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.
  - As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the Company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to conditions specified in that section.
11. In accordance with section 80-IA, the Company can claim, subject to fulfillment of certain conditions, deduction of an amount equal to hundred percent of the profits and gains derived from the business of, development of Infrastructure facilities including construction of roads, bridges, rail systems, highways, irrigation projects, ports etc, for Ten consecutive assessment years out of Fifteen years beginning from the year in which the Company develops and begins to operate such facility.
12. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provisions of section 115JAA of the Act.
13. As per the provisions of section 80G of the Act, the deduction will be available in respect of donations to various charitable institutions and funds covered under that section, subject to fulfillment of the conditions specified therein.
14. Under section 36 (1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions, the income whereof is chargeable as Business Income, will be allowable as deduction against such income.

## **II. Section 115 - O**

- Tax on distributed profits of domestic companies.
- Any amount declared, distributed or paid by Company by way of dividend shall be charged to additional income tax at the rate of 15% plus applicable surcharge and education cess.

## **III. Tax Rates**

- The tax rate is 30%
- The surcharge on Income Tax is @ 5% if taxable income exceeds Rs. 1 Crore but upto Rs. 10 Crore, OR @10% if the taxable income exceeds 10 crore, Education Cess is @ 3% on income tax (including surcharge).

## **SPECIAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY**

Nil

## **GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY**

### **I. Under the Income-Tax Act**

#### **A. Resident**

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of the Shareholders..
2. Shares of the Company held as capital asset for a period of more than twelve months preceding the date of transfer will be treated as a long term capital asset.
3. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a Company is not includible in the total income if the transaction is chargeable to securities transaction tax.
4. As per the provision of section 71, if there is a loss under the head "Capital Gain", it cannot be set-off with inter heads of income-tax . Section 74 provides that the short term capital loss can be set-off against short-term capital gain as well as long term capital gain. But Long Term Capital Loss cannot be set-off against short term capital gain.
5. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
  - a. 20 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed after indexation of the cost. Or
  - b. 10 percent (plus applicable surcharge and "Education Cess") of the capital gains as computed without indexation.
6. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess" ) and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
7. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment means notified bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs. 50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

8. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family:
- Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
  - purchases another residential house within a period of one year after the date of transfer of the shares; or
  - constructs another residential house within a period of three years after the date of transfer of the shares; and
  - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

9. Under section 36 (1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions, the income whereof is chargeable as Business Income, will be allowable as deduction against such income.

## **B. Non-Residents**

- a. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) will be exempt from tax.
- b. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a Company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- c. In accordance with section 48, capital gains arising out of transfer of capital asset being shares in the Company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of

capital gains shall be applicable in respect of capital gains accruing / arising from every reinvestment thereafter and sale of shares or debentures of an Indian Company including the Company.

- d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and "Education Cess").
- e. In accordance with Section 111A capital gains arising from the transfer of a short term asset being an equity share in a Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income-tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and "Education Cess") and (ii) the amount of income-tax payable on the balance amount of the total income as if such balance amount were the total income.
- f. In accordance with section 54EC, long-term capital gains arising on transfer of the shares of the Company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long-term specified asset. The long-term specified asset notified for the purpose of investment is notified bonds of Rural Electrification Corporation Ltd. (REC) and National Highways Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs. 50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

If the specified asset is transferred or converted into money at any time within a period of three years from the date of acquisition, the amount of capital gains on which tax was not charged earlier shall be deemed to be income chargeable under the head "Capital Gains" of the year in which the specified asset is transferred.

- g. In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years. Such benefit will not be available if the individual or Hindu Undivided Family.
  - Owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or
  - purchases another residential house within a period of one year after the date of transfer of the shares; or
  - constructs another residential house within a period of three years after the date of transfer of the shares; and
  - the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gains as bears to the whole of the capital gain the same proportion as the cost of the new residential house bears to the net consideration shall be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, shall be deemed to

be income chargeable under the head "Capital Gains" of the year in which the residential house is transferred.

- h. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- i. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- j. Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.
- k. Under the provisions of Section 195 of the Income Tax Act, any income (not being an income chargeable under the head 'Salaries'), payable to non-residents, is subject to withholding tax as per the prescribed rate in force, subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the assessee unless a lower withholding tax certificate is obtained from the tax authorities.
- l. 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 non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the nonresident.

### **C. Non-Resident Indians**

Further, a Non-Resident Indian has the option to be governed by the provisions of Chapter XII-A of the Income-tax Act, according to which:

- 1. In accordance with section 115E, where income includes income from investment or income from long-term capital gains on transfer of assets other than specified asset of the Company, Investment Income shall be taxable at the rate of 20% (plus applicable surcharge and "Education Cess") and income by way of long term capital gains in respect of assets other than a specified asset, shall be chargeable at 10% plus applicable surcharge and "Education Cess")
- 2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long - term capital gains arising from transfer of shares of the Company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset or any Saving Certificates Referred to in Clause 4B of Section 10 of income tax act, 1961, subject to the conditions specified in that Section
- 3. In accordance with section 115G, it is not necessary for a Non-Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the Company acquired out of convertible foreign exchange or/and income by way of long-term capital gains earned on transfer of shares of the Company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the Income Tax Act.



4. In accordance with section 115-I, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the Company) will be computed and tax will be charged according to the other provisions of the Income-tax Act.

**D. Foreign institutional investors (FIIs)**

1. In accordance with section 10(34), dividend income declared, distributed or paid by the Company (referred to in section 115-O) on or after April 1, 2003 will be exempt from tax in the hands of Foreign Institutional Investors (FIIs).
2. As per section 10(38) of the Act, long term capital gains arising from the transfer of a long term capital asset being an equity share in a Company or a unit of an equity oriented fund, where such transaction is chargeable to securities transaction tax, will be exempt.
3. As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).
4. As per section 115 AD read with section 111A of the Act, short term capital gains arising from the sale of Equity Shares of the Company transacted through a recognized stock exchange in India, where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).
5. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates:

<b>Nature of Income</b>	<b>Rate of tax (%)*</b>
a) Long term capital gains	10
b) Short term capital gains (other than referred to in section 111A)	30
*(plus applicable surcharge and education cess)	

6. In case of long term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
7. 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. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
8. 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:
  - I. National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
  - II. 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.

#### **E. Mutual Funds**

In accordance with section 10(23D), any income of:

- i. a Mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
- ii. such other Mutual Fund set up by a public sector bank or a public financial institution or authorized by the Reserve Bank of India subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf, will be exempt from income-tax.

#### **F. Venture Capital Companies/ Funds**

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies / Funds (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, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund 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

## **II. Under the Wealth Tax and Gift Tax Acts**

1. "Asset" as defined under-section 2(ea) of the Wealth-tax Act, 1957 does not include shares in companies and hence, these are not liable to wealth-tax.
2. Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift-tax.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India, Mumbai.

**For S A R A & Associates**  
**Chartered Accountants**  
**Firm Registration No. 120927W**

**(Rajesh Agarwal)**  
**Partner**  
**Membership No. 078310**  
**Mumbai**  
**Dated: April 21, 2014**

## SECTION IV: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the Issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.*

#### **Overview of the Indian Economy**

The Indian economy recovered in the second quarter (Q2) of 2013-14 recording a growth of 4.8 per cent. This follows a growth rate of 4.4 per cent in the first quarter (Q1) of the current financial year— the lowest in 16 quarters. Particularly encouraging is the fact that the recovery in Q2 is noticed on the face of significant fiscal consolidation by the Government and tighter liquidity conditions to moderate aggregate demand. The economy went through challenging times since the crisis in the Euro area in 2011-12 with a cyclical down turn with growth slowdown, elevated current account deficit, persistent inflation, and the need to restore fiscal policy to a sustainable path. While the Government delivered on the announced fiscal targets in 2012-13, current account deficit (CAD) continued to remain elevated in Q1 of 2013-14 and in tandem with market misperception of an imminence of the rollback of quantitative easing in US, assumed a serious dimension with the sharp depreciation of the rupee. The Government put in place a series of measures and there has been a significant let-up in the challenges on the trade and balance of payments front, particularly in the Q2 2013-14. Domestic impediments like elevated levels of food and retail inflation, high input costs and pressure on profit margins and infrastructural bottlenecks continued, with the Government addressing them through appropriate calibration of fiscal policy, administrative measures and institutional mechanisms like Cabinet Committee on Investment to fast track projects.

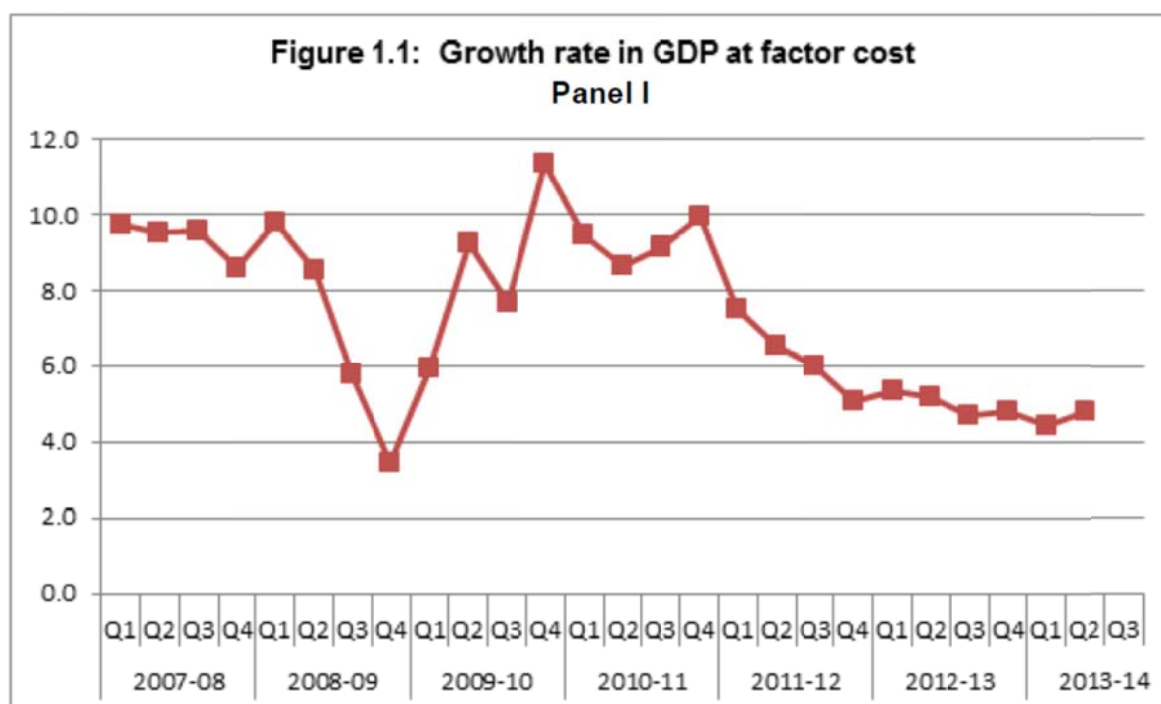
The recovery in growth, although weak, is expected to gather pace in the coming quarters. Broadly summarised, the indications to this effect are a sharp moderation in CAD composed of both a moderation in imports and pickup in exports; a moderation on year-on-year WPI inflation in the first half over that in the previous year; fiscal consolidation that is broadly on track; and accelerated growth in agriculture and a mild recovery in manufacturing. While there are some concerns about renewed price pressure in October 2013 and the services sector, the driver of growth, is still to pick up, there are indications to the effect that these could be reversed going forward. The analyses in various sections of this chapter would provide the analytical basis for the above assessment. With recent improvements in growth of some sectors, better performance of exports and measures taken by the Government, the year 2013-14 can be expected to end with a growth of 5 per cent.

The Indian economy weathered the global financial crisis rather well and quickly recovered from the decline in growth rate in 2008-09 to a healthy growth that averaged around 9 per cent annually in 2009-10 and 2010-11. However, this recovery was short-lived and growth rate declined to 6.2 per cent in 2011-12 and 5.0 per cent in 2012-13, on account of both domestic and external factors. Despite some recovery in the growth of agriculture and industry sector, particularly in Q2 of the current financial year, the overall growth of the economy has been a modest 4.6 per cent in the first half of the year. The growth rate of the economy improved from 4.4 per cent in Q1 2013-14 to 4.8 per cent in Q2. Compared to Q1 2013-14, Q2 has evidenced a robust pick-up in the growth of the agricultural sector and a gradual recovery in the industrial sector. The growth in economic services also got strengthened, while the community, social and personal services- a sector with substantial public sector presence - exhibited a significant fall in growth, pointing towards efforts at fiscal consolidation. The demand side impetus to growth is gradually gaining momentum with the strengthening of private consumption and investment and with exports making an impressive turnaround in Q2 2013-14. The confluence of these factors has resulted in a

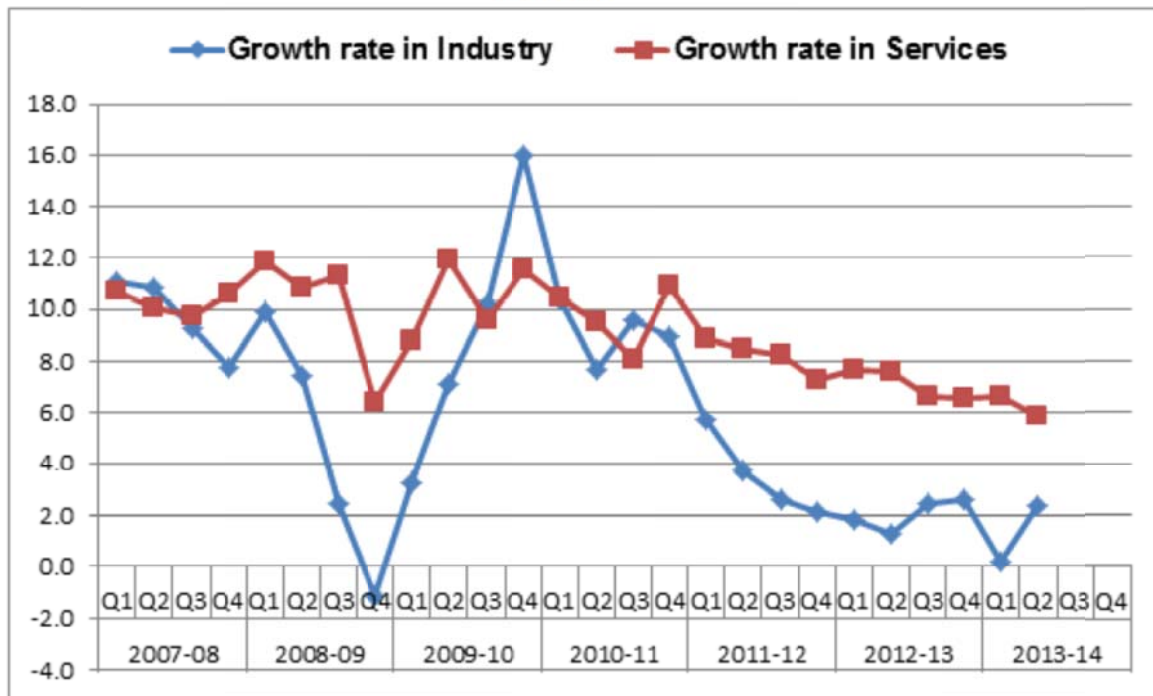
growth of 4.6 per cent during the first half (H1) of 2013-14, roughly the same level of 4.7 per cent achieved during the second half (H2) of 2012-13.

On the external front, the crisis of 2008, the subsequent sovereign debt crisis and the recession in the Euro-area had moderated the average growth rate of the global economy to less than 3 per cent over the period 2008-2012 as compared to 5 per cent during 2004-2007. Data from IMF indicate that several emerging market economies including China and India quickly rebounded to high growth in the aftermath of the crisis. In fact, in terms of market price GDP, India's growth exceeded that of China in 2010. Apart from emerging economies, advanced economies also experienced significant recovery in 2010 with both the US and the Euro-area registered distinctly higher growth rates. A series of subsequent events, including the uncertainty surrounding Euro-area sovereign debt crisis, hampered sustained economic recovery in advanced economies with adverse consequences for growth and challenges for macroeconomic management in emerging market economies. With the intensification of the sovereign debt crisis, the decline in real GDP growth rates starting 2011 has been witnessed across advanced and emerging market economies. Economic growth has again started looking up in advanced economies, especially in the US, alleviating the external constraint on India's recovery to some extent.

The slowdown in real GDP growth in India during 2011-12 and 2012-13 is in sync with trends in similar emerging economies. The downturn has been more pronounced in the Indian case, owing to domestic and structural factors. The growth of real GDP has generally shown a declining trend since the first quarter of 2011-12. An upward movement in some of the quarters in between raised the hope for a turnaround that was belied (Figure 1.1, Panel I). Corresponding to this, the industrial sector witnessed a long, steep decline. The service sector also witnessed growth moderation, which has been gradual and less steep than the industrial sector, and its growth remained more or less constant during Q3 2012-13 to Q1 2013-14. As panel I of Figure 1.1 shows, the declining trend in GDP growth has reversed in Q2 2013-14, on the back of higher growth in agriculture and industry vis-à-vis Q1 2013-14.



Panel II



Despite higher growth in agriculture and improvement in the power sector in Q1 2013-14 vis-à-vis Q4 2012-13, recovery in GDP growth proved to be moderate because of continued poor performance of mining and manufacturing and the steep downturn in the 'trade, hotels, transport and communications' segment of the service sector, which constitutes more than a fourth of the GDP and is largely dependent on the activity levels in the commodity producing sectors (Table 1.1). As per Q2 GDP figures, the 'trade, hotels, transport and communications' sector has still not picked up momentum. The fiscal impetus to growth has also more or less tapered off. However, farm sector growth and the revival in the industrial sector has more than offset such effects.

Table 1.1: Quarterly Growth Rate of GDP (Per cent)

Sector	2012-13				2013-14		2012-13	2013-14
	Q1	Q2	Q3	Q4	Q1	Q2	H1	H1
<b>1</b> Agriculture, forestry & fishing	2.9	1.7	1.8	1.4	2.7	4.6	2.3	3.6
<b>2</b> Industry	1.8	1.3	2.5	2.7	0.2	2.4	1.5	1.3
a Mining & quarrying	0.4	1.7	-0.7	-3.1	-2.8	-0.4	1.0	-1.6
b Manufacturing	-1.0	0.1	2.5	2.6	-1.2	1.0	-0.5	-0.1
c Electricity, gas & water supply	6.2	3.2	4.5	2.8	3.7	7.7	4.7	5.7
d Construction	7.0	3.1	2.9	4.4	2.8	4.3	5.1	3.5
<b>3</b> Services	7.7	7.6	6.7	6.6	6.6	5.9	7.7	6.3
a Trade, hotels, transport & communication	6.1	6.8	6.4	6.2	3.9	4.0	6.4	4.0
b Financing, insurance, real estate & business services	9.3	8.3	7.8	9.1	8.9	10.0	8.8	9.5
c Community, social & personal services	8.9	8.4	5.6	4.0	9.4	4.2	8.6	6.6
<b>4</b> GDP at factor cost	5.4	5.2	4.7	4.8	4.4	4.8	5.3	4.6

Source: Central Statistics Office (CSO)

All major components of aggregate demand, except Government final consumption, slowed in Q1 2013-14 (Table 1.2). Government consumption, which acted as the bulwark in Q1 2013-14, has steeply moderated in Q2. The slack in private consumption, coupled with significant increase in the possession of valuables, indicate

postponement of current consumption and greater resort by individuals to invest in items like gold and silver that act as store of value. More than the mild pick-up in private consumption, the turnaround in exports has revived aggregate demand. An encouraging sign in Q2 2013-14 is the moderate revival in fixed investment vis-à-vis a decline in Q1 2013-14. Apart from the above, the decline in major subsidies by 10.5 per cent, coupled with a reasonable growth in indirect taxes (6.1 per cent), define the turnaround in the growth of GDP at market prices during Q2 2013-14.

	2012-13				2013-14	
	Q1	Q2	Q3	Q4	Q1	Q2
I. GDP at market prices	3.4	2.5	4.1	3.0	2.4	5.6
Ila. Government Final Consumption Expenditure	7.2	6.9	2.2	0.6	10.5	-1.1
Ilb. Private Final Consumption Expenditure	4.3	3.5	4.2	3.8	1.6	2.2
III. Gross Fixed Capital Formation	-2.2	1.1	4.5	3.4	-1.2	2.6
IV. Valuables	-20.9	4.3	-6.9	-20.2	92.5	23.9
V. Exports	12.2	5.0	-3.5	-0.6	-1.2	16.3
VI. Imports	10.7	9.5	4.2	3.3	0.7	0.4
<i>Source: CSO.</i>						

With a slowdown in aggregate demand during 2011-12 and 2012-13, the investment rate had slowed to 35.0 per cent in 2011-12 (the latest period up to which annual data on savings and investment rates are available) from 38.1 per cent in 2007-08. The slowdown in capital formation which continued through Q1 2013-14 reflected the subdued sentiments that prevailed in the industrial sectors. Despite the volatilities shown by the capital goods sector, the Q2 GDP numbers point to the revival of investment cycle, led by construction activities.

*Source:* Ministry of Finance Department of Economic Affairs - Mid-Year Economic Analysis 2013-2014

## **INDIAN REAL ESTATE INDUSTRY**

### **Introduction**

Real estate in India continues to be a favoured destination globally for investors, developers and non-resident Indians (NRIs), driven largely by investor-friendly government policies and increasing globalisation. The second largest employment generation sector after agriculture, real estate contributes about 6.3 per cent to India's gross domestic product (GDP). The foreign direct investment (FDI) in the sector is expected to touch US\$ 25 billion in the next 10 years from its current US\$ 4 billion.

The sector's progress is driven by factors such as rapid urbanisation, a growing trend towards nuclear families, positive demographics, rural–urban migration, ever-developing infrastructure, higher income levels and housing demand. The real estate sector, with its growing investment opportunities, is expected to post annual revenues of US\$ 180 billion by 2020.

*Source:* <http://www.ibef.org/industry/real-estate-overview>

### **Market Dynamics**

The real estate sector in India is witnessing rapid growth in the residential, commercial and industrial segments. Real estate development, once restricted to bigger cities, have shown marked progress in smaller cities and towns owing to availability of banks loans, higher earnings and improved standard of living.

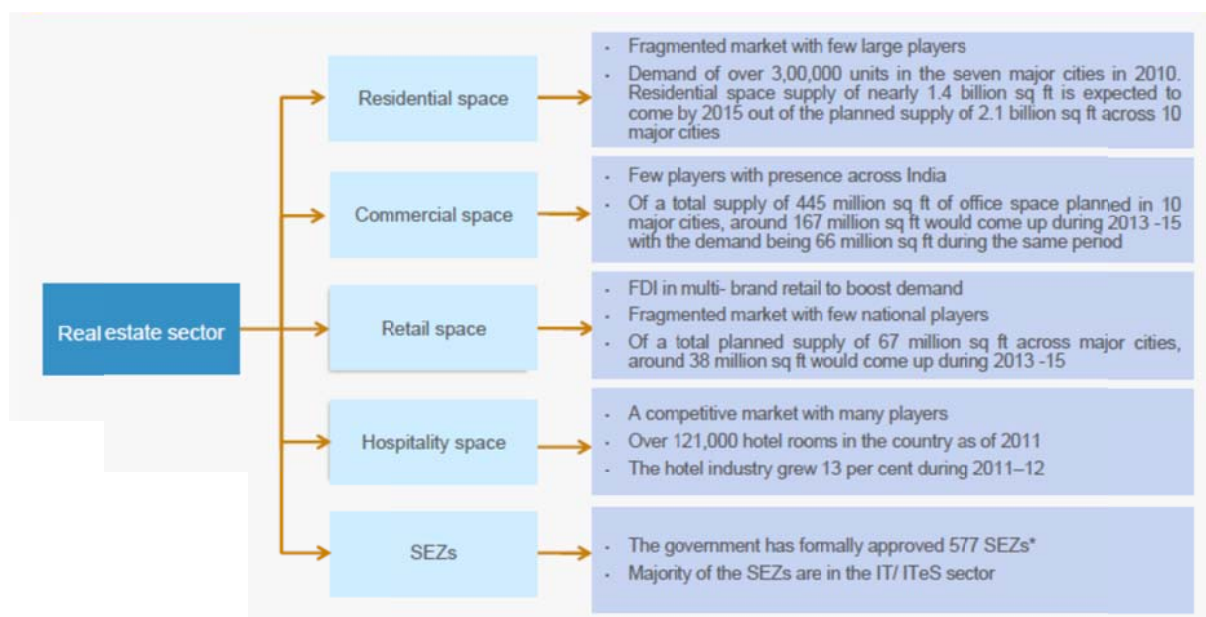


The real estate sector of India is projected to post annual revenues of US\$ 180 billion by 2020 against US\$ 66.8 billion in 2010-11, a compound annual growth rate (CAGR) of 11.6 per cent. The demand is expected to grow at a CAGR of 19 per cent in the period 2010-2014, with Tier I metropolitan cities expected to account for about 40 per cent of this growth. As of now, Mumbai, Delhi-National Capital Region (NCR) and Bengaluru cater for 46 per cent of total office space demand in India. This demand is expected to rise sharply in Tier II cities such as Kolkata and Chennai in the period 2010-14.

Today, Delhi-NCR accounts for about 30 per cent of the total mall supply in India. About 53 per cent of demand for total mall space is projected to come from the country's top seven cities, namely Delhi-NCR, Bengaluru, Mumbai, Kolkata, Pune, Hyderabad, and Chennai, in the period 2010-2014.

Source: <http://www.ibef.org/industry/real-estate-overview>

### Segments in the Indian Real Estate Sector



Source: *IBEF Real Estate, March, 2014*

### Investment Opportunities

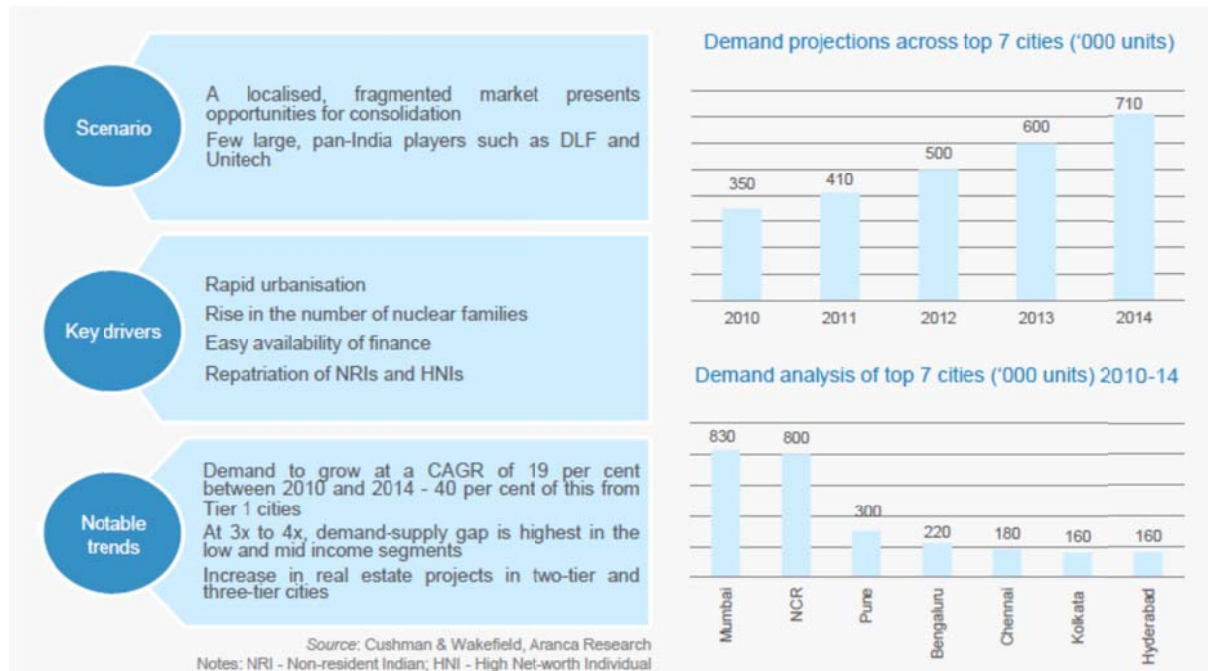
India's office space stock is estimated to rise by 40 per cent to 642.2 million sq ft by 2017, according to a report by real estate consultancy Knight Frank India. The current Indian market offers some of the most competitive rates in the Asia-Pacific region, according to a report by property services firm DTZ. The report also states that Indian cities will have some of the fastest rental growths in the region over the period 2013-17, but will remain among the most competitive.

The share of luxury retail space in India will be 1.4 per cent by 2015, according to a report by real estate services firm Cushman & Wakefield. NCR and Mumbai, areas that have embraced the mall culture, are the two most favoured destinations for luxury retailers.

The construction development sector, including townships, housing and built-up infrastructure garnered total FDI worth US\$ 22,671.95 million in the period April 2000-August 2013. Construction (infrastructure) activities during the period received FDI worth US\$ 2,280.95 million, according to the Department of Industrial Policy and Promotion (DIPP).

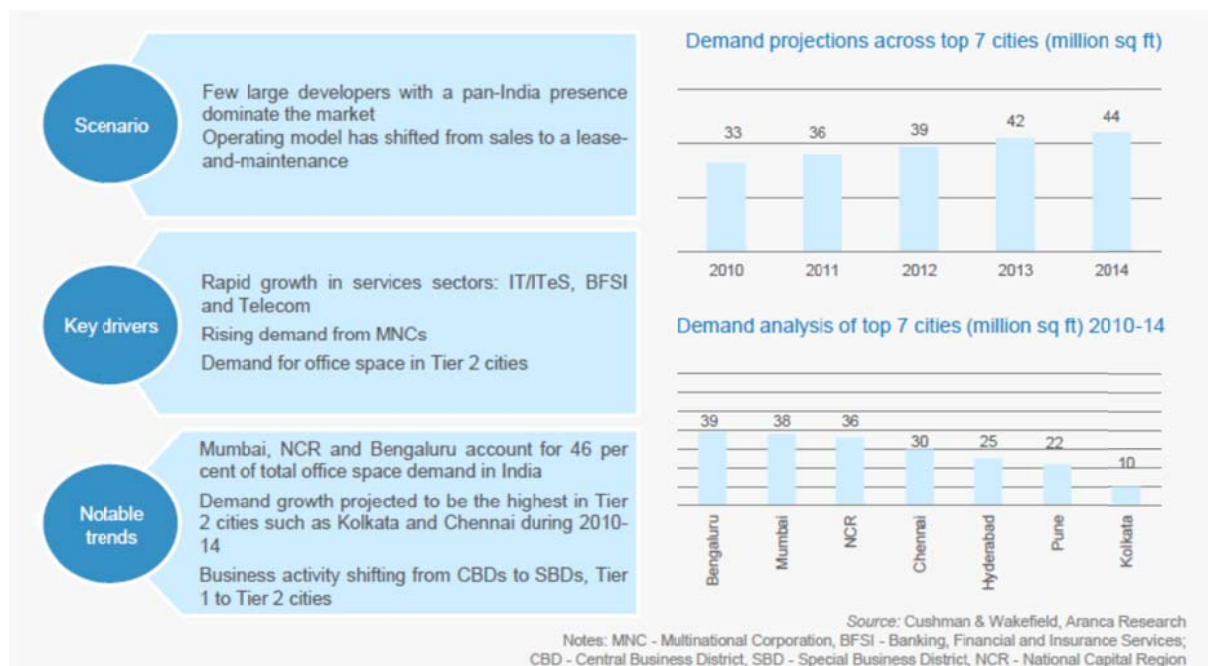
Source: <http://www.ibef.org/industry/real-estate-overview>

### Demand for residential space expected to grow sharply



Source: IBEF Real Estate, March, 2014

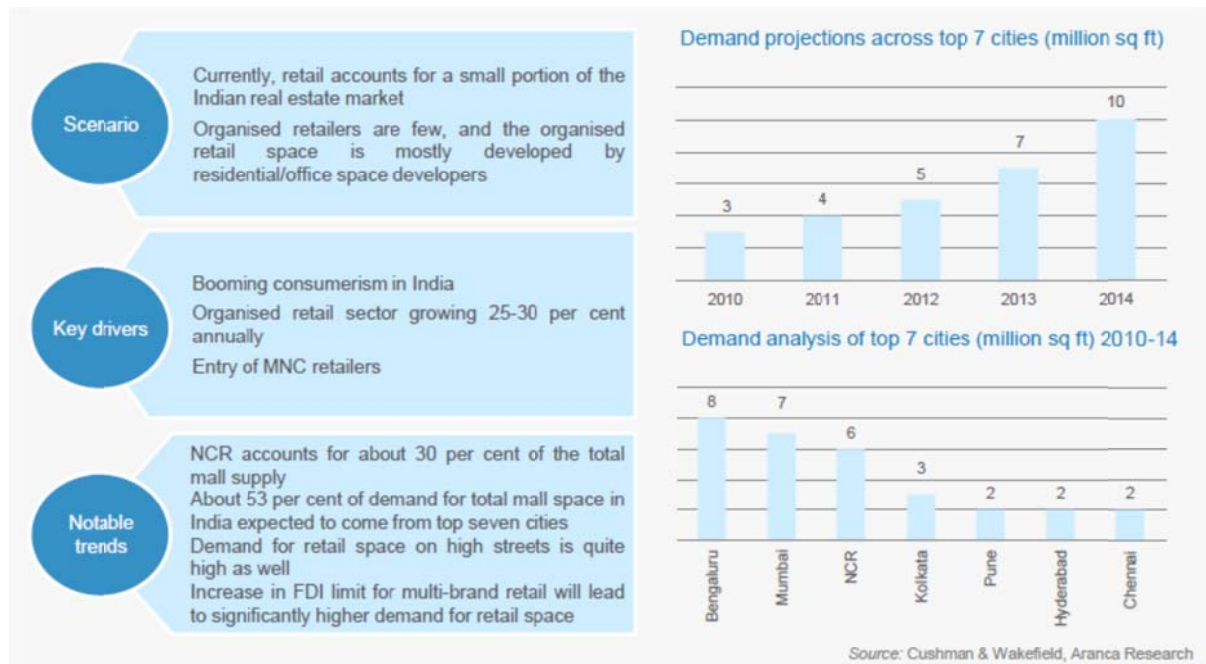
### Metros driving demand for commercial space



Source: IBEF Real Estate, March, 2014

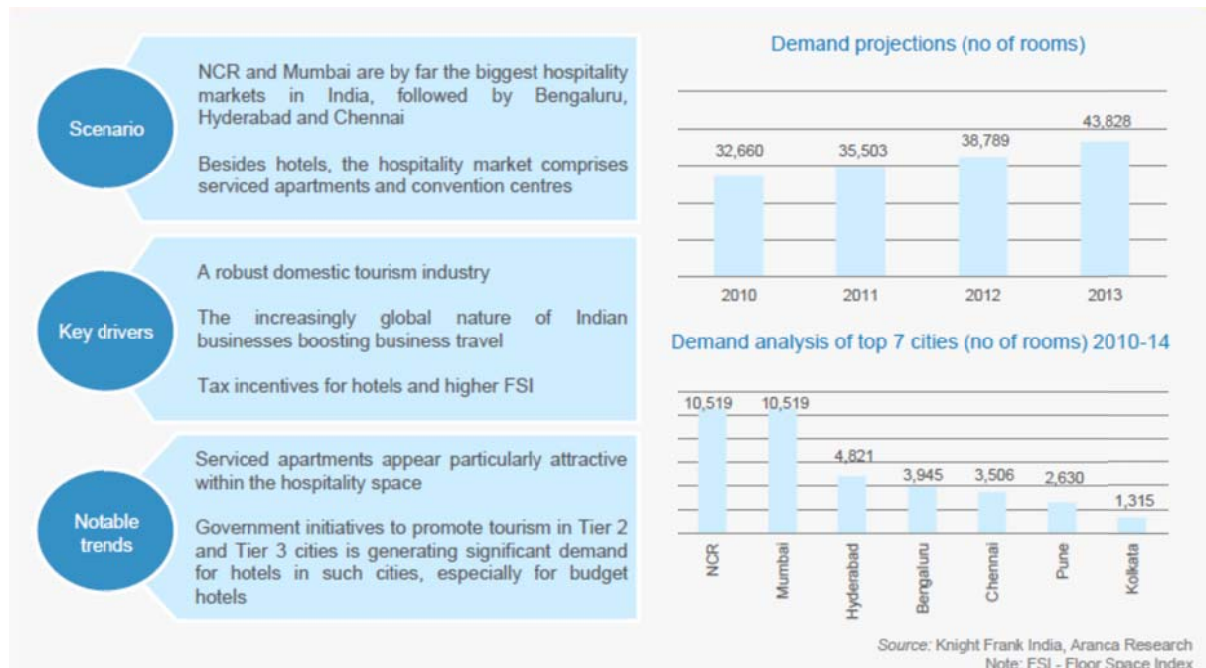


## Retail space likely to see strong growth



Source: IBEF Real Estate, March, 2014

## Hospitality market to witness large incremental capacity



Source: IBEF Real Estate, March, 2014

## Government Initiatives

According to the existing FDI policy, 100 per cent FDI in the construction development sector is permitted through the automatic route. DIPP is looking at relaxing FDI norms further to encourage investment. It has also

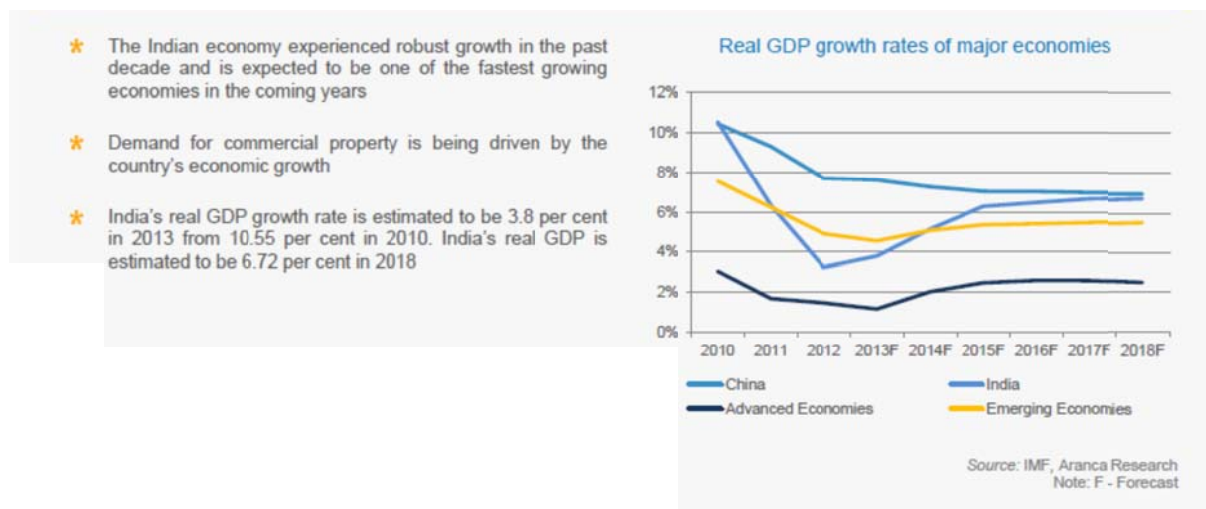
proposed a reduction in the minimum Capitalisation for wholly-owned subsidiaries from US\$ 10 million to US\$ 5 million, and from US\$ 5 million to US\$ 2.5 million for joint ventures with Indian partners.

One of the major initiatives of the Ministry of Housing and Urban Poverty Alleviation (MHUPA) is to provide affordable housing for poor people living in urban areas. The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is one its flagship schemes, a reform driven investment programme which started with the objective of creating economically productive, efficient, responsive and inclusive cities.

The Real Estate (Regulation and Development) Bill, 2013, as approved by the Union Cabinet is a pioneering initiative aimed at delivering a uniform regulatory environment to protect the consumer, help in quick verdicts of disputes and ensure systematic growth of the sector.

Source: <http://www.ibef.org/industry/real-estate-overview>

### Economic growth is boosting real estate demand



Source: IBEF Real Estate, March, 2014

### Road Ahead

India needs to invest US\$ 1.2 trillion over next 20 years to modernize urban infrastructure and keep pace with the burgeoning urbanization, as per a report (India's urban awakening) released by McKinsey Global Institute (MGI).

Demand for space from sectors such as education and healthcare has opened up opportunities in the real estate sector. Also, growth in the number of tourists has led to demand for service apartments. This demand in the tourism sector is expected to generate 50,000 new hotel rooms over the next four to five years, across India's major cities.

Source: <http://www.ibef.org/industry/real-estate-overview>

## BUSINESS OVERVIEW

Our Company “Bhanderi Infracon Limited”, a Real Estate Development Company, was incorporated in the year 2004. Our Promoters, Mr. Dhirubhai Patel and Mr. Sunil Patel, established real estate developers, have over 25 years of experience in the real estate sector. The Company was taken over with an idea to develop untapped opportunities viz. buying, selling, development, re-development of properties, investments in joint ventures, investment in partnerships, investment in completed / partially completed / upcoming projects etc.

Our Promoters undertook the modest activities in the initial years of operations, capitalizing on an excellent opportunity by acquiring Non Agricultural Land at village Odhav and Nikol, Ahmedabad in Public Auction held by Debt Recovery Tribunal (DRT), Ahmedabad vide sale certificate and sale confirmation issued by the Recovery Officer, DRT, Ahmedabad dated March 23, 2005. The total extent of the land acquired was approximately 1,61,172 sq. mts. Our Company undertook to plot, develop Industrial and Commercial units over the said Land and this project was successfully completed.

Our Company had initiated the Joint Development Agreement with M/s Neelkanth Corporation to construct common road, electrification, drainage and all other necessary infrastructure on the said land. The said Joint Development Agreement has been terminated and all Development activities i.e. development of sheds and commercial offices (shops), are presently carried out by our Company.

Currently, Our Company is engaged in development of Residential Flats and Bungalows under Partnership firms, namely: Tulsi Enterprises and Dharnidhar Developers respectively. The complete details of interest in said Partnership firms have been provided on page 113 of this Prospectus under the chapter titled “Our Promoter Group and Group Entities”

While conceptualizing a project, we rely on a research based approach for layout planning, FSI utilization, unit size, fittings and interiors, and determining sales and marketing strategy. Depending on our market research, regulatory practices and consumer preferences, we alter our development mix and product design to ensure that our products cater to customer requirements. Our Company intends to exploit the opportunities that are available in the Real Estate Sector and our operations will cover all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects, maintenance and management of our completed developments etc. Our Company may also enter into project specific joint ventures or partnerships with other companies to enhance our credentials. We are working continuously to strengthen our infrastructure, enhance our presence and build capabilities to execute end to end projects on our own.

### Our Services

We provide land development/construction services for the sectors described below:

- a) **Residential:** In the residential sector, we construct residential buildings;
- b) **Commercial:** In the commercial sector, our services consist of the construction of structures such as Commercial offices and Shops; and
- c) **Industrial:** In the industrial sector, our services consist of the construction of factories, sheds and workshops.

## **Our Projects**

### ***Highlights of Projects completed by our Company***

#### ***Following projects have been developed***

##### ***(a) Description of industrial/ commercial units developed by our Company:***

*Development of approx. 207 units (approx. 15,000 Sq. Mt. built up area) at Odhav, Ahmedabad, Gujarat.*

##### ***(b) Description of plotting undertaken by our Company***

*Plotting of approx. 79 units (approx. 48,000 Sq. Mt.) in Odhav, Ahmedabad, Gujarat and Plotting of approx. 214 units (approx. 72,000 Sq. Mt.) in Nikol - Kathwada,, Ahmedabad, Gujarat.*

### ***Highlights of Ongoing Projects of our Company:***

Currently, we are involved in development of following projects:

#### **(a) Mahavir Residency**

The project undertaken by Tulsi Enterprises located at Mansa around 15 Km. from Gandhinagar, Gujarat. The Project plan is of building around 300 Residential Flats. Our Company is 5% stakeholder in Tulsi Enterprises

#### **(b) Dharnidhar Homes**

The project of building around 110 luxurious bungalows has been undertaken by Dharnidhar Developers which is located at Nadiad, Gujarat. Our Company holds 7.5% share in Dharnidhar Developers.

## **OUR STRENGTHS**

We believe that we have the following strengths:

### **Significant experience and strong presence in Gujarat**

We have gained significant experience and have an established track record and reputation for efficient project management, execution and timely completion of projects in the real estate sector. We believe that our expertise in successful and timely implementation of projects provides us with significant competitive advantages. The Promoter Group has a strong presence in the real estate market at Ahmedabad, Gujarat.

### **Good Reputation and Brand Image**

Our Promoters have been connected with real estate business for over two decades. We believe that our track record of developing projects, strong project execution and quality construction have enabled us to achieve sales for our projects. We believe that our Groups brand “Bhanderi Group” commands a good reputation in real estate sector in Gujarat, which helps establish customer confidence, influences buying decisions and has enabled us to achieve premium prices for our projects.

### **Experienced management team**

Our Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our Promoters are well experienced in the field of real estate development. Besides, the management team consists of experienced Key Managerial Persons who oversee every aspect of project development for timely

execution of the project. We believe that the experience of our management team and its in-depth understanding of the real estate market will enable us to continue to take advantage of both current and future market opportunities.

### **Joint Development Model**

We believe that our ability to identify, develop and forge partnerships to develop various projects is our strength. These partnerships allow us to exploit technologies and expertise developed by our partners. We believe that such partnerships allow us to leverage the combination of our partner's technologies with our project management, engineering and construction capabilities as well as our knowledge of the market and customers in order to provide effective solutions for clients.

### **OUR BUSINESS STRATEGY**

We intend to continue to provide high quality services to our clients and grow our business by leveraging our strengths and implementing the following strategies:

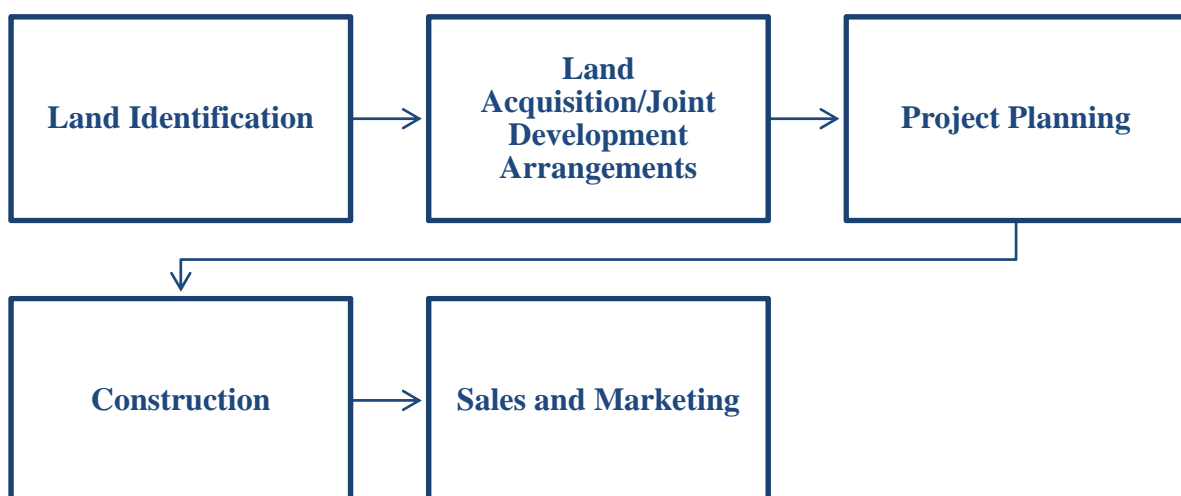
#### **Increase geographical presence**

Our Group has been currently located in Ahmedabad in Gujarat. Going forward we plan to establish our presence in the other regions and we intend to execute projects in other major cities. Hence we have entered into partnership for projects in Gandhinagar, Gujarat and Nadiad, Gujarat. Our emphasis is on expanding the scale of our operations as well as growing our presence in India, across geographies, which we believe will provide attractive opportunities to grow our business and revenues.

#### **Expansion of our Portfolio**

As a future growth strategy we intend to expand our development portfolio across other sectors such as IT Spaces, SEZs, Malls & Retail Hubs, Entertainment Zones, Hotels, Educational Institutions and Hospitals. We also intend to develop spaces which are green building compliant and environment friendly with reduction on dependence of harnessing artificial resources of energy and to maximize natural available resources for a cleaner, greener tomorrow.

### **KEY BUSINESS PROCESSES FOR REAL ESTATE DEVELOPMENT**



## **A. Land Identification**

Land identification at reasonable pricing and strategic locations is a key factor for the success of a real estate business. After acquisition of land in 2005 on which the Company has since then been carrying on development work, we are looking to identify some land for future projects.

## **B. Land Acquisition and/or Joint Development Arrangements**

The Company conducts a proper feasibility study before entering into any land acquisition and/or joint development arrangements. At present we are engaged in development of Residential Flats and bungalows under Partnerships firms, namely: Tulsi Enterprises and Dharnidhar Developers.

## **C. Project Planning and Regulatory Approvals**

The project planning and execution involves obtaining of requisite regulatory approvals. Our in-house project planning and execution team initiates the process to obtain the applicable regulatory approvals and clearances which may be general or specific to location.

## **D. Construction**

We follow a model for construction of projects on its own or under a joint development arrangement and/or Partnership.

## **E. Sales and Marketing**

The sales and marketing strategies are framed based on various parameters such as type of project, target customers, price range, cost element, schedule of construction etc.

## **Location**

We operate from the Registered Office situated at B/12, Jabuka Complex, Near Bajrang Ashram, Below Vikas School, N.H.-8, Thakkar Bapanagar, Ahmedabad, Gujarat – 382350. Considering the nature of our business the location of our projects depends upon the contracted site which usually varies from project to project. Currently our Company is having on-going projects under partnership at Gandhinagar, Gujarat and Nadiad, Gujarat.

## **Plant and Machinery**

We don't own the construction equipments, since we are currently working on projects through partnership. In the past, we had primarily leased the requisite construction equipment or subcontracted work to third parties to operate equipment at our project sites.

## **Technology**

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

## **Collaborations**

The Company has so far not entered into any technical or financial collaboration agreement other than aforesaid partnership agreements under which we are executing projects.

## **Infrastructure Facilities**

The Infrastructure facilities for raw materials and utilities like water, electricity, etc. are met by partnership firms through which we are executing projects.

## Human Resources

As on 30<sup>th</sup> June, 2014 we have 7 people on the payrolls:

Category	No. of Persons
Directors	02
Senior Managerial Personnel	03
Managers/ Officers/ Executives	02
<b>TOTAL</b>	<b>07</b>

Being in the construction business, we would require large number of people to execute projects. Our approach is to manage critical functions like tendering, designing, purchasing, vendor management, etc. in the execution process through our registered office. For actual ground level execution of our projects we hire daily labourers at the project site. This helps us in adopting a flexible approach wherein expertise is employed on critical areas of a project.

The employees who are on the payrolls of the Company are not part of any trade or labour union.

## Health and Safety Conditions

Our Company equips labourers with safety equipment and material that covers them from the risk of potential health hazards as well as avoids direct contact with material which may be harmful to human body. Right at the beginning of the project we identify the potential material hazards, evaluate all risks and set & implement safety standards. We train our employees and daily wage earners at the project site. The project managers are responsible for ensuring that safety standards are met at relevant project sites.

## Past Production Figures Industry-Wise

For details of the industry data please refer to chapter titled “Industry Overview” beginning on page 71 of this Prospectus.

## Competition

Our Company faces competition from various domestic and international real estate developers. Our competition varies depending on the size, nature and complexity of the project and on the geographical region in which the project is to be executed. We believe that our capability, experience and reputation for providing safe and timely quality services allow us to compete effectively.

## Future Prospects

With a view to increase its presence across geographies, our Company is in the process of identification of suitable parcels of land for taking up development projects, whether on its own, or in a joint development arrangement. Our Company may also enter into a project specific joint ventures or partnerships with other companies to enhance our credentials. Our Company desires to leverage on the credibility and track record of the “Bhanderi Group” for enhanced market penetration.

## Marketing

Our Company has a centralized marketing set up. We have dedicated personnel in business development department to identify and pursue opportunities including arranging joint ventures. Our marketing function is directly supervised by the Managing Director and he is supported by the KMPs.



### Export Possibility and Obligation

Our Company doesn't have any export obligation.

### Capacity and Capacity Utilization

Our business is project specific and not of the nature of a manufacturing concern with specified installed capacity. Hence capacity and capacity utilisation is not applicable to us.

### Intellectual Property

Our Company's Trademark  has not been registered in the name of the Company. The registration of the Trademark  has been applied in the name of Mr. Dhirubhai Patel, promoter and director of the Company vide application dated February 15, 2014. On registration, a deed of assignment shall be executed in favour of our Company by Mr. Dhirubhai Patel.

### Land & Property

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

Sr. No.	Description of Property	Document and date	Lessor/ Licensor	Key Terms of the Agreement	Purpose
1	B/12, Jabuka Complex, Near Bajrang Ashram, Below Vikas School, Thakkar Bapanagar, Ahmedabad -382350	Rent Agreement dated 01/04/2014.	Ms. Ramilaben D Patel	The tenure of this agreement is eleven months @ a monthly remuneration of Rs. 5,000/-	Registered Office

### Insurance

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



## **KEY INDUSTRY REGULATIONS AND POLICIES**

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

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 155 of this Prospectus.

### **PROPERTY RELATED LAWS**

#### **Central Laws**

##### ***The Transfer of Property Act, 1882 (the “TP Act”)***

The Transfer of Property Act, 1882 (the “TP Act”) establishes the general principles relating to the transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction for the sale of land.

##### ***Registration Act, 1908 (the “Registration Act”)***

The Registration Act, 1908 (the “Registration Act”) details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, inter alia, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in the present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of Rs. 100 or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent.

The Registration Act also stipulates the time for registration, the place for registration and the persons who may present documents for registration. Any document which is required to be compulsorily registered but is not registered will not affect the subject property, nor be received as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance of a contract under the TP Act or as evidence of any collateral transaction not required to be effected by registered instrument), unless it has been registered.

##### ***Indian Stamp Act, 1899” (the “Stamp Act”)***

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 (the “Stamp Act”) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. Under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for

impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all.

### ***Indian Easements Act, 1882***

The law relating to easements and licenses in property is governed by the Easements Act, 1882 (the "Easements Act"). The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own.

### ***State Laws***

State legislations provide for the planned development of urban areas and the establishment of regional and local development authorities charged with the responsibility of planning and development of urban areas within their jurisdiction. Real estate projects have to be planned and developed in conformity with the norms established in these laws and regulations made there under and require sanctions from the government departments and developmental authorities at various stages.

## **ENVIRONMENTAL LAWS**

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

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned, to enable creation of an authority with powers for environmental protection, regulation of discharge of environmental pollutants etc. The purpose of the Act is to act as an "umbrella" legislation designed to provide a framework for co-ordination of the activities of various central and state authorities established under previous laws, such as Water Act & Air Act. It includes water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, microorganisms and property.

### ***Air (Prevention and Control of Pollution) Act 1981 ("Air Act") and Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")***

Air (Prevention and Control of Pollution) Act 1981 and Water (Prevention and Control of Pollution) Act, 1974 are the other major statutes in India which seek to regulate and protect the environment against pollution and related activities in India. The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards which are vested with diverse powers to deal with water and air pollution, have been set up in each state.

In addition, the Ministry of Environment and Forests looks into Environment Impact Assessment. The Ministry receives proposals for expansion, modernization and setting up of projects and the impact which such projects would have on the environment is assessed by the Ministry before granting clearances for the proposed projects.

## **OTHER APPLICABLE LAWS**

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

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

important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

### ***The Companies Act, 2013***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 and March 26, 2013 notified a total of 283 Sections of the Companies Act, 2013, which have become effective as on the date of this Prospectus.

### ***The Income Tax Act, 1961***

In accordance with the Income Tax Act, 1961 any income earned by way of profits by a Company incorporated in India is subject to tax levied on it in accordance with the tax rate as declared as part of the annual Finance Act.

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

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

### ***The Specific Relief Act, 1963***

The Specific Relief Act is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. ‘Specific performance’ means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

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

The Competition Act 2002 (the “Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Commission of India (the “Competition Commission”) which became operational from May 20, 2009 has been established under the Competition Act to deal with inquiries relating to anti-competitive agreements and abuse of dominant position and regulate combinations.

The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India.

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was incorporated on July 19, 2004, as “Bileshwar Industrial Estate Developers Private Limited” under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The name of our Company was changed to “Bhanderi Infracon Private Limited” vide fresh Certificate of Incorporation dated February 26, 2013 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. Subsequently, our Company was converted into a Public Limited Company pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on March 05, 2013, the name of our Company was accordingly changed to “Bhanderi Infracon Limited” vide a fresh Certificate of Incorporation dated April 29, 2013 issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli. The Corporate Identification Number of our Company is U45201GJ2004PLC044481.

### Main Objects of our Company

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

*“To carry on in India the business to construct, build, take on lease, purchase or acquire, convert, improve, design, erect, establish, equip, develop, dismantle, pull down, turn to account furnish, level, decorate, fabricate, install, finish, repair, maintain, search, survey, examine, test, inspect, locate, modify, own, operate, protect, promote, provide, participate, reconstruct, grout, dig, excavate, pour, renovate, remodel, rebuild- undertake, contribute, assist, and to act as civil engineer, architectural engineer, interior decorator, consultant, advisor, agent, broker, supervisor, administrator, contractor, sub-contractor, turnkey contractor and manager of all types of constructions and developmental work in all its branches such as roads, ways, culverts, dams, bridges, canals, walls, railways, tramways, water tanks, reservoirs, warehouses, factories, building, structure, drainage and sewage, works, water distribution an filtration systems, docks, harbors, piers, irrigation works, foundation works, flyovers, airports, runways, schools, clubs, theaters, gardens, place of amusements, libraries, reading rooms, pavilions, vehicle stands, dairy, garages, rock drilling, aqueducts, stadiums, hydraulic units, sanitary work, power supply works, power stations, hotels, hospitals, dharamshalas, residential and commercial premises, multistoried colonies, shops, complexes, housing projects, and the similar works and for the purpose of acquire, handover, purchase, sell own, cut to size, develop, distribute or otherwise to deal in all sorts of lands and buildings.”*

The main Object and the Objects incidental or ancillary to the Main Objects of our Memorandum of Association enable us to undertake activities for which funds are being raised through this Issue. The existing activities of our Company are in accordance with the Objects Clause of our Memorandum of Association.

### Changes in Memorandum of Association of the Company

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

Date of Meeting	Nature of Changes
February 05, 2013	The initial authorised share capital of our Company of Rs. 1,00,000/- comprising of 10,000 Equity Shares of Rs. 10/- each was increased to Rs. 5,00,00,000/- comprising of 50,00,000 Equity Shares of Rs. 10/- each.
February 12, 2013	The name of our Company was changed from “Bileshwar Industrial Estate Developers Private Limited” to “Bhanderi Infracon Private Limited” pursuant to which a fresh Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.
March 05, 2013	The name of our Company was changed from “Bhanderi Infracon Private Limited” to “Bhanderi Infracon Limited” consequent to the conversion of our Company from Private Limited to Limited company vide a fresh Certificate of Incorporation issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli.

### **Changes in the Registered Office**

Initially, our Registered Office was situated at 36-37, Harshad Chaners, Opp. Vallabhnagar School, Odhav, Ahmedabad – 382415. Subsequently, our Registered Office was shifted to Bileshwar Industrial Estate, Opp. Gujarat Vepari Maha Mandal, Near A.M.C. Octroi Naka, Odhav, Ahmedabad -382415 with effect from April 15, 2005. Thereafter our Registered Office was shifted to B/12, Jabuka Complex, Near Bajrang Ashram, Below Vikas School, N.H.-8, Thakkar Bapanagar, Ahmedabad – 382350 with effect from September 24, 2013.

### **Major Events and Milestones in the History of the Company**

<b>Year</b>	<b>Key Events</b>
2004	Incorporated in the name and style of Bileshwar Industrial Estate Developers Private Limited
2005	Acquired land admeasuring approx. 1,61,172 sq. mt. at village Odhav and Nikol, Ahmedabad in Public Auction held by Debt Recovery Tribunal, Ahmedabad
2005	Joint Development Agreement with M/s Neelkanth Corporation for the purpose of development of aforesaid land.
2012	Entered into Partnership Agreement, “Tulsi Enterprise” for undertaking project comprising of building around 300 Residential Flats located at Mansa around 15 Km. from Gandhinagar, Gujarat.
2013	Conversion from Private Limited Company to Public Limited Company
2013	Entered into Partnership Agreement “Dharnidhar Developers” for undertaking project comprising of building 110 luxurious bungalows located at Nadiad, Gujarat.

### **Holding / Subsidiary Company**

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

### **Issuance of Equity or Debt**

Other than the information as disclosed in “Capital Structure” on page 42 of this Prospectus, our Company has not issued any capital in the form of equity or debt.

### **Corporate Profile**

For details pertaining to corporate profile, kindly refer the chapter titled “Business Overview” on page 79 of this Prospectus.

### **Defaults or rescheduling of Borrowings**

Our Company has not defaulted or rescheduled any of its borrowings.

### **Changes in the activities of Our Company having material effect**

There has been no change in the activities being carried out by our Company during the preceding five years from the date of this Prospectus which may have a material effect on the profits / loss of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors, other than as information disclosed in the chapter “Business Overview” on page 79 of this Prospectus.

### **Acquisition of Business or Undertaking in the history of the Company**

There has been no merger or acquisition of businesses or undertakings in the history of our Company. There is no significant Cost/Time overruns in setting up projects of our Company till the date of this Prospectus.

**Revaluation of Assets**

Our Company has not revalued its assets since incorporation.

**Injunctions or Restraining Orders**

Our Company is not operating under any injunctions or restraining orders.

**Strikes and lock-outs**

Our Company has not been subject to any strikes or lock-outs.

**Number of Shareholders in the Company**

The Company has seven Shareholders as on date of this Prospectus.

**Shareholders' Agreements**

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

**Other Agreements**

The Company has not entered into any specific or special agreements except those entered into in the ordinary course of business upto the date of filing of this Prospectus.

**Strategic Partner**

Our Company has entered into Partnership Agreements and is a partner in the firms details whereof are more specifically mentioned on page 105 of this Prospectus under the chapter titled "Our Promoter Group and Group Entities"

**Financial Partner**

The Company does not have any financial partner as on the date of filing of this Prospectus.

## OUR MANAGEMENT

### Board of Directors

Under our Articles of Association, we are required to have not less than three (3) directors and not more than twelve (12) directors. We currently have five (5) directors on the Board.

The following table sets forth current details regarding our Board of Directors as on the date of filing of this Prospectus:

Name, Designation, Age, Father's Name, DIN, Address, Occupation and Nationality	Date of Appointment and Term	Other Directorships
<p><b>Sunil Dhirubhai Patel</b>  <i>Designation:</i> Managing Director  <i>Age:</i> 31 years  <i>Father's Name:</i> Dhirubhai M Patel  <i>DIN:</i> 00307827  <i>Address:</i> 16, Vikram Park, Opp. Bajrang Ashram, N.H. Road – 8, Saijpur Bogha, Ahmedabad – 382350, Gujarat  <i>Occupation:</i> Business  <i>Nationality:</i> Indian</p>	<p>Appointed as Director on April 01, 2008. Re-appointed as Managing Director with effect from December 23, 2013  <b>Term:</b>                      December 23, 2013 to December 22, 2018</p>	<p>1.) Bhanderi Corporation Limited                      2.) Sudarshan Procon Limited                      3.) Shreenathji Vastucon Private Limited                      4.) Hardi Industries Private Limited                      5.) Bhanderi Investgears Limited                      6.) Bhanderi Fincap Limited</p>
<p><b>Dhirubhai Mohanbhai Patel</b>  <i>Designation:</i> Chairman and Whole-time Director  <i>Age:</i> 58 years  <i>Father's Name:</i> Mohanbhai V Patel  <i>DIN:</i> 02043847  <i>Address:</i> 16, Vikram Ploting, N.H. Road – 8, Opp: Bajrangdas Bapas Ashram, Takkar Bapanagar, Ahmedabad – 382350, Gujarat  <i>Occupation:</i> Business  <i>Nationality:</i> Indian</p>	<p>Appointed as Director on July 23, 2004. Re-appointed as Whole-time Director with effect from December 23, 2013.  <b>Term:</b>                      December 23, 2013 to December 22, 2018</p>	<p>1.) Bhanderi Corporation Limited                      2.) Sudarshan Procon Limited                      3.) Shreenathji Vastucon Private Limited                      4.) Hardi Industries Private Limited                      5.) Bhanderi Investgears Limited                      6.) Bhanderi Fincap Limited</p>
<p><b>Rohit Amrutbhai Thumar</b>  <i>Designation:</i> Non-Executive and Independent Director  <i>Age:</i> 27 years  <i>Father's Name:</i> Amrutbhai B Thumar  <i>DIN:</i> 06489378</p>	<p>May 24, 2013  <b>Term:</b>                      Liable to retire by rotation</p>	<p>1.) Bhanderi Corporation Limited                      2.) Sudarshan Procon Limited</p>

<p><b>Address:</b> 145/2, Daemod Park, Behind Ratam Park, Near Uttamnagar, Nikol Gam Road, Ahmedabad – 382350, Gujarat</p> <p><b>Occupation:</b> Practicing Chartered Accountant</p> <p><b>Nationality:</b> Indian</p>		
<p><b>Kanubhai Govindbhai Bhanderi</b></p> <p><b>Designation:</b> Non-Executive and Independent Director</p> <p><b>Age:</b> 46 years</p> <p><b>Father's Name:</b> Govindbhai Meghajibhai Bhanderi</p> <p><b>DIN:</b> 06698850</p> <p><b>Address:</b> 145/2, Diamond Park, Uttamnagar, Nikol Gam, Ahmedabad - 382415, Gujarat</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p>	<p>September 24, 2013</p> <p><b>Term:</b> Liable to retire by rotation</p>	NIL
<p><b>Mahesh Jayantibhai Savaliya</b></p> <p><b>Designation:</b> Non-Executive and Independent Director</p> <p><b>Age:</b> 26 years</p> <p><b>Father's Name;</b> Jayantibhai Chhaganbhai Savaliya</p> <p><b>Din:</b> 06698871</p> <p><b>Address:</b> A-34, Shrinath Park Society, Opp. Power House, Nikol Gam Road, Ahmedabad – 380006, Gujarat</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality:</b> Indian</p>	<p>September 24, 2013</p> <p>Term Liable to retire by rotation</p>	NIL

For further details on their qualifications, experience, etc., kindly refer to their respective biographies under the heading “Brief Biographies”.

**Confirmations:**

- None of our Directors are or were director in any listed company during the five years preceding the date of filing of this Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors are or were a director of any listed company which has been or was delisted from any recognized stock exchanges in India during the term of their directorship in such company.



- **Relationship between the Directors**

Except Mr. Dhirubhai Patel and Mr. Sunil Patel being Father and Son, none of the other Directors of the Company are related to each other.

- None of our Directors are on the RBI List of willful defaulters as on the date of filing of this Prospectus.
- Further, neither our company, nor our Promoters, nor person forming part of our Promoter Group, nor Directors and persons in control of our Company have been/are debarred from accessing the capital market by SEBI.
- There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as director or as member of the senior management.
- Our Directors have not entered into any service contract with our company, which provides for benefits upon termination of employment.

### **Brief Biographies of Our Directors**

**Mr. Dhirubhai Patel**, aged 58 years, is the Promoter and Whole-time Director of our Company. He initiated the real estate developers business in the year 1988 at Ahmedabad. Mr. Patel stepped into the role of Promoter within a few months from the incorporation of the Company. He has been on the Board of the Company since July, 2004. His educational qualification is under matric. Mr. Patel has 25 years of experience in the real estate sector; he is responsible for overall planning and management of the Company.

**Mr. Sunil Patel**, aged 31 years, is the Promoter and Managing Director of the Company. He holds degree of Bachelors of Business Administration from GLS Institute of Under Graduate Business Administration, affiliated to Gujarat University. He has 8 years of experience in the real estate sector. He is responsible for strategic direction, growth and management of the Company. He has led many new initiatives at our Company and has been key contributor in its growth. He has been on the Board of the Company since April, 2008. He is responsible for effective and timely execution of projects being executed by our Company.

**Mr. Rohit Amrutbhai Thumar**, aged 27 years, is a Non-Executive Independent Director of our Company. He is a Practicing Chartered Accountant with around 5 years of experience in the field of accounts, audit, taxation, and company law matters.

**Mr. Kanubhai Bhanderi**, aged 46 years, is a Non-Executive Independent Director of our Company. His educational qualification is under matric. He has been in the real estate market in Gujarat for the past 15 years and his advice and input brings value addition to the Company.

**Mr. Mahesh Savaliya**, aged 26 years, is a non-Executive Independent Director of our Company. He holds degree of Bachelors of Business Administration from GLS Institute of Business Administration, affiliated to Gujarat University. He also holds a degree of Master of Business Administration from Sikkim Manipal University with specialization in marketing and has around 3 years of experience in marketing.

### **Borrowing Powers of our Board of Directors**

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on March 24, 2014, our Directors were authorised to borrow money(s) on behalf of our Company in excess of the paid up share capital and the free reserves of our Company from time to time, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, subject to the aggregate amount not exceeding Rs. 50 Crores (Rupees Fifty Crores Only).

### Remuneration to our Directors

Directors of the Company may be paid sitting fees, commission and any other amounts as may be decided by the Board of Directors in accordance with the provisions of Articles of Association, the Companies Act and other applicable laws and regulations.

Mr. Dhirubhai Patel and Mr. Sunil Patel have been appointed as Managing Director and Whole-time Director respectively of our Company with effect from December 23, 2013 for a period of five years. The resolution passed at the time of appointment of the Managing Director and Whole Time Director states that the remuneration paid to them shall not exceed 2% of net profits of the Company. The remuneration payable to them, being not more than 2% of the net profit of the Company shall be determined after the annual accounts for the financial year 2013-14 is finalized.

None of the Directors except the above has received any remuneration during the last financial year.

### Shareholding of Directors

As per the Articles of Association of our Company, a Director is not required to hold any shares in our Company to qualify him for the office of Director of our Company. However, as on the date of this Prospectus, the following directors hold shares, details of which are as under:

Sr. No.	Name of Director	No. of shares	% of pre issue Paid up capital
1	Mr. Sunil Patel	14,38,100	97.17
2	Mr. Dhirubhai Patel	8,500	0.57

Shares as stated above are held by the Directors in their personal capacity either as sole or first holder.

### Interest of Directors

All the Directors of our Company may be deemed to be interested to the extent of sitting fees and/or other remuneration, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of reimbursement of expenses, if any, payable to them under the Articles of Association, and/or to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loan or advances provided to any Body Corporate including companies, firms and trusts, in which they are interested as Directors, members, partners or trustees.

Our Directors may also be regarded as interested to the extent of the Equity Shares, if any, held by them or that may be subscribed by and allotted to the companies, firms, and trusts, if any, in which they are interested as Directors, members, promoter, and /or trustees pursuant to this Issue. Our Directors may also be deemed to be interested to the extent of dividend, if any, payable to them and other distributions in respect of the said Equity Shares, if any.

None of our Directors has been appointed on our Board pursuant to any arrangement with our major shareholders, customers, suppliers or others.

Except as stated in the chapters "Our Management" and 'Details of Related Party Transactions' beginning on page 91 and 139 respectively of this Prospectus and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors are not interested in the appointment of or acting as Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

## Interest as to Property

Except for a Leave and License agreement entered with Mrs. Ramilaben Dhirubhai Patel, one of the immediate relative of the Promoters and Directors, dated April 01, 2014 with respect to taking on lease premises wherein our Registered Office is situated, we have not entered into any contracts, agreements or arrangements with respect to our Company's property during the two years preceding the date of this Prospectus in which our directors are directly or indirectly interested. No payments have been made to them in respect of any contracts, agreements or arrangements.

## Changes in the Board of Directors in the Last Three Years

The changes in the Directors during last three years are as follows:

Name	Date of Change	Reason
Himatbhai Haribhai Kothia	30.08.2012	Resigned
Kishor Maganbhai Patel	01.03.2013	Appointed as Non-Executive Director
Kishor Maganbhai Patel	24.05.2013	Resigned
Rohit Amrutbhai Thumar	24.05.2013	Appointed as Independent Director
Mahesh Jayantibhai Savaliya	24.09.2013	Appointed as Independent Director
Kanubhai Govindbhai Bhanderi	24.09.2013	Appointed as Independent Director
Sunil Dhirubhai Patel	23.12.2013	Change in designation from Executive Director to Managing Director
Dhirubhai Mohanbhai Patel	23.12.2013	Change in Designation from Executive Director to Whole-time Director

## Corporate Governance

The Provisions of the SME listing agreement, to be entered into by our Company with the Stock Exchanges, will be applicable to our Company immediately upon the listing of our Equity Shares with BSE SME Platform. We have complied with the corporate governance code in accordance with Clause 52 of the SME listing agreement, particularly in relation to appointment of Independent Directors to our Board and constitution of audit committee, shareholders'/investors' grievance committee and remuneration committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 52 of the SME listing agreement

Our Company stands committed to good corporate governance practices based on principles such as accountability, transparency in dealings with its stakeholders, emphasis on communication and transparent reporting. It has complied with the requirements of the applicable regulations, including the Listing Agreement to be executed with the Stock Exchange and the SEBI Regulations, in respect of corporate governance including constitution of the Board and Committees thereof.

We have a Board constituted in compliance with requirements of the Companies Act and the Listing Agreement in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas.

## Board Structure

Name	Nature of Directorship
Sunil Dhirubhai Patel	Managing Director
Dhirubhai Mohanbhai Patel	Whole-time Director
Rohit Amrutbhai Thumar	Non-executive and Independent Director
Kanubhai Govindbhai Bhanderi	Non-executive and Independent Director
Maheshbhai Jayantibhai Savaliya	Non-executive and Independent Director

We have constituted the following committees of our Board of Directors for compliance with the corporate governance norms:

- 1.) Audit Committee
- 2.) Shareholder's/Investor's Grievance Committee
- 3.) Remuneration Committee

#### **Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), as per the provisions of Section 292A of the Companies Act, 1956 and Clause 52 of the Listing Agreement to be entered with Stock Exchange, vide Resolution passed in the meeting of the Board of Directors held on December 23, 2013.

The terms of reference of Audit Committee complies with the requirements of Clause 52 of the Listing Agreement, proposed to be entered into with the Stock Exchange in due course. The committee presently comprises following three Directors namely:

<b>Sr. No.</b>	<b>Name of Director</b>	<b>Status</b>	<b>Nature of Directorship</b>
1	Mr. Rohit Thumar	Chairman	Independent
2	Mr. Kanubhai Bhanderi	Member	Independent
3	Mr. Sunil Patel	Member	Managing Director

#### **The terms of reference of the Audit Committee are broadly defined as under:**

- 1.) To investigate any activity within its terms of reference;
- 2.) To seek information from any employee;
- 3.) To obtain outside legal or other professional advice;
- 4.) To secure attendance of outsiders with relevant expertise, if it considers necessary;
- 5.) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;
- 6.) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
- 7.) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 8.) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Section 134 (3) (c) of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions;
  - g. Qualifications in the draft audit report.
- 9.) Reviewing, with the management, the half yearly financial statements before submission to the Board for approval, including such review as may be required for compliance with provision of the listing agreement entered into with the Stock Exchanges;

- 10.) 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 the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 11.) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- 12.) 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;
- 13.) Discussion with internal auditors any significant findings and follow up there on;
- 14.) 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;
- 15.) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 16.) 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;
- 17.) To review the functioning of the Whistle Blower mechanism, in case if the same is existing;
- 18.) 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 and background, etc. of the candidate;
- 19.) Carrying out any other function as mentioned in the terms of reference of the Audit Committee;
- 20.) Terms of reference, power, quorum and other matters in relation to the Audit Committee will be as per Clause 52 of Listing Agreement

**The Audit Committee shall mandatorily review the following information:**

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor.

**Shareholder's / Investor's Grievance Committee**

Our Company has constituted a Shareholder's/ Investor's Grievance Committee to redress the complaints of the Shareholders. The Shareholder's/Investor's Grievance Committee was constituted vide Resolution passed at the meeting of the Board of Directors held on December 23, 2013. The committee currently comprises of the following three (3) Directors:

Sr. No.	Name of Director	Status	Nature of Directorship
1	Mr. Mahesh Savaliya	Chairman	Independent
2	Mr. Rohit Thumar	Member	Independent
3	Mr. Dhirubhai Patel	Member	Executive

**The terms of reference of the Shareholder's/Investor's Grievance Committee shall be as follows:**

- a. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- b. Redressal of shareholder and investor complaints in relation to transfer of shares, allotment of shares, non-receipt of refund orders, rights entitlement, non-receipt of annual report, dividend payments, etc.
- c. Monitoring transfers, transmissions, rematerialisation, splitting and consolidation of shares or other securities issued by our Company, including review of cases for refusal of transfer / transmission of shares;
- d. Issue of duplicate / split / consolidated share certificates;
- e. Allotment and listing of shares;
- f. Review of cases for refusal of transfer / transmission of shares and debentures;
- g. reference to statutory and regulatory authorities regarding investor grievances;
- h. Ensure proper and timely attendance and redressal of investor queries and grievances;
- i. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

**Remuneration Committee**

Our Company has constituted a Remuneration Committee ("Remuneration Committee"). The Remuneration Committee was constituted vide Resolution passed at the meeting of the Board of Directors held on December 23, 2013. The committee currently comprises of the following three (3) Directors:

Sr. No.	Name of Director	Status	Nature of Directorship
1	Mr. Rohit Thumar	Chairman	Independent
2	Mr. Kanubhai Bhanderi	Member	Independent
3	Mr. Mahesh Savaliya	Member	Independent

**The terms of reference of the Remuneration Committee are as follows:**

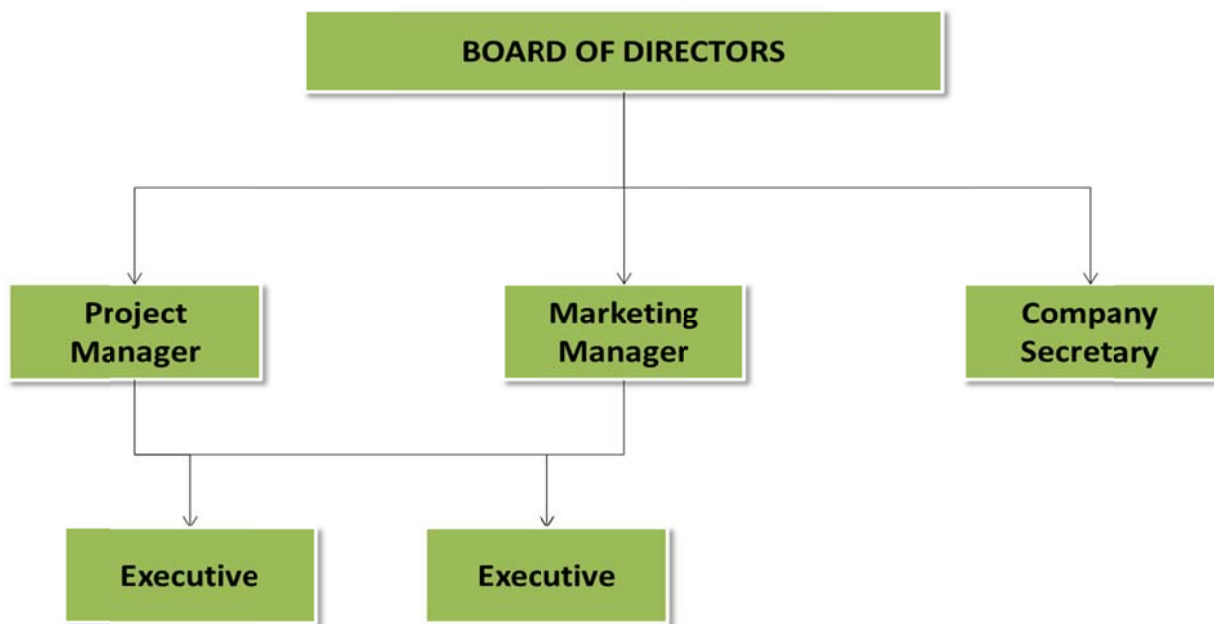
- a. The Remuneration Committee recommends to the Board the compensation terms of the executive Directors;
- b. Framing and implementing on behalf of the Board and on behalf of the Shareholders, a credible and transparent policy on remuneration of executive Directors including ESOP, Pension Rights and any compensation payment;
- c. Considering, approving and recommending to the Board the changes in designation and increase in salary of the executive Directors;
- d. Ensuring that the remuneration policy is good enough to attract, retain and motivate Directors;
- e. Bringing about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

**Policy on Disclosures and Internal Procedure for Prevention of Insider Trading**

Our Company undertakes to comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 1992 after listing of the Company's shares on the Stock Exchange.

Mr. Mustafa Shabbir Badami, Company Secretary and Compliance Officer is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board.

**ORGANISATION CHART OF OUR COMPANY**



**Key Managerial Personnel**

The Company is managed by its Board of Directors, assisted by qualified professionals.

The following key personnel assist the management of the Company:

<b>Name, Designation, Age and Qualification</b>	<b>Date of Appointment and Experience in the Company</b>	<b>Functional responsibilities</b>	<b>Compensation paid in Previous years (Rs. In Lakhs)</b>	<b>Previous Employment</b>
<b>Sunil Dhirubhai Patel</b> Managing Director <b>Age:</b> 31 Years <b>Qualification:</b> Bachelor Degree of Business Administration	01/04/2008  6 Years and three month	Day to Day Operations and execution of various projects of the Company	** Not exceeding 2% of net profit of the Company	Entrepreneur
<b>Dhirubhai Mohanbhai Patel</b> Chairman and Whole-time Director <b>Age:</b> 58 years <b>Qualification:</b> Under Matric	23/07/2004  9 years and eleven months	Day to Day Operations and execution of various projects of the Company	** Not exceeding 2% of net profit of the Company	Entrepreneur

<b>Bharatbhai Maheshchandra Gupta</b> Project Manager <b>Age:</b> 46 years <b>Qualification:</b> Civil Engineer	September 01, 2013  10 Months	Administration, regulation, and control of ongoing projects	0.75	Sudarshan Procon Limited
<b>Bakulbhai H Nasit</b> Marketing Manager <b>Age:</b> 45 years <b>Qualification:</b> Bachelor of Laws (General)	September 01, 2013  10 Months	To handle sales, marketing, liaising and co-ordination	0.50	Gajanand Realty Limited
<b>Mustafa Shabbir Badami</b> Secretarial and Legal <b>Age:</b> 26 Years <b>Qualification:</b> Company Secretary	April 02, 2014  3 months	Ensuring compliance with the provisions of the Companies Act and handling other secretarial work	Nil	Sudar Industries Limited

\*\* The resolution passed at the time of appointment of the Managing Director and Whole Time Director states that the remuneration paid to them shall not exceed 2% of net profit. The Managing Director and Whole Time Director were appointed in December 2013. The remuneration payable to them, being not more than 2% of the net profits of the Company shall be determined after the annual accounts for the financial year 2013-14 is finalized.

- All the Key Managerial Personnel mentioned above are on the payroll of our Company as the permanent employees
- There is no arrangement or understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above Key Managerial Personnel have been recruited
- Except Mr. Dhirubhai Patel and Mr. Sunil Patel being Father and Son, none of the Key Managerial Personnel are related to each other, or related to our Promoters/Directors.
- Our key managerial personnel have not entered into any other contractual arrangements with our Company.

#### Interest of the Key Managerial Personnel

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

Sr. No.	Name of the KMP	No. of Shares
1	Sunil Patel	14,38,100
2	Dhirubhai Patel	8,500



### **Bonus or Profit Sharing Plan for the Key Managerial Personnel**

The Company has not formulated any specific bonus plan or profit sharing plan for its Key Managerial Personnel.

### **Loans to Key Managerial Personnel**

None of the Key Managerial Personnel have taken loan from the Company

### **Changes in Key Managerial Personnel of the Company during the last Three (3) Years**

There have been no changes in the Key Managerial Employees in our Company during the last three (3) years except as stated below:

<b>Name</b>	<b>Date of Appointment</b>	<b>Date of cessation</b>	<b>Reason</b>
Bharatbhai Maheshchandra Gupta	September 01, 2013	-	Appointment
Bakulbhai H Nasit	September 01, 2013	-	Appointment
Mustafa Shabbir Badami	April 02, 2014	-	Appointment

### **ESOP/ESPS Scheme to Employees**

The Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme for its employees as on the date of filing of this Prospectus.

### **Payment or Benefit to the Officers**


Except for the payment of normal remuneration for the services rendered in their capacity as employees of the Company, no other amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any of Key Managerial Personnel.


## OUR PROMOTERS

The following individuals are the Promoters of our Company:

1. Mr. Dhirubhai Mohanbhai Patel
2. Mr. Sunil Dhirubhai Patel

### Details of our Individual Promoters

	<p><b>Mr. Dhirubhai Mohanbhai Patel</b>, aged 58 years, is the Chairman and Whole-time Director of our Company. He initiated the real estate developers business in the year 1988 at Ahmedabad. Mr. Patel stepped into the role of Promoter within a few months from the incorporation of the Company. He has been on the Board of the Company since July, 2004. His educational qualification is under matric. Mr. Patel has 25 years of experience in the real estate sector, he is responsible for overall planning and management of the Company</p>
<b>Name</b>	Mr. Dhirubhai Mohanbhai Patel
<b>Address</b>	16, Vikram Ploting, N.H. Road – 8, Opp: Bajrangdas Bapas Ashram, Takkar Bapanagar, Ahmedabad – 382350, Gujarat
<b>PAN No</b>	AETPP8958B
<b>Passport No.</b>	F7210962
<b>Driving License no.</b>	93-37713
<b>Voter ID No.</b>	MCS9362666
<b>Bank Account Details</b>	Axis Bank – 664010100001991

	<p><b>Mr. Sunil Dhirubhai Patel</b>, aged 31 years, is the Managing Director of our Company. He holds Bachelor's Degree of Business Administration from GLS Institute of Under Graduate Business Administration, affiliated to Gujarat University. He has 8 years of experience in the real estate sector. He is responsible for strategic direction, growth and management of the Company. He has led many new initiatives at our Company and has been key player in its growth. He has been on the Board of the Company since April, 2008. He is responsible for effective and timely execution of projects being executed by our Company</p>
<b>Name</b>	Mr. Sunil Dhirubhai Patel
<b>Address</b>	16, Vikram Park, Opp. Bajrang Ashram, N.H. Road – 8, Saijpur Bogha, Ahmedabad – 382350, Gujarat
<b>PAN No</b>	AHXPP1195M
<b>Passport No.</b>	J3703505
<b>Driving License no.</b>	GJ01/010431/01
<b>Voter ID No.</b>	MCS9364191
<b>Bank Account Details</b>	Axis Bank – 664010100001946

For a complete profile of each of our Promoters, i.e. their age, personal address, educational qualification, experience, positions/post held in the past and other directorships of our Promoters, please refer to the chapter titled “Our Management” beginning on page 91 of this Prospectus.

## **Declaration and Confirmations**

We hereby confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoters have been submitted to the SME Platform of BSE Limited, where the securities are proposed to be listed, at the time of filing of this Prospectus with them.

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

## **Changes in Our Promoter**

Our Company was initially promoted by Mr. Harshadbhai Purshottamdas Bhatt and Mr. Tekchand Pamandas Chawla. Our Current Promoters acquired 40% shares from the erstwhile Promoters in October, 2004 and stepped in the shoes of the original Promoter. For further details on shareholding of our Promoters, kindly refer to Chapter titled "Capital Structure" on page 42 of this Prospectus.

## **Interest of Promoters**

### **Interest in promotion of our Company**

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

Our Promoters may also be interested to the extent of any dividend payable to them and other distributions in respect of the aforesaid Equity Shares. Further, our Promoters may also be interested to the extent of Equity Shares held by or that may be subscribed by and allotted to companies and firms in which either they are interested as a director, member or partner. In addition, Our Promoters are also Directors of our Company and may be deemed to be interested to the extent of remuneration, payable to them as per the resolution of the members of the Company.

### **Interest in the property of our Company**

Our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company.

### **Interest as Member of our Company**

As on the date of this Prospectus, the Promoters together with the Promoter Group hold 14,79,600 Equity Shares of the Company constituting 99.97% of the paid up capital of the Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by the Company. Except to the extent of shareholding of the Promoters in our Company, our Promoters do not hold any other interest in the Company.

### **Interest in transaction involving acquisition of land**

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

**Other Ventures of the Company**

Except as disclosed in the chapter titled ‘Our Promoter Group and Group Entities’ beginning on page 105 of this Prospectus, there are no other ventures of our Promoters in which they have business interest/other interest.

**Payment or benefits to our Promoters**

Except as stated in the ‘Details of Related Party Transactions’ on page 139 of this Prospectus, there has been no amount or benefit paid to the Promoter or Promoter Groups during the two years preceding the date of this Prospectus.

**Related Party Transactions**

Except as disclosed in the ‘Details of Related Party Transactions’ beginning on page 139 of this Prospectus, our Company has not entered into any related party transactions with our Promoters.

**Companies / Firms with which Promoters have disassociated in the last three years**

Our Promoter have not disassociated from any company during the three years preceding the date of this Prospectus

## OUR PROMOTER GROUP AND GROUP ENTITIES

### Promoter Group Individuals

In terms of Regulations 2(1)(zb) of the SEBI (ICDR) Regulations, the following natural persons (being the immediate relatives of the Promoters) form part of the Promoter Group:

#### 1. Individual related to our Promoters:

Relationship	Dhirubhai Patel	Sunil Patel
<b>Spouse</b>	Ramilaben Patel	Bhumikaben Patel
<b>Father</b>	Mohanbhai Patel	Dhirubhai Patel
<b>Mother</b>	Dholiben Patel	Ramilaben Patel
<b>Brother</b>	Chhaganbhai Patel Maganbhai Patel	-
<b>Sister</b>	-	Ashaben Radadia Varshaben Senjalia
<b>Son</b>	Sunil Patel	Kush Patel
<b>Daughter</b>	Ashaben Radadia Varshaben Senjalia	Hardi Patel
<b>Spouses Father</b>	Labhubhai Finavia	Ravjibhai Patel
<b>Spouses Mother</b>	Sakarben Finavia	Geetaben Patel
<b>Spouses Sister</b>	Vimlaben Zalavadiya Muktaben Sudani	Paritaben Panaliya Ankitaben Mehta
<b>Spouses Brother</b>	Bachubhai Finavia Bavchandbhai Finavia Zaverbhai Finavia Pramodbhai Finavia Jasubhai Finavia	Jenish Patel

## 2. Companies, partnership firms, proprietary concerns, trusts, HUFs, related to our Promoter

As specified in clause 2 (zb) of the SEBI Regulation, the companies, HUFs, partnership firms and other entities, that form part of the Promoter Group are as follows:

Relationship with Promoters	Entity
Any company in which 10% or more of the share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member	<ol style="list-style-type: none"> <li>1. Sudarshan Procon Limited</li> <li>2. Bhanderi Corporation Limited</li> <li>3. Shreenathji Vastucon Private Limited</li> <li>4. Hardi Industries Private Limited</li> <li>5. Bhanderi Fincap Limited</li> <li>6. Bhanderi Investgears Limited</li> </ol>
Any company in which a company (mentioned above) holds 10% of the total holding	<ol style="list-style-type: none"> <li>1. Shreenathji Vastucon Private Limited</li> </ol>
Any HUF or firm in which the aggregate share of the promoter and his immediate relatives is equal to or more than 10% of the total holding	<p><b>Partnership Firms</b></p> <ol style="list-style-type: none"> <li>1. Balaji Enterprise</li> <li>2. Tulsi Enterprise</li> <li>3. Dharnidhar Developers</li> </ol> <p><b>Proprietorship Firms</b></p> <ol style="list-style-type: none"> <li>1. Balaji Real Estate Developers</li> <li>2. Om Corporation</li> <li>3. Narnarayan Corporation</li> <li>4. Siddhivinayak Land Developers</li> </ol> <p><b>HUF</b></p> <ol style="list-style-type: none"> <li>1. Dhirubhai Mohanbhai Patel HUF</li> <li>2. Sunil Dhirubhai Patel HUF</li> </ol>

## **Our Group Entities**

None of the Companies or other entities forming part of the Group Companies had remained defunct during the five years preceding the date of this Prospectus or is a sick Company within the meaning of SICA and none of them has incurred any losses or have negative cash flows or are in the process of winding up. Further, all the Group Companies are unlisted companies and they have not made any public issue of securities (including rights) in the preceding three years.

## **Details of Group Companies**

### **A. Companies**

#### **1. Sudarshan Procon Limited**

##### Corporate Information

Sudarshan Procon Limited was incorporated under the Companies Act, 1956 on October 20, 2006 in the state of Gujarat. The CIN of Sudarshan Procon Limited is U45200GJ2006PLC049272. The Registered Office of the Company is situated at B/9, B/10, Jabuka Complex, Nr. Bajrang Ashram, Below Vikas School, Nh-8, Thakkar Bapanagar, Ahmedabad – 382350, Gujarat.

##### Main Object

1. To carry on the business of and act as promoters, Organizers, developers and agents of lands , estate, property industrial estate, housing schemes, shopping/office complexes, township, warehouses, farm-houses, holiday resorts and building for hotels, motels, factories, and to deal with purchase, sell, such properties either as owner and/or agents.
2. To carry on the business of construction and to act as builders, contractors of prefabricated concrete buildings and constructional works and contractors, decorators, architects, surveyors, designers, constructional engineers sanitary and water engineers and plumbers and to erect, construct, re-construct, alter, improve, decorate, furnish and maintain houses, buildings of all descriptions, commercial centers, ships, hotels in connection with any building or building of schemes, roads, large projects, entertainment houses, highways, docks, ships, tramways, bridges, canals, wells, sprints, dams, gardens, power plants, culverts, earthwork, channels, bowers, sewers, tanks, drains, wharfs, ports, reservoirs, sewages, embarkment, irrigations, reclamations, improvements, sanitations, hotels, clubs, tanks, schools, hospitals, restaurants, bath, places of workship, playgrounds, parks, libraries, reading rooms, vehicle stands, shops, carriage dairy farms of any other structural or architectural work of any kind whatsoever and for such purposes to prepare estimates, design, plans, specifications, models, that may be require including preparations of layouts, develop, erect, demolish, re-erect, prepare re-model, execute, undertake, establish, acquire, maintain, control, manage, take on lease , purchase or acquire any work in connection with the above, and generally to deal with and improve the property of the company by any other property and to undertake or direct the construction, development and the management of the property, buildings, land and estate (of any tenure or kind) any to acquire by purchase, lease, exchange, hire or otherwise lands and property of in the same and to sell or otherwise dispose of the land houses, buildings and other property of the company.

##### Nature and extent of interest of our Promoters

Our Promoters, Sunil Patel and Dhirubhai Patel, are Directors and together holds 72.71% of the Issued and Paid-up Equity Share capital of Sudarshan Procon Limited.

Further, Bhumikaben Patel, Ramilaben Patel and Ashaben Radadia, members of the Promoter Group, together holds 27.09% of the Issued and Paid-up Equity Share Capital of Sudarshan Procon Limited.

## Financial Performance

The audited financial result of Sudarshan Procon Limited for the fiscal 2013, 2012 and 2011 are as under:

	<i>(Rs. In Lakhs)</i>		
<b>Particulars</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
Equity Capital	5.02	1.00	1.00
Preference Share Capital	1700.00	0	0
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	44.44	31.56	17.13
Net Worth	1749.46	32.56	18.13
Income including other income	105.89	123.23	253.23
Net Profit/ (Loss) after tax	12.89	14.42	17.13
Earnings per share (Rs.)	25.67	144.23	171.34
Net asset value per share (Rs.)	98.53	325.56	181.34

## **2. Bhanderi Corporation Limited (Erstwhile Gajanad Realty Limited)**

### Corporate Information

Bhanderi Corporation Limited was incorporated under the Companies Act, 1956 on December 21, 2000 in the state of Gujarat. The CIN of Bhanderi Corporation Limited is U45201GJ2000PLC039102. The Registered Office of the Company is situated at B/9, B/10, Jabuka Complex, Nr. Bajrang Ashram, Below Vikas School, Nh-8, Thakkar Bapanagar, Ahmedabad – 382350, Gujarat.

### Main Object

1. To purchase or otherwise, acquire, construct, hold, sell, dispose off, manage, turn to account and deal, in real and personal properties of all kinds and in particular lands, buildings, hereditaments, business concerns or undertakings and other properties in India or elsewhere, any interest in real or personal property and any claims against such property or against any persons or company and/or regards land, to develop the resources thereof by improving and civil constructions of commercial and residential buildings, market, hospitals, schools, aerodromes, docks, dams, canals, bridges, co-operative housing society, housing schemes, hotels, business, centres, super markets, holiday resorts and public and private work of all kinds and to act as promoters, organisers, developers of all types of residential, industrial and commercial construction.
2. To acquire by purchase, lease, exchange, hire or otherwise develop any buildings and hereditaments of any tenure or description including agricultural land, mines, quarries, tea or coffee gardens, farms, gardens, orchards, groves, plantations and any estate or interest therein and any right over or connected with land and buildings so situated and develop or to turn the same to account as may seem expedient and in particular by preparing building sites, and by constructing, reconstructing, altering, improving, decorative, furnishing and maintaining hotels, motels, flats, rooms, houses, restaurants, market, shops, workshops, mills, factories, warehouse, cold storage, wharves, godowns, offices, gardens, swimming pools, play grounds, works, building and conveniences of all kinds and by leasing, hiring or disposing off the same and to manage land, building and other properties, whether belonging to the company or not to collect rents and income.
3. To carry on the business of Projects Consultancy in the above fields on job basis or otherwise and to act as interior decorators, constructors, planners, designers, architects, surveyors, supervisors of lands, estate, properties, residential, hotels, resorts, business centres, super markets, industrial and commercial buildings, godowns, shops, factories, mills, farm houses, roads, bridges, dams, canals and landed properties of every kind and description.



### Nature and extent of interest of our Promoters

One of our Promoters, Dhirubhai Patel, is Director and holds 0.18% of the Issued and Paid up Equity Share Capital of Bhanderi Corporation Limited.

Further, Bhumikaben Patel and Ramilaben Patel, members of the Promoter Group, together hold 89.37% of the Issued and Paid-up Equity Share Capital of Bhanderi Corporation Limited.

### Financial Performance

The audited financial result of Bhanderi Corporation Limited for the fiscal 2013, 2012 and 2011 are as under:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Equity Capital	335.00	335.00	325.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	1,581.08	1,563.15	1,087.12
Net Worth	1,916.08	1,898.15	1,412.12
Income including other income	36.41	845.68	1,000.11
Net Profit/ (Loss) after tax	17.92	86.04	90.85
Earnings per share (Rs.)	0.54	2.57	2.80
Net asset value per share (Rs.)	57.20	56.66	43.45

### **3. Shreenathji Vastucon Private Limited**

#### Corporate Information

Shreenathji Vastucon Private Limited was incorporated under the Companies Act, 1956 on March 29, 2010 in the state of Gujarat. The CIN of Shreenathji Vastucon Private Limited is U45201GJ2010PTC060045. The Registered Office of the Company is situated at 9, Sahjanand Complex, Opp. Chamak Chuna, N.H. – 8, Thakkar Bapanagar, Ahmedabad – 382350, Gujarat.

#### Main Object

To carry on business to organize, build, contract, erect, develop, demolish, maintain, plan, promote, residential and/or commercial flats, shops, offices, buildings, societies, showrooms, corporate houses, malls, theatres, roads, bridges, canals and infrastructure.

#### Nature and extent of interest of our Promoters

Our Promoters, Sunil Patel and Dhirubhai Patel, are Directors and together holds 54.54% of the Issued and Paid-up Equity Share capital of Shreenathji Vastucon Private Limited.

Further, Sudarshan Procon Limited, one of the Promoter Group Company holds 38.96% of the Issued and Paid-up Equity Share capital of Shreenathji Vastucon Private Limited.

### Financial Performance

The audited financial result of Shreenathji Vastucon Private Limited for the fiscal 2013, 2012 and 2011 are as under:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Equity Capital	38.50	38.50	38.50
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	134.84	134.89	134.94
Net Worth	173.34	173.39	173.44
Net asset value per share (Rs.)	45.02	45.04	45.05

#### **4. Hardi Industries Private Limited**

##### Corporate Information

Hardi Industries Private Limited was incorporated under the Companies Act, 1956 on December 16, 2013 in the state of Gujarat. The CIN of Hardi Industries Private Limited is U18204GJ2013PTC077894. The Registered Office of the Company is situated at B/11 1622/1623, Jabuka Complex, Nr. Bajrangdas Ashram, Naroda N. Highway Road, Saijpur, Ahmedabad – 382350, Gujarat.

##### Main Object

To carry on in India or elsewhere the business of manufacturing, producing, designing, stitching, cutting, sizing, drawing, crimping, twisting, texturising, blending, mixing, colouring, purchasing, selling and trading in all kinds of cloths, uniforms, dressing materials, handicrafts, readymade garments, apparels, khadi, carpets, blankets, decorating and/or designing materials, woven bags, gloves and hosiery items.

##### Nature and extent of interest of our Promoters

One of our Promoters, Sunil Patel, is Director and holds 50% of the Issued and Paid-up Equity Share capital of Hardi Industries Private Limited.

Further, Bhumikaben Patel, one of the Promoter Group Member holds 50% of the Issued and Paid-up Equity Share capital of Hardi Industries Private Limited.

##### Financial Performance

Fiscal 2013-14 being the first year of operations, financial performance is not depicted.

#### **5. Bhanderi Fincap Limited**

##### Corporate Information

Bhanderi Fincap Limited was incorporated under the Companies Act, 1956 on March 19, 2014 in the state of Gujarat. The CIN of Bhanderi Fincap Limited is U65993GJ2014PLC079211. The Registered Office of the Company is situated at B/9-10, Jabuka Complex, Nr. Bajrang Ashram, Below Vikas School, N.H. 8, Thakkarbapa Nagar, Ahmedabad – 382350, Gujarat.

### Main Object

To carry on, in India and anywhere outside India, the business of an Investment Company and to invest, hold, buy, undertake, underwrite, acquire, dispose off, purchase, sale, deal in, stockiest of, including but not limited to, shares stocks, debentures, debenture stocks, bonds, obligations, securities of any kind issued or guaranteed by any company or any other person, constituted or any other entity whether incorporated or not or carrying on business in India or elsewhere outside India and commercial papers, government bonds, government securities, issued by any government, either state or central government of India or any dominions, sovereign, rulers, commissioners outside India and to hold by way of investment shares, stocks, debentures, debenture stock, bonds, obligations, units, securities and other investments and to carry on the business of financing, advancing, lending, providing, incurring, syndicating for short term loans, long term loans, advances, working capital finances, providing margin trade financing, credits, guarantees and securities, automobile loans, vehicle loans, construction loans, machinery loans, asset purchase loans, loan against properties, project finances and any other finance facility by whatever name called, with or without obtaining adequate securities or guarantee for the repayment of the same, to individuals, partnership firms, Limited Liability Partnerships, HUFs, companies, association of person, body of individuals, government authorities.

### Nature and extent of interest of our Promoters

Our Promoters, Sunil Patel and Dhirubhai Patel, are Directors and together holds 85.00% of the Issued and Paid-up Equity Share capital of Bhanderi Fincap Limited.

Further, Bhumikaben Patel and Ramilaben Patel, members of the Promoter Group, together hold 10.00% of the Issued and Paid-up Equity Share Capital of Bhanderi Fincap Limited.

### Financial Performance

Fiscal 2013-14 being the first year of operations, financial performance is not depicted.

## **6. Bhanderi Investgears Limited**

### Corporate Information

Bhanderi Investgears Limited was incorporated under the Companies Act, 1956 on March 19, 2014 in the state of Gujarat. The CIN of Bhanderi Investgears Limited is U65993GJ2014PLC079212. The Registered Office of the Company is situated at B/9-10, Jabuka Complex, Nr. Bajrang Ashram, Below Vikas School, N.H. 8, Thakkarbapa Nagar, Ahmedabad – 382350, Gujarat.

### Main Object

To carry on an Investment Company and activities of Core Investment Company and to buy, undertake, underwrite, invest in, acquire, hold, dispose off, purchase, sale, deal in, including but not limited to, shares stocks, debentures, debenture stocks, bonds, obligations, securities of any kind issued or guaranteed by any company constituted or carrying on business in India or elsewhere and commercial papers, government bonds, government securities, issued by any government either state or central government, any dominions, sovereign, rulers, commissioners and to carry on and conduct the business of purchase, acquire, sale, resale, dispose off, hold, invest, disinvest, construct, create, generate, degenerate various assets, properties, including but not limited to land and building, plant and machinery, shares and securities, controlling stakes, profit sharing stakes and all other possible forms of creation of assets and wealth for the Company and to take part in formation, supervision or control of business operation of any company or undertaking, more specifically subsidiary companies, step down subsidiaries, fellow subsidiary companies, limited liability partnerships, other group companies, entities and organizations, arrangements under the same management and belonging to the same group, and to procure

capital for any company and issue capital of such companies and to subscribe for, purchase and to dispose of or otherwise deal in the shares, bonds and securities of such companies or undertaking, investing of funds of the company, equity and loan syndication, to entering into short term arrangements, financing, advancing, lending, providing, incurring, syndicating for short term loans, long term loans, advances, working capital finances, providing margin trade financing, credits, guarantees and securities, housing loans, automobile loans, vehicle loans, construction loans, machinery loans, asset purchase loans, loan against properties, project finances and any other finance facility by whatever name called, with or without obtaining adequate securities or guarantee for the repayment and to carry on any other activities as may be related to Core Investment Company and as may be permitted by Reserve Bank of India.

Nature and extent of interest of our Promoters

Our Promoters, Sunil Patel and Dhirubhai Patel, are Directors and together holds 85.00% of the Issued and Paid-up Equity Share capital of Bhanderi Investgears Limited.

Further, Bhunikaben Patel and Ramilaben Patel, members of the Promoter Group, together holds 10.00% of the Issued and Paid-up Equity Share Capital of Bhanderi Investgears Limited.

Financial Performance

Fiscal 2013-14 being the first year of operations, financial performance is not depicted.

**B. Partnership Firms**

**1. M/s. Balaji Enterprises**

General Information

<b>Date of Formation</b>	December 09, 2009		
<b>Date of Reconstitution of Partnership (Date of our Promoters becoming Partners)</b>	April 01, 2012		
<b>Nature of Business</b>	Development and Construction of Commercial Projects		
<b>PAN Card no.</b>	AAJFB6500F		
<b>Registered Address</b>	B/9, Jabuka Complex, Nr. Bajrangdas Ashram, Thakkarbapanagar, Ahmedabad – 382350		
<b>Partner's Capital Account (Rs. In Lakhs)</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	6912.60	4792.24	4402.23

Partners

<b>Sr. No.</b>	<b>Name of the Partner</b>	<b>Share in Profit/Loss (in %)</b>
1.	Geetanjali Space Private Limited	60.00
2.	Dhirubhai Mohanbhai Patel HUF	25.00
3.	Bhanderi Corporation Limited	5.00
4.	Bhanderi Infracon Limited	5.00
5.	Sudarshan Procon Limited	5.00

## 2. M/s. Tulsi Enterprise

### General Information

<b>Date of Formation</b>	May 24, 2012		
<b>Nature of Business</b>	Construction and Development of Real Estate Projects		
<b>PAN Card no.</b>	AAHFT5924D		
<b>Registered Address</b>	B-10, Jabuka Complex, Nr. Bajrang Ashram, Thakkarbapanagar, Ahmedabad – 382350		
<b>Partner's Capital Account (Rs. In Lakhs)</b>	<b>31.03.2013</b>	<b>31.03.2012</b>	<b>31.03.2011</b>
	107.52	N.A.	N.A.

### Partners

<b>Sr. No.</b>	<b>Name of the Partner</b>	<b>Share in Profit/Loss (in %)</b>
1.	Sunil Dhirubhai Patel	15.00
2.	Dhirubhai Mohanbhai Patel	10.00
3.	Ramilaben Dhirubhai Patel	30.00
4.	Bhumikaben Sunibhai Patel	30.00
5.	Bhanderi Corporation Limited	5.00
6.	Bhanderi Infracon Limited	5.00
7.	Sudarshan Procon Limited	5.00

## 3. Dharnidhar Developers

### General Information

<b>Date of Formation</b>	July 02, 2013
<b>Nature of Business</b>	Development and Construction of Residential, Industrial and Commercial Projects
<b>PAN Card no.</b>	AAJFD6309G
<b>Registered Address</b>	B/9, B/10 Jabuka Complex, Nr. Bajrangdas Ashram, Thakkarbapanagar, Ahmedabad – 382350
<b>Partner's Capital Account (Rs. In Lakhs)</b>	Fiscal 2013-14 being the first year of operations, financial performance is not depicted.

### Partners

<b>Sr. No.</b>	<b>Name of the Partner</b>	<b>Share in Profit/Loss (in %)</b>
1.	Sunil Dhirubhai Patel	35.00
2.	Dhirubhai Mohanbhai Patel	17.50
3.	Bhanderi Corporation Limited	7.50
4.	Bhanderi Infracon Limited	7.50
5.	Sudarshan Procon Limited	7.50
6.	Gaunrangbhai Ashokbhai Rangwani	20.00
7.	Ashokkumar Chelaram Rangwani	3.00
8.	Ashokkumar Chelaram Rangwani HUF	2.00

## C. Proprietorship Firms

### 1. Balaji Real Estate Developers

Balaji Real Estate Developers is a proprietorship of one of our Promoter, Mr. Dhirubhai Mohanbhai Patel - HUF and is engaged in the business of construction and Real Estate Activities.

The Proprietor's Capital of M/s. Balaji Real Estate Developers for the fiscal 2013, 2012 and 2011 are as under:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	(197.31)*	(220.64)*	(125.52)*

\*Attributable to losses incurred

### 2. Naranarayan Corporation

Naranarayan Corporation is a proprietorship of one of our Promoter, Mr. Sunil Patel and is engaged in the business of construction and Real Estate Activities.

The Proprietor's Capital of M/s. Naranarayan Corporation for the fiscal 2013, 2012 and 2011 are as under:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	32.49	(198.27)*	(64.66)*

\*Attributable to losses incurred

### 3. Siddhivinayak Land Developers

Siddhivinayak Land Developers is a proprietorship of one of our Promoter, Mr. Sunil Dhirubhai Patel - HUF and is engaged in the business of construction and Real Estate Activities.

The Proprietor's Capital of M/s. Siddhivinayak Land Developers for the fiscal 2013, 2012 and 2011 are as under:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	444.05	140.01	(11.13)*

\*Attributable to losses incurred

### 4. Om Corporation

Om Corporation is a proprietorship of one of our Promoter, Mr. Dhirubhai Patel and is engaged in the business of construction and Real Estate Activities.

The Proprietor's Capital of M/s. Om Corporation for the fiscal 2013, 2012 and 2011 are as under:

(Rs. In Lakhs)

Particulars	31.03.2013	31.03.2012	31.03.2011
Proprietor's Capital	18.09	17.99	10.59

## D. Hindu Undivided Families (HUF's)

### 1. Dhirubhai Mohanbhai Patel HUF

#### Details of HUF

Name of the HUF and PAN	Date of Formation	Name of Karta	Member of HUF
Dhirubhai Mohanbhai Patel HUF PAN: AAGHD1362L	09/06/2008	Dhirubhai Mohanbhai Patel	1. Dhirubhai Patel 2. Ramilaben D Patel 3. Sunil D Patel 4. Bhumikaben S Patel

### 2. Sunil Dhirubhai Patel HUF

#### Details of HUF

Name of the HUF and PAN	Date of Formation	Name of Karta	Member of HUF
Sunil Dhirubhai Patel HUF PAN: AATHS2325B	15/06/2008	Sunil Dhirubhai Patel	1. Sunil Dhirubhai Patel 2. Bhumikaben S. Patel 3. Hardi S Patel 4. Kush S Patel

#### **Undertaking / Confirmations**

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

None of the Promoters or Promoter Group or Group Companies or persons in control of the Promoters has been:

(i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or

(ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of the Promoters, directors or persons in control of our Company is or has ever been a promoter, director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

#### **Common Pursuits amongst the Group Companies and Associate Company with our Company**

Our Promoters have Promoted Companies viz Bhanderi Corporation Limited, Shreenathji Vastucon Private Limited, Sudarshan Procon Limited., which are engaged in the line of business similar to our Company. As on the date of this Prospectus, we cannot assure that our Promoters will not favor the interests of the said Company over our interest or that the said Companies will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For details of our Promoter Group and Group Company, kindly refer to Chapter titled "Our Promoter Group and Group Entities" on page 105 of this Prospectus.

## **Litigation/ Defaults**

For details relating to legal proceedings involving the Group Companies, see the Chapter titled “Outstanding Litigation, Material Developments and Other Disclosures” beginning on page 150 of this Prospectus.

## **Related Party Transaction with the Group Companies and Significance on the Financial Performance of our Company**

For details of the related party transaction, see chapter titled “Financial Statements – Details of Related Party Transaction” on page 139 of this Prospectus.

## **Other confirmations**

### *Interest in sales and purchases*

Except as disclosed in chapter titled “Financial Statements – Details of Related Party Transactions” on page 139 of this Prospectus, there have been no sales and purchases between us and our Group Companies and Entities, where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

### *Business Interests*

Except as disclosed in chapter titled “Financial Statements – Details of Related Party Transactions” on page 139 of this Prospectus, none of our Group Companies and Entities have any business interests in our Company.

### *Defunct Group Companies and Entities*

None of our Group Companies and Entities has remained defunct and no application has been made to the Registrar of Companies for striking-off their name from the register of companies, during the five years preceding the date of filing of this Prospectus.

### *Interest in promotion of Our Company*

None of our Group Companies and Entities is interested in the promotion of our Company.

### *Interest in the property of Our Company*

Except as disclosed in the chapters titled “Business Overview” beginning on page 79 and “Financial Statements –Details of Related Party Transactions” beginning on page 139 of this Prospectus, our Group Companies and Entities do not have any interest in any property acquired by or proposed to be acquired by our Company two years prior to filing of this Prospectus.

### *Interest in the transaction involving acquisition of land*

Except as disclosed in the chapters titled “Business Overview” beginning on page 79 and “Financial Statements –Details of Related Party Transactions” on page 139 of this Prospectus, none of our Group Companies and Entities were interested in any transaction with our Company involving acquisition of land, construction of building or supply of any machinery.



## **DIVIDEND POLICY**

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

There are no dividends declared by the Company since incorporation.

Our Company does not have a formal dividend policy. The declaration and payment of dividend will be recommended by the Board of Directors depending upon the financial condition, results of operations, capital requirements and surplus, contractual obligations and restrictions, the terms of the credit facilities and other financing arrangements of our Company at the time a dividend is considered, and other relevant factors and approved by the Equity Shareholders at their discretion.

Dividends are payable within 30 days of approval by the Equity Shareholders at its annual general meeting. When dividends are declared, all the Equity Shareholders whose names appear in the register of members of our Company as on the “record date” are entitled to be paid the dividend declared by our Company. Any Equity Shareholder who ceases to be an Equity Shareholder prior to the record date, or who becomes an Equity Shareholder after the record date, will not be entitled to the dividend declared by our Company.

## SECTION V: FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### AUDITOR'S REPORT

**Auditor's Report as required by Part II of Schedule II to the companies Act, 1956.**

To,  
The Board of Directors,  
Bhanderi Infracon Limited  
B/12, Jabuka Complex,  
Near Bajrang Ashram, Below Vikas School,  
NH. 8, Thakkarbapanagar,  
Ahmedabad – 382350

Dear Sirs,

#### **Re.: Public Issue of Equity Shares of M/s. Bhanderi Infracon Limited**

We have examined the restated Summary Financial Statements and other Financial Information of Bhanderi Infracon Limited (the Company) for each of the five financial years ended March 31, 2009, 2010, 2011, 2012, 2013 and period ended January 31, 2014 described below and annexed to this report for the purpose of inclusion in the Offer Document. The Financial Information has been prepared in accordance with the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act'), The Securities and Exchange Board of India (SEBI) - Issue of Capital and Disclosure Requirements Regulations, 2009 ('ICDR Regulations') as amended from time to time, the Guidance Note on Reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and in terms of the engagement agreed upon by us with the Company.

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

#### **A. RESTATED SUMMARY FINANCIAL STATEMENTS**

1. We have examined:
  - a. the attached 'Statement of Assets and Liabilities, As Restated' as at March 31, 2009, 2010, 2011, 2012 and 2013 and as at ten months period ended January 31, 2014 (**Annexure 1**);
  - b. the attached 'Statement of Profits and Losses, As Restated' for the year ended March 31, 2009, 2010, 2011, 2012 and 2013 and for ten months period ended January 31, 2014 (**Annexure 2**);
  - c. the attached 'Statement of Cash Flows, As Restated' for the years ended March 31, 2009, 2010, 2011, 2012 and 2013 and ten months period ended January 31, 2014 (**Annexure 3**); and
  - d. the significant accounting policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regrouping (**Annexure 4**);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Summary Financial Statements and other financial information have been extracted by the management and approved by the Board of Directors. Audit for the period ended January 31, 2014 was conducted by us and the audit for all the financial years viz, year ended March 31, 2013, March 31, 2012, March 31, 2011, March 31, 2010 and March 31, 2009 has been conducted by M/s. Dhiren Shah & Co., Chartered Accountants, Ahmedabad.. We have relied on these financial statement and we have not carried out any audit tests or review procedures on such financial statements of the Company for the years ended on these respective dates. Since we did not perform audit for the year ended 31st March, 2009, 2010, 2011, 2012, 2013, the financial information including the notes and other disclosures included for such years is solely based on audit report submitted by the respective chartered accountants for the relevant years. Representations have been taken from the management for the additional information for these years. (Annexure 1, 2, 3 are collectively referred to in this report as the “Restated Summary Financial Statements”).

Based on our examination and in accordance with the requirements of the Act, ICDR Regulations, we state that:

- Restated Statement of Assets and Liabilities of the Company as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 are as set out in Annexure 1, which are after making such material adjustments and regroupings as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Profits and Losses of the Company for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 are as set out in Annexure 2, which have been arrived at after making such material adjustments and regroupings to the audited financial statements as, in our opinion are appropriate, and are to be read with the significant accounting policies and notes thereon in Annexure 4;
- Restated Statement of Cash Flows of the Company for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 are as set out in Annexure 3 after making such material adjustments and regroupings;
- Adjustments for any material amounts in the respective financial years have been made to which they relate;
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments;
- Adjustments have been made for the changes in accounting policies retrospectively in respective financial years to effect the same accounting treatment as per changed accounting policy for all the reporting periods;
- There are no revaluation reserves, which need to be disclosed separately in the “Restated Financial Statements”.
- There are no audit qualifications in the “Restated Financial Statements”.

The Company proposes to make an Initial Public Offer (IPO) for the fresh issue of equity shares having a face value Rs 10/- each at a price of Rs. 120/- per Share.

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

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements, has been approved by the Board of Directors of the Company is annexed to this report and is proposed to be included in the Offer Document:

1. Statement of Share Capital, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 5** to this report.
2. Statement of Reserves and Surplus, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 6** to this report.
3. Statement of Accounting Ratios, (as per restated financial statements) for the year ended on March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out **Annexure 7** to this report.
4. Capitalization Statement, as restated as at January 31, 2014 as set out in **Annexure 8** to this report.
5. Statement of Tax Shelters, as restated for the year ended on March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 9** to this report.
6. Statement of Fixed Assets, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 10** to this report.
7. Statement of Investments, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 11** to this report.
8. Statement of Trade Receivables, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 12** to this report.
9. Statement of Inventories, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 13** to this report.
10. Statement of Loans and Advances, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 14** to this report.
11. Statement of Non-Current Liabilities, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 15** to this report.
12. Statement of Current Liabilities, as restated as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 16** to this report.
13. Statement of Details of Related Party Transactions of the Company for the year ended on March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 as set out in **Annexure 17** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 17 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

Consequently, the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As a 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.

This report should not in any way be construed as a reissuance or redating of the previous audit report, nor should this be construed as a new opinion on any of the financial statements referred to herein.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed IPO of the Company and is not to be used, referred to or distributed without our prior written consent.

**For S A R A & Associates**  
**Chartered Accountants**  
**Firm Registration No. 120927W**

**(Rajesh Agarwal)**  
**Partner**  
**Membership No. 078310**  
**Mumbai, June 09, 2014**

## ANNEXURE – 1

## STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in Rupees)

Sr. No.	PARTICULARS	As at					
		31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>A</b>	<b>Equity and Liabilities</b>						
<b>1</b>	<b>Shareholders Fund</b>						
	Share Capital	1,48,00,000	1,09,09,000	1,00,000	1,00,000	1,00,000	1,00,000
	Reserves & Surplus	4,71,67,173	10,99,335	1,05,79,297	1,04,34,031	1,02,81,867	95,35,171
	<b>Total Shareholder's Funds</b>	<b>6,19,67,173</b>	<b>1,20,08,335</b>	<b>1,06,79,297</b>	<b>1,05,34,031</b>	<b>1,03,81,867</b>	<b>96,35,171</b>
<b>2</b>	<b>Non-Current Liabilities</b>						
	Long term Borrowings	-	-	-	-	-	-
	Deferred Tax Liability (Net)	-	-	-	-	-	-
	Other Long Term Liabilities	25,59,000	66,00,000	48,69,269	63,32,111	64,45,772	1,02,27,566
	Long Term Provisions	50,000	1,80,000	-	-	-	-
	<b>Total Non-Current Liabilities</b>	<b>26,09,000</b>	<b>67,80,000</b>	<b>48,69,269</b>	<b>63,32,111</b>	<b>64,45,772</b>	<b>1,02,27,566</b>
<b>3</b>	<b>Current Liabilities</b>						
	Short Term Borrowings	10,29,10,622	1,03,70,925	21,20,925	35,05,925	21,20,922	42,35,003
	Trade Payables	8,92,32,528	6,47,66,476	13,05,286	12,57,165	12,56,295	37,92,436
	Other Current Liabilities	13,88,842	45,97,297	38,16,817	38,11,710	37,05,580	34,50,214
	Short Term Provisions	-	-	-	-	-	-
	<b>Total Current Liabilities</b>	<b>19,35,31,991</b>	<b>7,97,34,698</b>	<b>72,43,028</b>	<b>85,74,800</b>	<b>70,82,797</b>	<b>1,14,77,653</b>
	<b>Total (1+2+3)</b>	<b>25,81,08,164</b>	<b>9,85,23,033</b>	<b>2,27,91,594</b>	<b>2,54,40,942</b>	<b>2,39,10,436</b>	<b>3,13,40,390</b>
<b>B</b>	<b>Assets</b>						
<b>4</b>	<b>Non-Current Assets</b>						
	<b>Fixed Assets</b>						
	Tangible Assets	2,18,484	2,30,784	3,11,407	70,480	95,102	1,28,326
	Intangible Assets	-	-	-	-	-	-
	Capital Work-in-Progress	-	-	-	-	-	-
	Non-Current Investments	4,87,47,655	54,73,862	1,005	1,005	1,005	-
	Long Term Loans & Advances	10,72,579	3,66,165	50,70,684	86,37,579	90,14,549	1,42,095
	Deferred Tax Asset (Net)	34,708	30,694	18,350	15,916	14,961	12,523
	Other non-current assets	-	-	-	-	-	-
	<b>Total Non-Current Assets</b>	<b>5,00,73,426</b>	<b>61,01,505</b>	<b>54,01,446</b>	<b>87,24,980</b>	<b>91,25,617</b>	<b>2,82,944</b>
<b>5</b>	<b>Current Assets</b>						
	Current Investments	-	-	-	-	-	80,04,223

Inventories	20,34,11,118	8,31,59,989	1,36,87,957	1,39,57,800	1,08,72,500	1,70,85,826
Trade Receivable	-	60,82,000	34,60,530	22,80,530	22,80,530	34,90,046
Cash & Cash Equivalents	46,23,620	31,79,540	2,41,661	4,77,632	15,96,255	5,23,265
Short Term Loans & Advances	-	-	-	-	35,534	19,54,086
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>20,80,34,738</b>	<b>9,24,21,528</b>	<b>1,73,90,148</b>	<b>1,67,15,962</b>	<b>1,47,84,819</b>	<b>3,10,57,446</b>
<b>Total Assets (4+5)</b>	<b>25,81,08,164</b>	<b>9,85,23,033</b>	<b>2,27,91,594</b>	<b>2,54,40,942</b>	<b>2,39,10,436</b>	<b>3,13,40,390</b>

## ANNEXURE - 2

## STATEMENT OF PROFIT AND LOSSES, AS RESTATED

(Amount in Rupees)

PARTICULARS	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Income</b>						
Revenue From Operations						
Sales and Services	1,05,00,000	62,00,000	3,61,262	19,08,370	1,06,08,285	84,18,471
Other Income	72,489	9,47,186	6,21,936	1,240	5,07,895	92,919
<b>Total</b>	<b>1,05,72,489</b>	<b>71,47,186</b>	<b>9,83,198</b>	<b>19,09,610</b>	<b>1,11,16,180</b>	<b>85,11,390</b>
<b>Expenditure</b>						
Purchases	-	-	-	-	-	-
Operating Expenses	12,78,47,938	7,37,28,442	1,14,455	42,16,961	22,11,805	61,13,871
Changes in Inventories	(12,02,51,129)	(6,94,72,032)	2,69,843	(30,85,300)	62,13,326	(54,84,458)
Employee Benefit Expenses	5,36,200	2,55,500	83,500	48,000	1,89,000	4,42,000
Depreciation and Amortization expense	51,800	80,623	55,729	24,622	33,224	44,830
Other Expenses	6,20,355	12,53,209	2,77,709	4,83,148	13,71,607	61,24,587
<b>Total</b>	<b>88,05,164</b>	<b>58,45,742</b>	<b>8,01,236</b>	<b>16,87,431</b>	<b>1,00,18,962</b>	<b>72,40,830</b>
<b>Net Profit Before Tax</b>	<b>17,67,325</b>	<b>13,01,444</b>	<b>1,81,962</b>	<b>2,22,179</b>	<b>10,97,218</b>	<b>12,70,560</b>
Less: Current Tax	(4,50,000)	(3,93,750)	(39,130)	(70,970)	(3,52,960)	(4,57,905)
Deferred Tax	4,014	12,344	2,434	955	2,438	4,633
<b>Net Profit after Tax and before Extra-Ordinary Items</b>	<b>13,21,338</b>	<b>9,20,038</b>	<b>1,45,266</b>	<b>1,52,164</b>	<b>7,46,696</b>	<b>8,17,288</b>
<b>Extra-Ordinary Item (net of Tax)</b>	-	-	-	-	-	-
<b>Net Profit after Extra Ordinary Items</b>	<b>13,21,338</b>	<b>9,20,038</b>	<b>1,45,266</b>	<b>1,52,164</b>	<b>7,46,696</b>	<b>8,17,288</b>



## ANNEXURE - 3

## STATEMENT OF CASH FLOWS, AS RESTATED

(Amount in Rupees)

PARTICULARS	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>						
Net Profit Before tax	17,67,325	13,01,444	1,81,962	2,22,179	10,97,218	12,70,560
<b>Adjustment For:</b>						
Depreciation	51,800	80,623	55,729	24,622	33,224	44,830
Loss on sale of Assets	-	-	-	-	-	-
Profit on sale of Assets	-	-	(99,656)	-	-	-
Preliminary Expenses Written off	-	6,01,500	-	-	-	-
Interest Income	-	-	-	-	(3,56,023)	-
Dividend	-	(120)	(480)	-	(1,18,720)	(86,980)
Share of (Profit) / Loss From Partnership Firm	(1,096)	(6,04,558)	-	-	-	-
Sundry Balance write back	-	-	-	-	-	-
<b>Operating profit before working capital changes</b>	<b>18,18,029</b>	<b>13,78,889</b>	<b>1,37,555</b>	<b>2,46,801</b>	<b>6,55,699</b>	<b>12,28,410</b>
<b>Adjustment For:</b>						
Inventories	(12,02,51,129)	(6,94,72,032)	2,69,843	(30,85,300)	62,13,326	(54,84,458)
Trade Receivable	60,82,000	(26,21,470)	(11,80,000)	-	12,09,516	70,82,883
Short Term Loans and Advances	-	-	-	35,534	19,18,552	6,45,914
Long Term Loans and Advances	(5,92,384)	47,79,899	35,00,000	3,65,000	(87,33,299)	-
Other Non-current Assets	-	-	-	-	-	-
Short Term Borrowings	9,25,39,697	-	-	-	-	-
Trade Payables	2,44,66,052	6,34,61,190	48,121	870	(25,36,141)	37,92,436
Other Current liabilities	(32,08,456)	7,80,480	5,107	1,06,130	2,55,366	(4,25,781)
Other Long Term liabilities	(40,41,000)	17,30,731	(14,62,842)	(1,13,661)	(37,81,794)	(44,62,032)
Long Term Provisions	-	-	-	-	-	-
<b>Working Capital changes</b>	<b>(50,05,220)</b>	<b>(13,41,202)</b>	<b>11,80,229</b>	<b>(26,91,427)</b>	<b>(54,54,474)</b>	<b>11,48,962</b>
<b>Cash Generated From Operation</b>	<b>(31,87,191)</b>	<b>37,687</b>	<b>13,17,784</b>	<b>(24,44,626)</b>	<b>(47,98,775)</b>	<b>23,77,372</b>
<b>Income Taxes Paid</b>	<b>(6,94,030)</b>	<b>(2,89,130)</b>	<b>27,765</b>	<b>(59,000)</b>	<b>(4,92,115)</b>	<b>(22,57,820)</b>
<b>Cash Flow From Operating Activities (A)</b>	<b>(38,81,222)</b>	<b>(2,51,443)</b>	<b>13,45,549</b>	<b>(25,03,626)</b>	<b>(52,90,890)</b>	<b>1,19,552</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase/Sale of Long Term Investment	(4,32,73,793)	(54,72,857)	-	-	80,03,218	(80,04,223)
Purchase/Sale of Fixed Assets	(39,500)	-	(1,97,000)	-	-	-

Profit / (Loss) From Partnership Firm	1,096	6,04,558	-	-	-	-
<b>Net Cash Flow From Investing Activities (B)</b>	<b>(4,33,12,197)</b>	<b>(48,68,299)</b>	<b>(1,97,000)</b>	<b>-</b>	<b>80,03,218</b>	<b>(80,04,223)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>						
Proceeds from issuance of share capital	4,86,37,500	4,09,000	-	-	-	-
Interest Paid	-	-	-	-	-	-
Interest Received	-	-	-	-	3,56,023	-
Preliminary Expenses Incurred	-	(6,01,500)	-	-	-	-
Dividend Received	-	120	480	-	1,18,720	86,980
Long Term Borrowings	-	-	-	-	-	-
Short Term Borrowings	-	82,50,000	(13,85,000)	13,85,003	(21,14,081)	36,19,420
<b>Net Cash Flow From Financing Activities (C)</b>	<b>4,86,37,500</b>	<b>80,57,620</b>	<b>(13,84,520)</b>	<b>13,85,003</b>	<b>(16,39,338)</b>	<b>37,06,400</b>
<b>Net increase/(decrease) in cash and cash Equivalents</b>	<b>14,44,081</b>	<b>29,37,878</b>	<b>(2,35,971)</b>	<b>(11,18,623)</b>	<b>10,72,990</b>	<b>(41,78,271)</b>
Opening balance of Cash and Cash Equivalents	31,79,540	2,41,661	4,77,632	15,96,255	5,23,265	47,01,537
<b>Closing Balance Of Cash and Cash Equivalents</b>	<b>46,23,620</b>	<b>31,79,540</b>	<b>2,41,661</b>	<b>4,77,632</b>	<b>15,96,255</b>	<b>5,23,265</b>

## ANNEXURE – 4

### 1) **Significant Accounting Policies:**

#### a) **Nature of Operations:**

The company is engaged in the business of real estate/ real estate development and incidental services.

#### b) **Method of Accounting:**

The financial statements are based on historical cost convention and prepared in accordance with Generally Accepted Accounting Principles(Indian GAAP) and in compliance with the Accounting Standards notified in section 211(3C) of the Companies Act, 1956, and other provisions of the Companies Act, 1956.

#### c) **Use of Accounting Estimates:**

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumption that affect the balances of assets and liabilities and disclosure relating to contingent liabilities as at the reporting date of the financial statements and amounts of income and expenses during the period of account. Example of such estimates includes contract costs expected to be incurred to complete construction contracts, provision for doubtful debts and income tax. Management periodically assesses whether there is an indication that an asset may be impaired and make provision in the account for any impairment losses estimated. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated.

#### d) **Revenue Recognition:**

The Company follows completed project method of accounting. Direct/Allocable expenses incurred during the period are debited to work- in-progress account. The revenue is accounted for as and when the significant risks and rewards of ownership of the units in real estate have passed or deemed to have passed to the buyer and the Projects get completed or substantially completed, to the extent that the economic benefits will flow to the Company and the revenue can be reliably measured.

#### e) **Fixed Assets:**

Fixed assets are stated at cost, less accumulated depreciation and amortization. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

#### f) **Impairment of Assets:**

The Company assesses at each Balance Sheet date whether there is any indication that any asset may be impaired and if such indication exists, the carrying value of such asset is reduced to its recoverable amount and a provision is made for such impairment loss in the profit and loss account.

**g) Depreciation:**

Depreciation on Fixed assets has been provided on the written down value method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on the additions during the period is provided on pro-rata basis.

**h) Inventory:**

Inventories comprise of unsold land and construction work-in-progress which consists of land development expenses of incomplete plots incurred by the company. These are valued at lower of cost or net realizable value.

**i) Investments:**

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

**j) Employee Benefits:**

The provisions of Provident Fund Act and Gratuity Act are not applicable to the company since its staff strength is below the threshold limit specified under the statute.

**k) Taxes on Income:**

Tax expenses for a period comprises of current tax and deferred tax.

Current Tax is measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deduction and exemption admissible under the provision of the Income Tax Act, 1961.

Deferred tax reflects the impact of current period timing difference between taxable income and accounting income for the period and reversal of timing difference of earlier periods. Deferred tax is measured based on the tax rates and the tax law enacted or substantively enacted at the balance sheet date.

**l) Earnings Per Share (EPS):**

In arriving at the EPS, the Company's net profit after tax, computed in terms of the Indian GAAP, is divided by the weighted average number of equity share outstanding on the last day of the reporting period. The EPS thus arrived at is known as 'Basic EPS'. To arrive at the diluted EPS the net profit after tax, referred above, is divided by the weighted average number of equity shares, as computed above and the weighted average number of equity shares that could have been issued on conversion of shares having potential dilutive effect subject to the terms of issue of those potential shares. The date/s of issue of such potential shares, determine the amount of the weighted average number of potential equity shares.

**m) Provisions, Contingent liabilities and Contingent assets:**

A provision is recognized when the Company has a present obligation because of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined

based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed by way of notes to accounts.

Contingent assets are not recognized or disclosed.

**n) Cash and Cash Equivalents:**

Cash and cash equivalent in the cash flow statement comprises cash at bank and in hand and short-term investment with an original maturity of three months or less.

**2) Notes On Accounts**

1. The Company's operations predominantly relate to real estate development and incidental services. The company had acquired certain immovable property from M/s. Indian Electro Chemical Ltd. & others on which the Company executed Industrial park and plotting scheme. Amount received from various parties as booking amount for allotment in the said scheme has been shown under the head "Long Term liabilities" till the time of allotment of the said constructed plots.
2. The Restated Statement of Assets and Liabilities as at March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014, the Restated Statement of Profit and Loss and the Restated Statement of Cash Flow for the period ended March 31, 2009, 2010, 2011, 2012, 2013 and January 31, 2014 related to the Company have been prepared specifically for inclusion in the Prospectus to be filed by the Company with the Securities and Exchange Board of India in connection with the proposed initial public offering of Equity Shares of the Company.
3. In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 17 of this report have been prepared in accordance with Part II of Schedule II to the Act, the SEBI Guidelines and the Guidance Note on the reports in Company Prospectus (Revised) issued by the Institute of Chartered Accountants of India (ICAI).

**4. Notes on Restatements based on Restated financial Statements**

Material Adjustments [As per SEBI (ICDR) Regulations, 2009]

**A.** The reconciliation of profit after tax as per audited results and the profit after tax as per restated accounts is presented below. This summarizes the results of restatements made in the audited accounts for the respective year and its impact on the profit and loss of the company.

**(Amount in Rupees)**

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Profit after tax before appropriation (as per audited accounts)	13,21,338	13,65,858	1,29,466	1,64,134	701,980	4,66,963
Add / Less: Provision for taxes (Note:1)	-	35,380	15,800	(11,970)	44,716	3,50,325
Add / Less : Preliminary Expenses written off (Note: 2)	-	(4,81,200)	-	-	-	-
Add / Less : Excess / (Short) Depreciation	-	-	-	-	-	-
Profit after tax as per restated Profit and Loss account	13,21,338	9,20,038	1,45,266	1,52,164	7,46,696	8,17,288

**Note-1:** The company has made Provision for Tax for the period ended 31st January, 2014 and for fiscal year ended on 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March, 2010, 31st March, 2009, in the financial years 2012-13, 2011-12, 2010-11, 2009-10 and 2008-09 respectively and the same has been adjusted to include amount paid/received in respect of short/ excess provision of Income Tax. The short provision of Income Tax pertaining to the period prior to 31st March, 2008 has been adjusted with opening surplus of Profit & Loss Account as at 31st March, 2008.

**Note-2 :** The company has not written off the entire amount of preliminary expenditure during the year ended 31st March, 2013 but has amortised the same over the period of five years whereas the same has been written off in the restated financial statements in Financial Year 2012-13.

5. **Managerial Remuneration:**

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Salary	-	3,00,000	-	-	5,20,000	51,48,000

6. **Auditor Remuneration:**

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Statutory Audit Fee	-	28,090	28,090	27,575	27,575	27,575
Tax Audit fee and other Services	-	39,326	39,326	5,500	5,515	5,515
<b>Total</b>	-	<b>67,416</b>	<b>67,416</b>	<b>33,075</b>	<b>33,090</b>	<b>33,090</b>

7. **Taxes on Income:**

In Terms of Accounting Standard on " Accounting for taxes on income" (AS 22) the company has recognized net Deferred Tax liabilities/ ( Assets) as on 31st January, 2014, 31st March, 2013, 31st March, 2012, 31st March, 2011, 31st March 2010 and 31st March 2009 are as follows:

(Amount in Rupees)

Deferred tax Liability / (Assets)	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Opening Balance of Deferred Tax Liability / (Assets)</b>	(30,694)	(18,350)	(15,916)	(14961)	(12523)	(7890)
<b>Difference between book and tax depreciation</b>	(4,014)	(12,344)	(2434)	(955)	(2438)	(4633)
<b>Closing Balance of Deferred tax Liability / (Assets)</b>	(34,708)	(30,694)	(18350)	(15916)	(14961)	(12523)

8. **Earnings Per Share:**

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Weighted Average No. of Equity shares of Rs. 10/- each						
Number of shares at the beginning of the year	1,090,900	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Number of shares at the end of the year	1,480,000	1,090,900	1,050,000	1,050,000	1,050,000	1,050,000
Weighted average number of equity shares outstanding during the year	1,284,178	1,053,474	1,050,000	1,050,000	1,050,000	1,050,000
Weighted average number of potential Equity shares outstanding during the year	-	-	-	-	-	-
Weighted average number of Equity shares for calculating diluted EPS	1,284,178	1,053,474	1,050,000	1,050,000	1,050,000	1,050,000
Net Profit / (loss) after tax adjustment available for equity share holders (Rs. in lacs)	13.21	9.20	1.45	1.52	7.47	8.17
Basic Earnings Per share (in Rupees)	1.03	0.87	0.14	0.14	0.71	0.78
Diluted Earnings per share	1.03	0.87	0.14	0.14	0.71	0.78

9. **Reconciliation of number of Shares outstanding as at the end of the year:**

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Shares outstanding at the beginning of the year	10,90,900	10,000	10,000	10,000	10,000	10,000

Paid-up Shares issued during the year	3,89,100	40,900	-	-	-	-
Bonus Shares issued during the year	-	10,40,000	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
Any other movement (please Specify)	-	-	-	-	-	-
Shares outstanding at the end of the year	14,80,000	10,90,900	10,000	10,000	10,000	10,000

10. Details of shareholders holding more than 5% of the aggregate shares in the company

Name of shareholder	As at											
	31.01.14		31.03.13		31.03.12		31.03.11		31.03.10		31.03.09	
	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding	No. of Shares held	% of holding
Dhirubhai Patel	-	-	-	-	8,000	80%	8,000	80%	8,000	80%	8,000	80%
Bhumikaben Patel	-	-	-	-	2,000	20%	2,000	20%	2,000	20%	-	-
Vipul Senjalia	-	-	-	-	-	-	-	-	-	-	2,000	20%
Sunilbhai Patel	14,38,100	97.17%	10,49,000	96.15%	-	-	-	-	-	-	-	-



## ANNEXURE – 5

## STATEMENT OF SHARE CAPITAL

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Authorised:</b>						
5000000 Equity shares of Rs. 10 each	5,00,00,000	-	-	-	-	-
5000000 Equity shares of Rs. 10 each	-	5,00,00,000	-	-	-	-
10000 Equity shares of Rs. 10 each	-	-	1,00,000	-	-	-
10000 Equity shares of Rs. 10 each	-	-	-	1,00,000	-	-
10000 Equity shares of Rs. 10 each	-	-	-	-	1,00,000	-
10000 Equity shares of Rs. 10 each	-	-	-	-	-	1,00,000
<b>Total</b>						
<b>Issued, Subscribed &amp; Paid up</b>						
1480000 Equity shares of Rs. 10 each	1,48,00,000	-	-	-	-	-
1090900 Equity shares of Rs. 10 each	-	1,09,09,000	-	-	-	-
10000 Equity shares of Rs. 10 each	-	-	1,00,000	-	-	-
10000 Equity shares of Rs. 10 each	-	-	-	1,00,000	-	-
10000 Equity shares of Rs. 10 each	-	-	-	-	1,00,000	-
10000 Equity shares of Rs. 10 each	-	-	-	-	-	1,00,000
<b>Total</b>						

Note: The company has issued 10,40,000 Equity shares of Rs. 10/- each as fully paid up bonus shares by Capitalisation of Reserves in the year 2012-13.

## ANNEXURE – 6

## STATEMENT OF RESERVES AND SURPLUS, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Profit and Loss Account</b>						
Opening Balance	10,99,335	1,05,79,297	1,04,34,031	1,02,81,867	95,35,171	87,17,883
Add: Profit for the Year	13,21,338	9,20,038	1,45,266	1,52,164	7,46,696	8,17,288
Less: Utilized for Bonus issue	-	(1,04,00,000)	-	-	-	-
<b>Closing Balance</b>	<b>24,20,673</b>	<b>10,99,335</b>	<b>1,05,79,297</b>	<b>1,04,34,031</b>	<b>1,02,81,867</b>	<b>95,35,171</b>
<b>Share Premium Reserve</b>						
Opening Balance	-	-	-	-	-	-
Add: During the year	4,47,46,500	-	-	-	-	-
<b>Closing Balance</b>	<b>4,47,46,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Preliminary Expenses</b>						
Opening Balance	-	-	-	-	-	-
Add: Addition	-	6,01,500	-	-	-	-
Less: Written off during the year	-	(6,01,500)	-	-	-	-

<b>Closing Balance</b>	-	-	-	-	-	-
<b>Reserves and Surplus</b>	<b>4,71,67,173</b>	<b>10,99,335</b>	<b>1,05,79,297</b>	<b>1,04,34,031</b>	<b>1,02,81,867</b>	<b>95,35,171</b>

**ANNEXURE – 7**

**STATEMENT OF ACCOUNTING RATIOS (AS PER RESTATED FINANCIAL STATEMENTS)**

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Net worth ( A )	6,19,67,173	1,20,08,335	1,06,79,297	1,05,34,031	1,03,81,867	96,35,171
Net Profit after Tax ( B )	13,21,338	9,20,038	1,45,266	1,52,164	7,46,696	8,17,288
No. of Shares outstanding at the end [F.V Rs. 10] ( C )	14,80,000	10,90,900	10,50,000	10,50,000	10,50,000	10,50,000
Weighted Average No. of Shares [F.V Rs. 10] ( D )	12,84,178	10,53,474	10,50,000	10,50,000	10,50,000	10,50,000
<b>Earnings Per Share (EPS) ( B / D ) (Rs.)</b>						
Basic Earnings Per Share	1.03	0.87	0.14	0.14	0.71	0.78
Diluted Earnings Per Share	1.03	0.87	-	0.14	0.71	0.78
Return on Net worth ( B / A ) ( % )	2.13	7.66	1.36	1.44	7.19	8.48
Net Assets Value per Share ( A / C )	41.87	11.01	10.17	10.03	9.89	9.18

**Notes:**

**1.**

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Net profit after tax Adjustments [a]	13,21,338	9,20,038	1,45,266	1,52,164	7,46,696	8,17,288
Weighted Average No. of Equity Shares [b]	12,84,178	10,53,474	10,50,000	10,50,000	10,50,000	10,50,000
Weighted Average No. of Potential Equity Shares [c]	-	-	-	-	-	-
Total No. of Equity Shares for calculating Diluted EPS [d]	12,84,178	10,53,474	10,50,000	10,50,000	10,50,000	10,50,000
No. of Equity Shares at the end of the Year/ period [e]	12,84,178	10,53,474	10,50,000	10,50,000	10,50,000	10,50,000
Cash Earning [f]	13,73,138	10,00,661	2,00,995	1,76,786	7,79,920	8,62,118
Net Worth [g]	6,19,67,173	1,20,08,335	1,06,79,297	1,05,34,031	1,03,81,867	96,35,171
Net Assets [h]	6,19,67,173	1,20,08,335	1,06,79,297	1,05,34,031	1,03,81,867	96,35,171

**2.**

Formula	
Earnings Per Share(Rs)	Net Profit Attributable to equity shareholder Weighted Average number of equity shares outstanding during the period
Net Asset Value per share	Net worth excluding revaluation reserve at the end of the period

(Rs)	Total number of equity shares outstanding as at the end of the period
Return on Net Worth (%)	Net profit after tax adjustment
	Net Worth at the end of the year / period
Cash Earning	Net profit after tax adjustment add Depreciation, Preliminary Expenses Written off And Deferred tax liability, diminution in value of Investment, Earlier year Depreciation
Net Assets	Equity Share Capital plus Reserves & Surplus less Miscellaneous Expenditure to the extent not written off

**Note: Weighted Average number of Equity Shares is calculated after adjusting for bonus equity shares issued, with retrospective effect for all the periods reported.**

#### ANNEXURE – 8

##### CAPITALISATION STATEMENT, AS RESTATED

(Amount in Rupees)

Particulars	Pre-Issue as at 31.01.14	Pre-Issue as at 31.03.13	Post Issue*
<b>BORROWING</b>			
Short Term Debt	10,29,10,622	1,03,70,925	10,29,10,622
Long Term Debt	-	-	-
<b>Shareholder's Fund</b>			
Share Capital - Equity	1,48,00,000	1,09,09,000	2,02,00,000
Reserves And Surplus	4,71,67,173	10,99,335	10,65,67,173
Less: Deferred Tax Assets	(34,708)	(30,694)	-
<b>Total Shareholders' Funds</b>	<b>6,19,32,465</b>	<b>1,19,77,641</b>	<b>12,67,67,173</b>
<b>Short - Term Debt / Shareholders Fund</b>	1.66	0.87	0.81
<b>Long - Term Debt / Shareholders Fund</b>	-	-	-
*The exact Post Issue Capitalisation will be determined only after the completion of allotment of equity shares			

#### ANNEXURE – 9

##### STATEMENT OF TAX SHELTERS, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Profit before tax as per Restated P/L	17,67,325	13,01,444	1,81,962	2,22,179	10,97,218	12,70,560
Applicable Corporate Tax Rate	30.90	30.90	30.90	30.90	30.90	30.90
Tax at Notional Rate (A)	5,46,103	4,02,146	56,226	68,653	3,39,040	3,92,603
<b>Adjustments</b>						
Exempts Incomes	(1,096)	(6,04,558)	-	-	-	-
Difference between depreciation as per Companies Act and Income Tax Act	12,989	39,948	7,876	3,089	7,891	15,027
Others Adjustments	-	4,98,526	-	-	5,791	1,60,159
<b>Net Adjustments</b>	11,893	(66,084)	7,876	3,089	13,682	1,75,186

Tax / (Saving) thereon (B)	3,675	(20,420)	2,434	955	4,228	54,132
Total Tax Payable (C=A+B)	5,49,778	3,81,726	58,660	69,608	3,43,268	4,46,736
Tax Payable as per Minimum Alternate Tax u/s 115 JB of Income Tax Act, 1961 (D)	3,36,764	1,84,837	35,248	39,992	1,46,775	1,17,335
Net Tax (Higher of C and D)	5,49,778	3,81,726	58,660	69,608	3,43,268	4,46,736
Add:- Interest u/s 234	-	12,021	3,886	1,357	9,696	4,050
Total Tax Payable (C=A+B)	5,49,778	3,93,747	62,546	70,965	3,52,964	4,50,786

**Note: The figures for the period ended January 31, 2014 are based on provisional computation of Income Tax prepared by the company since the tax return has not been filed till date.**

#### ANNEXURE – 10

#### STATEMENT OF FIXED ASSETS, AS RESTATED

(Amount in Rupees)

Particulars	Tangible Assets		
	Motor car	Office Equipment	Mobile
<b>COST</b>			
<b>Balance as at April 01, 2008</b>	2,75,000	-	-
Addition	-	-	-
Disposal	-	-	-
<b>Balance as at April 01, 2009</b>	2,75,000	-	-
Addition	-	-	-
Disposal	-	-	-
<b>Balance as at April 01, 2010</b>	2,75,000	-	-
Addition	-	-	-
Disposal	-	-	-
<b>Balance as at April 01, 2011</b>	2,75,000	-	-
Addition	3,67,136	-	-
Disposal	2,75,000	-	-
<b>Balance as at March 31, 2012</b>	3,67,136	-	-
Addition	-	-	-
Revaluation/(Impairment)	-	-	-
<b>Balance as at March 31, 2013</b>	3,67,136	-	-
Addition	-	17,000	22,500
Disposal	-	-	-
<b>Balance as at January 31, 2014</b>	3,67,136	17,000	22,500
<b>ACCUMULATED DEPRECIATION</b>			
<b>Balance as at April 01, 2008</b>	1,01,844	-	-
Depreciation for the year	44,830	-	-
Disposal	-	-	-
Adjustment	-	-	-
<b>Balance as at April 01, 2009</b>	1,46,674	-	-
Depreciation for the year	33,224	-	-
Disposal	-	-	-

Adjustment	-	-	-
<b>Balance as at April 01, 2010</b>	1,79,898	-	-
Depreciation for the year	24,622	-	-
Disposal	-	-	-
Adjustment	-	-	-
<b>Balance as at April 01, 2011</b>	2,04,520	-	-
Depreciation for the year	55,729	-	-
Disposal	2,04,520	-	-
Adjustment	-	-	-
<b>Balance as at April 01, 2012</b>	55,729	-	-
Depreciation for the year	80,623	-	-
Disposal	-	-	-
Adjustment	-	-	-
<b>Balance as at April 01, 2013</b>	1,36,352	-	-
Depreciation for the period	50,092	816	892
Disposal	-	-	-
Adjustment	-	-	-
<b>Balance as at February 01, 2014</b>	1,86,444	816	892

<b>CARRYING AMOUNT</b>			
<b>As at March 31, 2009</b>	1,28,326	-	-
<b>As at March 31, 2010</b>	95,102	-	-
<b>As at March 31, 2011</b>	70,480	-	-
<b>As at March 31, 2012</b>	3,11,407	-	-
<b>As at March 31, 2013</b>	2,30,784	-	-
<b>As at January 31, 2014</b>	1,80,692	16,184	21,608

**ANNEXURE – 11**

**STATEMENT OF DETAILS OF INVESTMENT, AS RESTATED**

**(Amount in Rupees)**

<b>Particulars</b>	<b>As at</b>					
	<b>31.01.14</b>	<b>31.03.13</b>	<b>31.03.12</b>	<b>31.03.11</b>	<b>31.03.10</b>	<b>31.03.09</b>
<b>Current Investment</b>						
Fidelity Mutual Fund	-	-	-	-	-	80,04,223
<b>Non-Current Investment</b>						
<b>Investment In Shares</b>						
<b>Quoted</b>						
<b>Unquoted</b>						
1 share of Vijaya Co-op. Bank Ltd.	1,005	1,005	1,005	1,005	1,005	-
<b>Investment In Partnership Firm:</b>						
M/s Balaji Enterprises	1,87,46,015	54,72,857	-	-	-	-
M/s Tulsi Enterprises	3,00,00,635	-	-	-	-	-
<b>Total</b>	<b>4,87,47,655</b>	<b>54,73,862</b>	<b>1,005</b>	<b>1,005</b>	<b>1,005</b>	<b>80,04,223</b>

## ANNEXURE – 12

## STATEMENT OF TRADE RECEIVABLES, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
(A) Unsecured, Considered goods outstanding for a period of less than six months						
Amount due from Promoter / companies and Directors	-	-	-	-	-	-
Others	-	-	11,80,000	-	-	-
(B) Unsecured, Considered goods outstanding for a period of more than six months						
Amount due from Promoter/Group companies and Directors	-	-	6,65,600	6,65,600	6,65,600	6,65,600
Others	-	60,82,000	16,14,930	16,14,930	16,14,930	28,24,446
<b>Total</b>	<b>-</b>	<b>60,82,000</b>	<b>34,60,530</b>	<b>22,80,530</b>	<b>22,80,530</b>	<b>34,90,046</b>

## ANNEXURE – 13

## STATEMENT OF INVENTORIES, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
Construction - W.I.P	-	8,31,59,989	1,36,87,957	1,39,57,800	1,08,72,500	1,70,85,826
Closing Inventories	20,34,11,118	-	-	-	-	-
<b>Total</b>	<b>20,34,11,118</b>	<b>8,31,59,989</b>	<b>1,36,87,957</b>	<b>1,39,57,800</b>	<b>1,08,72,500</b>	<b>1,70,85,826</b>

## ANNEXURE – 14

## STATEMENT OF LOANS AND ADVANCES, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Long Term Loans And Advances</b>						
Due from Promoter/Group companies and Directors	-	-	48,68,299	83,68,299	83,68,299	-
Others	10,72,579	3,66,165	2,02,385	2,69,280	6,46,250	1,42,095
<b>Short Term Loans And Advances</b>						
Due from Promoter/Group companies and Directors	-	-	-	-	-	-
Others	-	-	-	-	35,534	19,54,086
<b>Total</b>	<b>10,72,579</b>	<b>3,66,165</b>	<b>50,70,684</b>	<b>86,37,579</b>	<b>90,50,083</b>	<b>20,96,181</b>

## ANNEXURE – 15

## STATEMENT OF NON CURRENT LIABILITIES, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Other Long Term Liabilities</b>						
Booking Deposit From Allottee Members	25,59,000	66,00,000	48,69,269	63,32,111	64,45,772	1,02,27,566
<b>Long Term Provisions</b>						
Provision for tax	50,000	1,80,000	-	-	-	-
<b>Total</b>	<b>26,09,000</b>	<b>67,80,000</b>	<b>48,69,269</b>	<b>63,32,111</b>	<b>64,45,772</b>	<b>1,02,27,566</b>

## ANNEXURE – 16

## STATEMENT OF CURRENT LIABILITIES, AS RESTATED

(Amount in Rupees)

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>A Short Term Borrowing</b>						
<b>1. Unsecured Loans</b>						
Loans and Advances from Related Parties	10,29,10,622	1,03,70,925	21,20,925	21,20,925	21,20,922	42,35,003
From Others	-	-	-	13,85,000	-	-
<b>B. Trade Payables</b>	8,92,32,528	6,47,66,476	13,05,286	12,57,165	12,56,295	37,92,436
<b>C. Other Current Liabilities</b>	13,88,842	45,97,297	38,16,817	38,11,710	37,05,580	34,50,214
<b>Total</b>	<b>19,35,31,992</b>	<b>7,97,34,698</b>	<b>72,43,028</b>	<b>85,74,800</b>	<b>70,82,797</b>	<b>1,14,77,653</b>

## ANNEXURE – 17

## DETAILS OF RELATED PARTY TRANSACTIONS:

## Name of Related Parties and Description of Relationship

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
KEY MANAGEMENT PERSONNEL	Dhirubhai M. Patel	Dhirubhai M. Patel	Dhirubhai M. Patel	Dhirubhai M. Patel	Dhirubhai M. Patel	Dhirubhai M. Patel
	Sunilbhai D. Patel	Sunilbhai D. Patel	Sunilbhai D. Patel	Sunilbhai D. Patel	Sunilbhai D. Patel	Sunilbhai D. Patel
RELATIVES OF KEY MANAGEMENT PERSONNEL	Bhumikaben Patel	Bhumikaben Patel	Bhumikaben Patel	Bhumikaben Patel	Bhumikaben Patel	Bhumikaben Patel
	Ramilaben Patel	Ramilaben Patel	Ramilaben Patel	Ramilaben Patel	Ramilaben Patel	Ramilaben Patel
	Ashaben	Ashaben	Ashaben	Ashaben	Ashaben	Ashaben

	Radadia	Radadia	Radadia	Radadia	Radadia	Radadia
	Harshaben Senjalia	Harshaben Senjalia	Harshaben Senjalia	Harshaben Senjalia	Harshaben Senjalia	Harshaben Senjalia
	Dhirubhai M. Patel HUF	Dhirubhai M. Patel HUF	Dhirubhai M. Patel HUF	Dhirubhai M. Patel HUF	Dhirubhai M. Patel HUF	Dhirubhai M. Patel HUF
	Sunilbhai D. Patel HUF	Sunilbhai D. Patel HUF	Sunilbhai D. Patel HUF	Sunilbhai D. Patel HUF	Sunilbhai D. Patel HUF	Sunilbhai D. Patel HUF
ENTERPRISES UNDER SIGNIFICANT INFLUENCE of KEY MANAGEMENT PERSONNEL	Balaji Enterprises	Balaji Enterprises	Balaji Enterprises	Balaji Enterprises	Balaji Enterprises	
	Tulsi Enterprises					
	Dharnidhar Developers					

**Details of Related Party Transactions are as follows:**

Particulars	As at					
	31.01.14	31.03.13	31.03.12	31.03.11	31.03.10	31.03.09
<b>Remuneration Paid</b>						
Dhirubhai M. Patel	-	1,50,000	-	-	5,20,000	51,48,000
Sunilbhai D. Patel	-	1,50,000	-	-	-	-
<b>Loan Taken</b>						
Dhirubhai M. Patel	-	1,50,000	-	-	-	13,69,210
Sunilbhai Patel	9,92,12,500	27,00,000	-	-	-	16,50,000
Bhumikaben Patel	-	34,00,000	-	-	-	-
Sunilbhai Patel HUF	-	20,00,000	-	-	-	-
<b>Loan Repaid</b>						
Dhirubhai M. Patel	12,72,803	-	-	-	8,61,993	-
Sunilbhai Patel	-	-	-	-	12,52,088	-
Bhumikaben Patel	34,00,000	-	-	-	-	-
Sunilbhai Patel HUF	20,00,000	-	-	-	-	-
<b>Others</b>						
Booking Deposits Received From Ashaben Radadia and Harshaben Senjalia		5,91,600	-	74,000	-	70,000
Rent Paid to Ramilaben Patel	45,000	-	-	-	-	-
Booking Advances paid to Balaji Enterprises	-	-	-	-	83,68,299	-
Booking Advances received back from Balaji Enterprises	-	-	35,00,000	-	-	-



## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial statements, including the notes thereto, and other financial data beginning on page 118 of this Prospectus. You should also read the chapters titled “Risk Factors” and “Forward - Looking Statements” beginning on page 11 and 10, respectively, of this Prospectus which discuss a number of factors and contingencies that could impact our financial condition and results of operations.*

*The following discussion is based on our restated financial statements as of the fiscal years March 31, 2013, 2012, 2011 and 2010 and for the 10 months period ended January 31, 2014. Our audited financial statements are prepared in accordance with Indian GAAP, the accounting standards prescribed by the ICAI and the relevant provisions of the Companies Act and restated in accordance with the relevant provisions of the SEBI Regulations and the Companies Act. Our fiscal year ends on March 31 of each year. Unless otherwise stated, “fiscal year” or “fiscal” refers to the twelve month period ending March 31 of that year.*

### **Business Overview**

Our Company “Bhanderi Infracon Limited”, a Real Estate Development Company, was incorporated in the year 2004. Our Promoters, Mr. Dhirubhai Patel and Mr. Sunil Patel, established real estate developers, have over 25 years of experience in the real estate sector. The Company was taken over with an idea to develop untapped opportunities viz. buying, selling, development, re-development of properties, investments in joint ventures, investment in partnerships, investment in completed / partially completed / upcoming projects etc.

Our Promoters undertook the modest activities in the initial years of operations, capitalizing on an excellent opportunity by acquiring Non Agricultural Land at village Odhav and Nikol, Ahmedabad in Public Auction held by Debt Recovery Tribunal (DRT), Ahmedabad vide sale certificate and sale confirmation issued by the Recovery Officer, DRT, Ahmedabad dated March 23, 2005. The total extent of the land acquired was approximately 1,61,172 sq. mts. Our Company undertook to plot, develop Industrial and Commercial units over the said Land and this project was successfully completed.

Our Company had initiated the Joint Development Agreement with M/s Neelkanth Corporation to construct common road, electrification, drainage and all other necessary infrastructure on the said land. The said Joint Development Agreement has been terminated and all Development activities i.e. development of sheds and commercial offices (shops), are presently carried out by our Company.

Currently, Our Company is engaged in development of Residential Flats and Bungalows under Partnership firms, namely: Tulsi Enterprises and Dharnidhar Developers respectively. The complete details of interest in said Partnership firms have been provided on page 112 of this Prospectus under the chapter titled “Our Promoter Group and Group Entities”

While conceptualizing a project, we rely on a research based approach for layout planning, FSI utilization, unit size, fittings and interiors, and determining sales and marketing strategy. Depending on our market research, regulatory practices and consumer preferences, we alter our development mix and product design to ensure that our products cater to customer requirements. Our Company intends to exploit the opportunities that are available in the Real Estate Sector and our operations will cover all aspects of real estate development, from the identification and acquisition of land, the planning, execution and marketing of our projects, maintenance and management of our completed developments etc. Our Company may also enter into project specific joint ventures or partnerships with other companies to enhance our credentials. We are working continuously to strengthen our infrastructure, enhance our presence and build capabilities to execute end to end projects on our own.

## **Our Services**

We provide land development/construction services for the sectors described below:

- d) **Residential:** In the residential sector, we construct residential buildings;
- e) **Commercial:** In the commercial sector, our services consist of the construction of structures such as Commercial offices and Shops; and
- f) **Industrial:** In the industrial sector, our services consist of the construction of factories, sheds and workshops.

## **Our Strength**

- Significant experience and strong presence in Gujarat
- Good Reputation and Brand Image
- Experienced management team
- Joint Development Model

For further details on our Business, please see “Business Overview” on page 79 of this Prospectus.

## **Significant Developments Subsequent To the Last Financial Year**

In the opinion of the Board of Directors of our Company, there have not arisen, since the date of the last financial statements disclosed in the Prospectus, any circumstance that materially or adversely affect or are likely to affect the profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

## **Significant Factors Affecting Our Results of Operations**

Our business is subject to various risks and uncertainties, including those discussed in the section titled “Risk Factors” beginning on page 11 of this Prospectus.

Among various factors that affect our financial results and operations for a given financial year, some key factors are as follows:

- General economic and business environment;
- Increasing competition in the Real Estate industry;
- Availability of land and Construction costs;
- Changes in laws and regulations that apply to Real Estate industry; and
- Interest Rates etc.

## Overview of our Results of Operation

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the Fiscals 2013, 2012, 2011 and 2010 and for the 10 months period ended January 31, 2014 as derived from our restated financial statements:

(Amount in Rupees)

Particulars	As at Jan 31, 2014	% of Total Income	As at March 31, 2013	% of Total Income	As at March 31, 2012	% of Total Income	As at March 31, 2011	% of Total Income	As at March 31, 2010	% of Total Income
<b>Income</b>										
Revenue From Operations										
Sales and Services	1,05,00,000	99.31	62,00,000	86.75	3,61,262	36.74	19,08,370	99.94	1,06,08,285	95.43
Other Income	72,489	0.69	9,47,186	13.25	6,21,936	63.26	1,240	0.06	5,07,895	4.57
<b>Total</b>	<b>1,05,72,489</b>	<b>100.00</b>	<b>71,47,186</b>	<b>100.00</b>	<b>9,83,198</b>	<b>100.00</b>	<b>19,09,610</b>	<b>100.00</b>	<b>1,11,16,180</b>	<b>100.00</b>
<b>Expenditure</b>										
Purchases	-	-	-	-	-	-	-	-	-	-
Operating Expenses	12,78,47,938	1,209.25	7,37,28,442	1,031.57	1,14,455	11.64	42,16,961	220.83	22,11,805	19.90
Changes in Inventories	(12,02,51,129)	(1,137.40)	(6,94,72,032)	(972.02)	2,69,843	27.45	(30,85,300)	(161.57)	62,13,326	55.89
Employee Benefit Expenses	5,36,200	5.07	2,55,500	3.57	83,500	8.49	48,000	2.51	1,89,000	1.70
Depreciation and Amortization expense	51,800	0.49	80,623	1.13	55,729	5.67	24,622	1.29	33,224	0.30
Other Expenses	6,20,355	5.87	12,53,209	17.53	2,77,709	28.25	4,83,148	25.30	13,71,607	12.34
<b>Total</b>	<b>88,05,164</b>	<b>83.28</b>	<b>58,45,742</b>	<b>81.79</b>	<b>8,01,236</b>	<b>81.49</b>	<b>16,87,431</b>	<b>88.37</b>	<b>1,00,18,962</b>	<b>90.13</b>
<b>Net Profit Before Tax</b>	<b>17,67,325</b>	<b>16.72</b>	<b>13,01,444</b>	<b>18.21</b>	<b>1,81,962</b>	<b>18.51</b>	<b>2,22,179</b>	<b>11.63</b>	<b>10,97,218</b>	<b>9.87</b>
Less: Current Tax	(4,50,000)	(4.26)	(3,93,750)	(5.51)	(39,130)	(3.98)	(70,970)	(3.72)	(3,52,960)	(3.18)
Deferred Tax	4,014	0.04	12,344	0.17	2,434	0.25	955	0.05	2,438	0.02
<b>Net Profit after Tax and before Extra-Ordinary Items</b>	<b>13,21,338</b>	<b>12.50</b>	<b>9,20,038</b>	<b>12.87</b>	<b>1,45,266</b>	<b>14.77</b>	<b>1,52,164</b>	<b>7.97</b>	<b>7,46,696</b>	<b>6.72</b>
Extra-Ordinary Item (net of Tax)	-	-	-	-	-	-	-	-	-	-
<b>Net Profit after Extra Ordinary Items</b>	<b>13,21,338</b>	<b>12.50</b>	<b>9,20,038</b>	<b>12.87</b>	<b>1,45,266</b>	<b>14.77</b>	<b>1,52,164</b>	<b>7.97</b>	<b>7,46,696</b>	<b>6.72</b>

### *Description of Income Items*

#### **Income from operations**

Our income from operations consists of revenue from sale of plots of land and sale of commercial and industrial properties developed on such plots.

#### **Other Income**

Our Other income includes discounts, dividend income, rent and water income, income from partnership firms, etc.

### *Description of Expenditure Items*

#### **Operating Expenses**

Our operating expenses include purchase of raw material, construction expenses, franking and registration expenses, labour and professional charges, electricity expenses and electric meter connection charges, etc.

#### **Employee Benefits Expenses**

Our employee benefits cost primarily consists of salaries and bonuses paid to our employees.

#### **Depreciation and Amortisation Expenses**

Depreciation and Amortization Expenses primarily consist of depreciation/amortisation on the fixed assets of our Company which include motor car, office equipments and mobile.

#### **Other Expenses**

Our other expenses include rent and insurance premium, conveyance, bank charges, stationery and printing, telephone expenses, water expenses, audit fees, remuneration to directors, etc.

### *Detailed break up of other income*

(Amount in Rupees)

Particulars	Category – Recurring / Non - Recurring	As at				
		Jan 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Discount Received	Non-Recurring	2,393	1,144	-	1,240	2,909
Electricity Refund	Non-Recurring	-	-	4,67,500	-	-
Miscellaneous Income	Non-Recurring	-	-	54,300	-	-
Dividend	Non-Recurring	-	120	480	-	1,18,720
Profit on sale of Motor car	Non-Recurring	-	-	99,656	-	-
Sundry Balance Written Back	Non-Recurring	-	49,500	-	-	-
Income tax Refund (A.Y. 2006 – 2007)	Non-Recurring	-	1,07,230	-	-	-
Rent Income	Recurring	69,000	1,54,000	-	-	-
Water Income	Non-Recurring	-	30,634	-	-	-
Income from Partnership Firm	Non-Recurring	1,096	6,04,558	-	-	-
Interest Income	Non-Recurring	-	-	-	-	3,56,023
Transfer Fees Income	Non-Recurring	-	-	-	-	30,000
Gain on sale of MFG	Non-Recurring	-	-	-	-	243
<b>Total</b>		<b>72,489</b>	<b>9,47,186</b>	<b>6,21,936</b>	<b>1,240</b>	<b>5,07,895</b>

### **Review for the ten (10) months period ended January 31, 2014**

#### ***Income***

Our total income for the ten (10) months period ended January 31, 2014 was Rs. 105.72 Lakhs. Other income for said period was Rs. 0.72 Lakhs.

#### ***Operating expenses***

Our Operating expenses amounted to Rs. 1,278.48 Lakhs for the ten (10) months period ended January 31, 2014.

#### ***Employee Benefit Expenses***

Our Employee Benefit Expenses accounted to Rs. 5.36 Lakhs for the ten (10) months period ended January 31, 2014. As a proportion of total income, it was 5.07%.

#### ***Depreciation and Amortization Expenses***

Our Depreciation and Amortization Expenses accounted to Rs. 0.52 Lakhs for the ten (10) months period ended January 31, 2014. As a proportion of total income, it was 0.49%.

#### ***Other Expenses***

Our Other Expenses accounted to Rs. 6.20 Lakhs for the ten (10) months period ended January 31, 2014. As a proportion of total income, it was 5.87%.

#### ***Net Profit before Tax***

Our net profit before tax was Rs. 17.67 Lakhs for the ten (10) months period ended January 31, 2014.

#### ***Net Profit after Tax***

Our net profit after tax was Rs. 13.21 Lakhs for the ten (10) months period ended January 31, 2014.

### **Comparison of Financial Year Ended 31st March, 2013 with Financial Year Ended 31st March, 2012**

#### ***Incomes***

##### **Revenue from operations**

Our turnover for the financial year ended 31st March, 2013 was Rs. 62.00 Lakhs as against the total of Rs.3.61 Lakhs for the fiscal 2012 which is with an increase of 1616.21% and the increase was achieved due to sale of more number of plots in fiscal 2013 as compared to fiscal 2012.

##### **Other Income**

Our other income constituted 13.25% of our total income for Fiscal 2013, which was an incline of 52.30% from Rs 6.22 lacs in Fiscal 2012 to Rs 9.47 Lakhs in Fiscal 2013. The major increase was on account of income from partnership firm, rent income and income tax refund.

## ***Expenditure***

### **Operating Expenses**

Our operating expenses constituted 1031.57% of our total income in Fiscal 2013. It was increased by 64316.97% to Rs. 737.28 Lakhs in Fiscal 2013 from Rs.1.14 Lakhs in Fiscal 2012 majorly due to purchase of raw material and incurring of labour charges and construction expenses in Fiscal 2013.

### **Employee Benefits Expenses**

Our employee benefits expenses were 3.57% of our total income in Fiscal 2013. There was an increase of 205.99% to Rs. 2.56 Lakhs in Fiscal 2013 from Rs. 0.84 Lakhs in Fiscal 2012.

### **Depreciation and amortization Expenses**

Our depreciation expenses increased by 44.67% from Rs. 0.56 Lakhs in Fiscal 2012 to Rs. 0.81 Lakhs in Fiscal 2013.

### **Other Expenses**

Our other expenses were increased by 351.27% to Rs. 12.53 Lakhs in Fiscal 2013 from Rs. 2.78 Lakhs in Fiscal 2012.

### ***Net Profit before tax***

Principally due to reasons described above, our net profit before tax increased by 615.23% from Rs. 1.82 Lakhs in Fiscal year 2012 to Rs.13.01 Lakhs in Fiscal 2013.

### ***Net Profit after tax***

Principally due to reasons described above, our net profit after tax increased by 533.35% from Rs. 1.45 Lakhs in Fiscal year 2012 to Rs. 9.20 Lakhs in Fiscal 2013.

## **Comparison of Financial Year Ended 31st March, 2012 with Financial Year Ended 31st March, 2011**

### ***Income***

#### **Revenue from operations**

Our turnover for the financial year ended 31st March, 2012 was at Rs. 3.61 Lakhs as against the total of Rs. 19.08 Lakhs for the fiscal 2011 which is with a decrease of 81.07% and the decrease was due to sale of less number of plots in fiscal 2012 as compared to fiscal 2011.

#### **Other Income**

Our other income constituted 63.26% of our total income for Fiscal 2012, which was an incline of 50056.13% from Rs 0.01 lacs in Fiscal 2011 to Rs. 6.22 Lakhs in Fiscal 2012. The major increase was on account of electricity refund and profit on sale of motor car.

## ***Expenditure***

### **Operating Expenses**

Our operating expenses constituted 11.64% of our total income in Fiscal 2012. It was decreased by 97.29% from Rs.42.17 Lakhs in Fiscal 2011 to Rs. 1.14 Lakhs in Fiscal 2012 majorly due to decrease in Registration Expenses, Stamp Duty Expenses and taxes paid to Ahmedabad Municipal Corporation and on account of Land N.A. Expenses which were incurred in Fiscal 2011 but were not incurred in Fiscal 2012.

### **Employee Benefits Expenses**

Our employee benefits expenses were 8.49% of our total income in Fiscal 2012. There was an increase of 73.96% from Rs. 0.48 Lakhs in Fiscal 2011 to Rs.0.84 Lakhs in Fiscal 2012.

### **Depreciation and amortization Expenses**

Our depreciation and amortization expenses increased by 126.34% from Rs. 0.25 Lakhs in Fiscal 2011 to Rs. 0.56 Lakhs in Fiscal 2012.

### **Other Expenses**

Our other expenses were decreased by 42.52% from Rs. 4.83 Lakhs in Fiscal 2011 to Rs. 2.78 Lakhs in Fiscal 2012.

### ***Net Profit before tax***

Principally due to reasons described above, our net profit before tax decreased by 18.10% from Rs. 2.22 Lakhs in Fiscal year 2011 to Rs.1.82 Lakhs in Fiscal 2012.

### ***Net Profit after tax, as restated***

Principally due to reasons described above, our net profit after tax decreased by 4.53% from Rs. 1.52 Lakhs in Fiscal year 2011 to Rs. 1.45 Lakhs in Fiscal 2012.

## **Comparison of Financial Year Ended 31st March, 2011 with Financial Year Ended 31st March, 2010**

### ***Income***

#### **Revenue from operations**

Our turnover for the financial year ended 31st March, 2011 was at Rs. 19.08 Lakhs as against the total of Rs. 106.08 Lakhs for the fiscal 2010 which is with a decrease of 82.01% and the decrease was due to sale of less number of plots in fiscal 2011 as compared to fiscal 2010.

#### **Other Income**

Our other income constituted 0.06% of our total income for Fiscal 2011, which was a decline of 99.76% from Rs 5.08 lacs in Fiscal 2010 to Rs. 0.01 Lakhs in Fiscal 2011 due to the fact that interest income, transfer fees income and dividend income which were earned in fiscal 2010 were not earned in fiscal 2011.

## ***Expenditure***

### **Operating Expenses**

Our operating expenses constituted 220.83% of our total income in Fiscal 2011. It was increased by 90.66% from Rs. 22.12 Lakhs in Fiscal 2010 to Rs. 42.17 Lakhs in fiscal 2011 majorly on account of Land N.A. Expenses and taxes paid to Ahmedabad Municipal Corporation which were incurred in fiscal 2011 but not in fiscal 2010.

### **Employee Benefits Expenses**

Our employee benefits expenses were 2.51% of our total income in Fiscal 2011. There was a decrease of 74.60% from Rs. 1.89 Lakhs in Fiscal 2010 to Rs.0.48 Lakhs in Fiscal 2011.

### **Depreciation and amortization Expenses**

Our depreciation and amortization expenses decreased by 25.89% from Rs. 0.33 Lakhs in Fiscal 2010 to Rs. 0.25 Lakhs in Fiscal 2011.

### **Other Expenses**

Our other expenses were decreased by 64.78% from Rs. 13.72 Lakhs in Fiscal 2010 to Rs. 4.83 Lakhs in Fiscal 2011.

### ***Net Profit before tax***

Principally due to reasons described above, our net profit before tax decreased by 79.75% from Rs. 10.97 Lakhs in Fiscal year 2010 to Rs.2.22 Lakhs in Fiscal 2011.

### ***Net Profit after tax, as restated***

Principally due to reasons described above, our net profit after tax decreased by 79.62% from Rs. 7.47 Lakhs in Fiscal year 2010 to Rs.1.52 Lakhs in Fiscal 2011.

### ***Other Information required as per SEBI Regulations***

#### **1. Unusual or infrequent events or transactions**

Except as described in this Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

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

Other than as described in the sections titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*”, beginning on page 11 and 141 respectively of this Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing operations.

#### **3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.**

Other than as described in the sections titled “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Conditions and Result of Operations*”, beginning on page 11 and 141 respectively of this



Prospectus respectively to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

**4. Future changes between costs and income.**

Other than as described in the section titled “Risk Factors” on page 11 of this Prospectus, to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

**5. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new products or services or increased prices.**

Increases in revenues are by and large linked to increases in volume of business activity carried out by the Company.

**6. Total turnover of each major industry segment in which the Company operates**

Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 71 of this Prospectus.

**7. Status of any publicly announced new products or business segments**

Please refer to the chapter titled “*Business Overview*” beginning on page 79 of this Prospectus.

**8. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

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

There is no dependence on a single or few suppliers or customers.

**10. Competitive Conditions**

Our Company faces competition from various domestic and international real estate developers who have superior financial resources, research, execution and marketing resources and have pan-India presence. However, it is committed to quality standards with timely execution, which gives it an edge over competitors.

## **SECTION VI: LEGAL AND OTHER INFORMATION**

### **OUTSTANDING LITIGATION, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES**

Except as stated herein, there is no outstanding or pending litigation, suit, economic offence, criminal or civil prosecution, proceeding initiated for offence (irrespective of whether specified in paragraph (I) of Schedule XIII of Companies Act,1956) or litigation for tax liabilities against our Company, our Directors, our Promoters or Promoter Groups companies and there are no defaults to banks/financial institutions, non-payment of or overdue statutory dues, or dues towards holders of any debentures, bonds and fixed deposits and arrears of preference shares, other unclaimed liabilities of our Company and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Promoters, our Directors and Promoter Group Companies.

Further, except as stated herein, there are no past cases in which penalties have been imposed on our Company, our Promoters, our Directors or our Promoter Group Companies, and there is no outstanding litigation against any other Company whose outcome could have a material adverse effect on the position of our Company. Further, there are no cases of litigations, defaults, etc in respect of Companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, in respect of which the name(s) of the Promoters continues to be associated.

Further, apart from those stated below, there are no show cause notices/claims served on our Company, our Promoters, our Directors or Group Companies from any statutory authority/revenue authority that would have a material adverse effect on our business.

#### **PART I: CONTINGENT LIABILITIES OF OUR COMPANY - NIL**

#### **PART II – LITIGATIONS RELATING TO OUR COMPANY**

##### **A. Cases filed against our Company**

- 1. Litigation involving Civil Laws**  
Nil
- 2. Litigation involving Criminal Laws**  
Nil
- 3. Litigation involving Securities and Economic Laws**  
Nil
- 4. Litigation involving Statutory Laws**  
Nil
- 5. Litigation involving Labour Laws**  
Nil
- 6. Litigation involving Taxation**  
Nil

## **B. Cases filed by our Company**

### **1. Litigation involving Civil Laws**

#### **a. Appeal pending before the Hon'ble High Court of Gujarat**

Our Company had acquired land bearing survey No 36 to 42 of village Odhav and survey No. 74, 75/1, 75/2, 79/1, 79/2 and 80 of village Nikol by way of a public auction in 2005 from M/s. Indian Electro Chemical Ltd. and others. The Recovery officer of DRT, Ahmedabad vide Order dated 23.03.05 confirmed the same and certificate of sale was issued in favour of the Company. However, a portion of the said land is yet to be recorded in the mutation register by the village Accountant (Talati cum mantri) in the name of the Company. The Company has filed an appeal vide Application No. 13061 of 2008 dated 21.10.2008 for getting the mutation entry done in respect of the same with Hon'ble High Court of Gujarat, which is pending adjudication.

#### **b. Appeal pending before the Hon'ble Small Cause Court, Ahmedabad**

A portion of land owned by the Company has been acquired by the Ahmedabad Municipal Corporation ('AMC') in the year 2005 for the purpose of development of public infrastructure thereon. Company filed an appeal vide Application No. 30689 of 2007 with the Hon'ble High Court of Gujarat for adjudication of appropriate Compensation payable to the Company against the said land acquired by AMC. The appeal was disposed of by the Hon'ble High Court vide order dated. 28.08.2008, with directions to the Municipal Commissioner, Ahmedabad, that final decision considering the representation of petitioner regarding appropriate compensation or land in lieu of land be taken within three months and also directed that appropriate steps be taken to pay the compensation not later than six months from the date of the order. The Company referred the matter to the Municipal Commissioner. However, the Compensation determined by the Municipal Commissioner in the opinion of the management of the Company was less than the value of the land acquired, the Company thus preferred an appeal vide Application No. 3, dated 5.12.2012 with the Hon'ble Small Cause Court at Ahmedabad against the decision of the Municipal Commissioner praying for an appropriate compensation keeping in view the value of the land in question. The said appeal is pending adjudication.

#### **c. Appeal filed before the Hon'ble High Court of Gujarat**

The Company has filed an application under the Gujarat Registration of Unauthorized Development Act, 2011 in respect of one of its Factory Building. While decision in respect of the same is still pending under the act, the Ahmedabad Municipal Corporation issued demolition notice in respect of the said Factory Building. The Company filed an application with the Hon'ble High Court of Gujarat vide application No. 7235 of 2013 challenging the said notice, The Hon'ble High Court of Gujarat has issued a stay order on the notice of the Ahmedabad Municipal Corporation dated 18.04.2013 and the decision of the application filed under The Gujarat Registration of Unauthorized Development Act, 2011 is pending. The Hon'ble High Court has vide an order dated 12.06.2014 further confirmed the order passed by it dated 18.04.2013 directing that status quo be maintained until the decision in respect of the application filed by the Company under The Gujarat Registration of Unauthorized Development Act, 2011 is taken.

### **2. Litigation involving Criminal Laws**

Nil

### **3. Litigation involving Securities and Economic Laws**

Nil

**4. Litigation involving Statutory Laws**

Nil

**5. Litigation involving Labour Laws**

Nil

**6. Litigation involving Taxation**

Nil

**C. Past Penalties**

Nil

**PART III – LITIGATIONS RELATING TO OUR PROMOTERS**

**A. Cases filed against our Promoters**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Securities and Economic Laws**

Nil

**4. Litigation involving Taxation Laws**

Nil

**B. Cases filed by our Promoters**

**1. Litigation involving Civil/Statutory Laws**

Nil

**2. Litigation involving Criminal Laws**

Nil

**3. Litigation involving Securities and Economics Law**

Nil

**4. Litigation involving Tax Liabilities**

Nil

**C. Past Penalties**

Nil

**PART IV – LITIGATIONS RELATING TO OUR DIRECTORS**

**A. Cases filed against our Directors**

**1. Litigation involving Civil/Statutory Laws**

Nil

2. **Litigation involving Criminal Laws**  
Nil
3. **Litigation involving Securities and Economic Laws**  
Nil
4. **Litigation involving Tax Liabilities**  
Nil

**B. Cases filed by our Directors**

5. **Litigation involving Civil/Statutory Laws**  
Nil
6. **Litigation involving Criminal Laws**  
Nil
7. **Litigation involving Securities and Economic Laws**  
Nil
8. **Litigation involving Tax Liabilities**  
Nil

**C. Past Penalties**

Nil

**PART V– LITIGATIONS RELATING TO OUR GROUP COMPANIES**

**A. Cases filed against our Group Companies**

1. **Litigation involving Civil/Statutory Laws**  
Nil
2. **Litigation involving Criminal Laws**  
Nil
3. **Litigation involving Securities and Economic Laws**  
Nil
4. **Litigation involving Tax Liabilities**  
Nil

**B. Cases filed by our Group Companies**

1. **Litigation involving Civil/Statutory Laws**  
Nil
2. **Litigation involving Criminal Laws**  
Nil
3. **Litigation involving Securities and Economic Laws**  
Nil

**4. Litigation involving Taxation**

Nil

**C. PAST PENALTIES**

Nil

**PART VI – AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

There are no outstanding dues above Rs. 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days, except in the ordinary course of business.

**Material Developments**

In the opinion of the Board of our Company, there has not arisen, since the date of the last financial statements included in this Prospectus, any circumstance that materially and adversely affects or is likely to affect our business or profitability or the value of our assets or our ability to pay our liabilities within the next 12 months. Except as disclosed elsewhere in this Prospectus, there is no subsequent development after the date of the Auditor's Report which we believe is expected to have a material impact on reserves, profits, earning per share and book value of our business.

We certify that except as stated herein above:

- a. there are no pending proceedings for offences for non-payment of statutory dues by the promoters of our Company.
- b. there are no cases of litigation pending against our Company or against any other Company whose outcome could have a materially adverse effect on the financial position of our Company.
- c. there are no pending litigation against our promoters/ directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. there are no pending proceedings initiated for economic offences against our Directors, Promoters, Companies and firms promoted by our promoters.
- e. there are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of our Company including disputed tax liability or prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956.
- f. our Company, its promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor any disciplinary action has been taken by SEBI.
- g. as per the audited Balance sheet as January 31, 2014 there are no SSI units to whom, our Company owns any sum which is outstanding for more than 30 days.

## GOVERNMENT AND OTHER APPROVALS

Except for certain pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permission and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.

It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

### *A. Approvals in relation to the Issue*

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on March 1, 2014, authorized the Issue subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, 1956.
2. The shareholders of our Company have, pursuant to a special resolution passed at the Extraordinary General Meeting held on March 24, 2014 under Section 81(1A) of the Companies Act, authorized the Issue
3. Our Company has obtained approval dated July 1, 2014 from the BSE for the use of its name in the Offer Documents

### *B. Approvals relating to our business and operations*

#### *General Approvals*

Sr. No.	Authorisation Granted	Issuing Authority	Registration No. / Reference No. / License No.	Applicable Act/ Regulation	Date of Issue	Valid upto
1.	Certificate of Incorporation in the name of 'Bileshwar Industrial Estate Developers Private Limited'	Registrar of Companies, Gujarat, Dadra and Nagar Haveli	U45201GJ2004PTC4 4481	Companies Act, 1956	July 19, 2004	Valid until cancelled
2.	Fresh Certificate of Incorporation in the name of 'Bhanderi Infracon Private Limited' consequent upon change of name	Registrar of Companies, Gujarat, Dadra and Nagar Haveli	U45201GJ2004PTC0 44481	Companies Act, 1956	February 26, 2013	Valid until cancelled
3.	Fresh Certificate of Incorporation in the name of 'Bhanderi Infracon Limited' pursuant to conversion from private to public company.	Registrar of Companies, Gujarat, Dadra and Nagar Haveli	U45201GJ2004PLC0 44481	Companies Act, 1956	April 29, 2013	Valid until cancelled

### ***Business Approvals***

Our Company has received Certificate of Registration under the Bombay Shops and Establishment Act, 1948 issued by the Deputy Municipal Commissioner, Ahmedabad Municipal Corporation dated May 02, 2014 bearing Registration No. PIT/ODH/49/0000059, which is valid upto December 31, 2014.

#### ***C. Taxation related registrations***



<b>Sr. No.</b>	<b>Authorization granted</b>	<b>Issuing Authority</b>	<b>Registration No. / Reference No. / License No.</b>	<b>Date of Issue</b>	<b>Validity</b>
1.	Permanent Account Number	Income Tax Department, GoI	AACCB6568M	July 19, 2004	Valid until cancellation
2.	Tax Deduction Account Number	Income Tax Department, GoI	AHMB03129A	August 11, 2005	Valid until Cancellation
3.	Professional Tax Registration No.	Ahmedabad Municipal Corporation	PE/C014292593	April 24, 2014	Valid until Cancellation

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

#### ***E. Material licenses / approvals for which our Company is yet to apply / Statutory Approvals/Licenses - required for the proposed expansion:***

The application for change in address in certificate issued under the Bombay Shops and Establishment Act, 1948 issued by the Deputy Municipal Commissioner, Ahmedabad Municipal Corporation dated May 02, 2014 bearing Registration No. PIT/ODH/49/0000059.

#### ***F. Intellectual Property***

Our Company's Trademark  has not been registered in the name of the Company. The registration of the Trademark  has been applied in the name of Mr. Dhirubhai Patel, promoter and director of the Company vide application dated February 15, 2014. On registration, a deed of assignment shall be executed in favour of our Company by Mr. Dhirubhai Patel.



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Issue has been authorised by a resolution of the Board of Directors of the Company dated March 01, 2014. The shareholders have authorised the Issue by a special resolution pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting of our Company held on March 24, 2014.

Our Company has received approval from BSE vide letter dated July 1, 2014 for using its name in this offer document for listing of its Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### **Prohibition by SEBI**

Our Company, our Directors, our Promoters, the Promoter Group or the person(s) in control of our Company have not been debarred from accessing the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority. The listing of securities of our Company has never been refused at any time by any of the stock exchanges in India.

The companies, with which any of the Promoters, Directors or persons in control of our Company are or were associated as promoters, directors or persons in control, have not been debarred from accessing the capital markets under any order or direction passed by SEBI or the RBI or any other regulatory or governmental authority.

None of our Directors hold currently or have held directorship(s) in the last five years in a listed company whose shares have been or were suspended from trading on BSE or the NSE or in a listed company which has been/was delisted from any stock exchange.

None of our Directors are associated in any manner with any entity which is engaged in securities market related business and is registered with SEBI for the same.

### **Prohibition by RBI**

Neither our Company, our Promoters, our Promoter Group, our Group Companies, relatives of our Promoters (as defined under the Companies Act), our Directors and companies with which our Directors are associated as directors or promoters have not been declared as willful defaulters by RBI / government authorities and there are no violations of securities laws committed by them in the past and no proceedings are pending against them.

### **Eligibility for the Issue**

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of Chapter XB of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M)(1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as the post issue paid up capital does not exceed ten crore we may hence issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (In this case being the “SME Platform of BSE”).

We confirm that:

- a. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue will be hundred percent underwritten and that the Lead Manager to the Issue will underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to the chapter titled “General Information” beginning on page 34 of this Prospectus.

- b. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and other applicable law.
- c. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have neither filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue. For further details of the arrangement of market making please refer to the chapter titled “General Information” beginning on page 34 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to the Company in this Issue.

Our Company is also eligible for the Issue in accordance with the eligibility norms for Listing on SME Exchange / Platform BSE circular dated April 19, 2012, which states as follows:

*1. Net Tangible assets of at least Rs. 1 Crore as per the latest audited financial results*

Our Company satisfies the above criteria. Our Net Tangible Assets for the Period ended January 31, 2014 is as disclosed hereunder:

<b>(Rs. Lakhs)</b>	
<b>Particulars</b>	<b>January 31, 2014</b>
Tangible Assets – Net Block	2.18
Non-Current investments	487.48
Long Term Loans and Advances	10.36
Current Assets, Loans and Advances	2080.35
Less: Non-Current Liabilities	26.09
Less: Current Liabilities	1935.32
<b>Net Tangible Assets</b>	<b>618.96</b>

*“Net Tangible Assets” are defined as the sum of fixed assets (including capital work in-progress and excluding revaluation reserve) investments, current assets (excluding deferred tax assets) less current liabilities (excluding deferred tax liabilities) and secured as well as unsecured long term liabilities excluding intangible assets as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.*

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

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

<b>(Rs in Lakhs)</b>	
<b>Particulars</b>	<b>January 31, 2014</b>
Net Worth	619.31

*Net Worth has been computed as the aggregate of equity shares capital and reserves (excluding revaluation reserves) and after deducting miscellaneous expenditure not written off, if any.*

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

Our Company has distributable profits in terms of sec 205 of Companies Act, 1956, for two out of three financial years immediately preceding three years as detailed below:

<b>(Rs in Lakhs)</b>			
<b>Particulars</b>	<b>March 31,2013</b>	<b>March 31,2012</b>	<b>March 31,2011</b>
Distributable profits	13.66	1.29	1.64

4. *The post-issue paid up capital of the Company shall be at least Rs. 1 crores.*

Our Company currently has a paid up capital in excess of Rs 1 crore, and the Post Issue Capital shall be Rs 2.02 crores.

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

Our Company has entered into tripartite agreements with CDSL and NSDL along with our Registrar and Transfer Agent for facilitating trading in dematerialized mode.

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

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

7. *There is no winding up petition against the company that has been admitted by the court or a liquidator has not been appointed.*

There is no winding up petition against our company that has been admitted by the court or a liquidator has not been appointed.

8. *The Company shall mandatorily have a website.*

Our Company has a live and operational website: [www.bhanderiinfracon.com](http://www.bhanderiinfracon.com)

9. *There should not be any change in the promoters of the company in preceding one year from the date of filing the application to BSE for listing under SME segment.*

There has been no change in the promoters of our company in preceding one year from date of filing the application to BSE for listing under SME segment.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **DISCLAIMER CLAUSE OF SEBI**

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

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, CHOICE CAPITAL ADVISORS PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, CHOICE CAPITAL ADVISORS PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 11, 2014 WHICH READS AS FOLLOWS:**

**“WE, THE LEAD MERCHANT BANKER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTE, PATENT DISPUTE, DISPUTE WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS, AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE 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,**

**APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013, 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 REGISTRATIONS ARE VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY 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 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 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE 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. – NOT APPLICABLE AS PER SECTION 29 OF THE COMPANIES ACT, 2013, A COMPANY SHALL ISSUE THE SECURITIES ONLY IN DEMATERIALIZED FORM BY COMPLYING WITH THE PROVISIONS OF THE DEPOSITORIES ACT, 1996 AND THE REGULATIONS MADE THEREUNDER.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE 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.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE OFFER DOCUMENT WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR BEARING REFERENCE CIR/CFD/DIL/5/2011 DATED SEPTEMBER 27, 2011.
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 OFFER DOCUMENT REGARDING SME EXCHANGE**

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.

2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST 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 – NOT APPLICABLE.
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 Section 35, Section 36 and Section 38(1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Lead manager any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Gujarat in terms of sections 26 and Section 33 of the Companies Act, 2013.

#### **Disclaimer Clause of the SME Platform of BSE**

“BSE Limited (“BSE”) has given vide its letter dated July 01, 2014, permission to this Company to use its name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. warrant that this Company’s securities will be listed or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”.

### **Disclaimer from Our Company and the Lead Manager**

Investors may note that our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in the Prospectus or in any advertisements or any other material issued by or at our Company's instance. Anyone placing reliance on any other source of information, including our Company's websites, [www.bhanderiinfracon.com](http://www.bhanderiinfracon.com), would be doing so at his or her own risk.

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU entered into between the Lead Manager and our Company dated April 17, 2014, the Underwriting Agreement dated April 21, 2014 and Supplementary Underwriting Agreement dated June 13, 2014 entered into between the Underwriters and our Company and the Market Making Agreement dated April 21, 2014 and Supplemental Market Making Agreement dated June 13, 2014 entered into between the Market Maker, Lead Manager and our Company.

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

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in future engage, in investment banking transactions with our Company, affiliates or associates or third parties, for which they have received, and may in future receive, compensation.

### **Caution**

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

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

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

### **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India) who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in section 2(72) of the Companies Act 2013, state industrial development corporations, Venture Capital Funds (VCFs) registered with SEBI, Insurance Companies registered with Insurance and Regulatory Development Authority, Provident Funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakhs and pension funds with minimum corpus of Rs. 2,500 Lakhs, and to permitted non-residents including FIIs, eligible NRIs, multilateral and bilateral development financial institutions, foreign venture capital investors registered with SEBI and eligible foreign investors provided 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 or purchase Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad, Gujarat, 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 the Prospectus has been submitted to the BSE and SEBI. Accordingly, the Equity Shares represented thereby 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 any change in the affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

*The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.*

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

Further, each applicant, where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Prospectus is being filed with BSE SME Platform, 25th Floor, P.J. Towers, Dalal Street, Fort, Mumbai- 400 001.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration with the RoC situated at ROC Bhavan, Opp Rural Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad - 380013.

A copy of Prospectus is being filed with SEBI at the Corporate Finance Department at their Western Regional Office situated at: Unit No: 002, Ground Floor Sakar I, Near Gandhigram Railway Station, Opp. Nehru Bridge Ashram Road, Ahmedabad - 380 009.

### **Listing**

In terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, there is no requirement of obtaining in-principle approval from SME Platform of BSE. However application will be made to the SME Platform of BSE for obtaining permissions to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has granted approval for the use of its name in our Prospectus vide its letter dated July 01, 2014.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within 8 days after our Company becomes liable to repay it, then our Company and every officer in default shall, on and from such expiry of 8 days, be jointly and severally liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of the BSE mentioned above are taken within 12 Working Days from the Issue Closing Date.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

Section 38 (1) 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 of the Companies Act, 2013.

(2) The provisions of sub-section (1) shall be prominently reproduced in every prospectus issued by a company and in every form of application for securities.

(3) Where a person has been convicted under this section, the Court may also order disgorgement of gain, if any, made by, and seizure and disposal of the securities in possession of, such person.

(4) The amount received through disgorgement or disposal of securities under sub-section (3) shall be credited to the Investor Education and Protection Fund.

### **Consents**

Consents in writing of our Directors, our Company Secretary and Compliance Officer, the auditors, the Bankers to our Company, the Lead Manager, the Registrar to the Issue, Banker(s) to the Issue, Escrow Collection Bank(s), Refund Bank(s), Legal Advisor to the Issue, Underwriters and Market Maker to the Issue to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with RoC and such consents shall not be withdrawn upto the time of delivery of this Prospectus for registration with the RoC, as required under Section 26 of the Companies Act ,2013

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s S A R A & Associates, Chartered Accountants, the Statutory Auditors of the Company have agreed to provide their written consent to the inclusion of their report on restated financial statements as appearing in the form and context in which it appears in this Prospectus and also of the tax benefits accruing to the Company and to the members of

the Company and such consent and report will not be withdrawn up to the time of delivery of the Prospectus for registrations to the Registrar of Companies.

### **Expert Opinion**

Except for (a) Auditors' reports on the restated financial statements and Statement of Possible Tax Benefits included in this Prospectus; and (b) Legal Due Diligence Reports dated July 07, 2014 and July 10, 2014 our Company has not obtained any other expert opinion.

### **Expenses of the Issue**

The expenses of this Issue include, among others, fees payable to Lead Manager, selling commissions, underwriting, SCSB commissions, brokerages, statutory/regulatory fees, payment to other intermediaries such as Legal Advisors, Registrars, Bankers, etc, Printing, Stationary and postage expenses, Advertising and Marketing expenses and other out of pocket expenses and are estimated at Rs 35 Lakhs (approximately 5.40 % of the total Issue size), of this Rs 11 Lakhs has been expended till July 4, 2014, a certificate dated July 4, 2014 to that effect has been received from S A R A & Associates, Chartered Accountants, the Statutory Auditors of our Company, the remaining amount will be met out of the proceeds of the Issue. For details of total expenses of the Issue, see the chapter titled 'Objects of the Issue' on page 54 of this Prospectus.

### **Details of Fees Payable**

#### **Fees payable to the Lead Manager**

The total fees payable to the Lead Manager will be as per the Issue Agreement dated April 17, 2014 signed between our Company and the Lead Manager, a copy of which is available for inspection at our Registered Office.

#### **Fees payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement signed between our Company and the Registrar to the Issue dated April 21, 2014 and Supplementary Agreement dated June 13, 2014, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will also be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, postage, stamp duty, 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/under certificate of posting.

#### **Previous public or rights issues by our Company during the Last Five Years**

This is the first public issue, our Company has not undertaken any public or right issues in India or abroad in the five years preceding the date of the Prospectus.

#### **Previous issue of shares otherwise than for cash**

Except as disclosed in the chapter "Capital Structure" beginning on page 42 of this Prospectus, our Company has not issued any Equity Shares for consideration otherwise than cash.

### **Commission or brokerage on previous issues**

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

### **Companies under the same management**

Except as stated in the chapter titled “Our Promoter Group and Group Entities” beginning on page 105 of this Prospectus, there are no companies under the same management within the meaning of section 370 (1B) of the Companies Act, 1956.

Neither our Company nor any other Company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 is listed on any of the Stock Exchanges and has not made any capital issue since inception.

### **Performance vis-à-vis objects**

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

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

### **Outstanding debentures, bond issues, redeemable preference shares and other instruments issued by our Company**

As on the date of filing this Prospectus, our Company does not have any outstanding debentures, bonds or redeemable preference shares.

### **Stock Market Data**

This being the first public issue by our Company, no stock market data is available.

### **Disclosure on Investor Grievances and Redressal System**

The Agreement and Supplementary Agreement between the Registrar to the Issue and our Company entered on April 21, 2014 and June 13, 2014 respectively provides for retention of records with the Registrar to this Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and making refunds as per the modes disclosed to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant and the bank branch 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 copy to the concerned SCSBs to whom the Application Form was submitted, 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 SCSBs where the ASBA Form was submitted by the ASBA Applicant.

### **Disposal of Investor Grievances**

Our Company or the Registrar to the Issue or the SCSB in case of ASBA Applicant shall redress routine investor grievances within seven 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 also constituted an Investor's / Shareholders Grievance Committee to review and redress the shareholders and investor grievances related to transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, please refer to the chapter titled "Our Management" on page 91 of this Prospectus.

Our Company has appointed Mr. Mustafa Shabbir Badami, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems, at the following address

#### **Mr. Mustafa Shabbir Badami**

Company Secretary & Compliance Officer  
B/12, Jabuka Complex, Nr. Bajrang Ashram,  
Below Vikas School, NH-8,  
Thakkar Bapanagar, Ahmedabad,  
Gujarat - 382350  
Tel: +91-079-2283 0245  
Fax: +91-079-2283 0245  
Email: bhanderiinfracon@gmail.com

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

### **Changes in the Auditors during last three years and reasons thereof**

M/s S A R A & Associates, Chartered Accountants have been appointed as the Statutory Auditors of the Company at the Annual General meeting of the Company held on September 30, 2013 in place of the retiring auditors M/s Dhiren Shah & Co. Apart from this there has been no change in the auditors of the Company for the last five years.

### **Capitalisation of reserves or profits during the last five years**

Our Company has not capitalized its reserves in the last five years, except as stated in the chapter titled "Capital Structure" beginning on page 42 of this Prospectus.

### **Revaluation of assets during the last five years**

The Company has not revalued its assets during the last five (5) years.

## SECTION VII: ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, the SEBI (ICDR) Regulations, 2009, the SCRR, our Memorandum and Articles of Association, the terms of this Prospectus, Application Form, the Revision Form, the Listing Agreements to be entered into with the Stock Exchange, the Confirmation of Allocation Note ('CAN') and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, ROC and/or other authorities, as in force on the date of this Issue and to the extent applicable.

*Please note that, in terms of SEBI circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, QIB applicants, Non-Institutional applicants and other Applicants whose Application amount exceeds Rs. 2 lakhs can participate in the Issue only through the ASBA process. The Retail Individual Applicants can participate in the Issue either through the ASBA process or the non ASBA process. ASBA Applicants should note that the ASBA process involves Application procedures that may be different from the procedure applicable to non ASBA process*

#### **Authority for the Issue**

Our Board has, pursuant to its resolution dated March 01, 2014 authorised this Fresh Issue, subject to approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, 1956.

The shareholders of our Company have authorised this Fresh Issue by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting of the Company held on March 24, 2014 and authorised the Board to take decisions in relation to this Issue.

Our Company has received an in-principal approval from the SME Platform of the BSE dated July 01, 2014 for use of name of the Exchange in the offer document.

#### **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 including in respect of the rights to receive dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please refer to the section titled "Main Provisions of the Articles of Association" beginning on page 200 of this Prospectus.

#### **Mode of Payment of Dividend**

The declaration and payment of Dividend will be as per the provisions of Companies Act and as recommended by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. The Dividends shall be paid in cash and as per provisions of the Companies Act. For further details, please refer to the "Dividend Policy" on page 117 of this Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Prospectus at the price of Rs. 120/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled "Basis for Issue Price" beginning on page 59 of this Prospectus.

At any given point of time, there shall be only one denomination of the Equity Shares of the Company, subject to applicable laws.

### **Compliance with the SEBI Regulations**

Our Company shall comply with all applicable disclosures and accounting norms, as specified by SEBI from time to time.

### **Rights of the Equity Shareholder**

Subject to applicable laws, rules, regulations and guidelines and the provision of our Articles, 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 annual reports and notices of Members Meetings;
- 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 other preferential claim being satisfied ;
- Right of free transferability; 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 the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association such as those relating to voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section “Main Provisions of the Articles of Association” on page 200 of this Prospectus.

### **Market Lot, Trading Lot and Minimum Application Value**

As per the provisions of the Depositories Act, 1996, the shares of a Body Corporate can be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement through electronic mode.

In terms of Section 29 of the Companies Act, 2013, the Equity Shares of the Company shall be allotted only in dematerialized form in compliance with the provisions of the Depositories Act, 1996 and the Regulations made there under.

The trading of the Equity Shares shall only be in a dematerialize form for all investors and the trading will happen in the minimum contract size of 1,200 Equity Shares and the same may be modified by BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this offer will be done in multiples of 1,200 Equity Share subject to a minimum allotment of 1,200 Equity Shares to the successful applicants. Accordingly, the minimum application value shall be Rs. 1,44,000/- (Rupees One Lakh Forty Four Thousand only)

### **Minimum Number of Allottees**

The minimum number of Allottees in this Issue shall be 50 Shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 12 working days of closure of Issue.

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **Nomination Facility to the Investor**

In accordance with Section 72 of the Companies Act, 2013, 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 72 of the Companies Act, 2013, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

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

## **Issue Period**

<b>ISSUE OPENS ON</b>	<b>July 22, 2014</b>
<b>ISSUE CLOSSES ON</b>	<b>July 25, 2014</b>

## **Minimum Subscription**

This Issue being 100% underwritten, is not restricted to any minimum subscription level. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to repay the money, with interest or other penalty as prescribed under the SEBI Regulations, the Companies Act 2013 and applicable law.

## **Arrangements for Disposal of odd lot**

The trading of the Equity Shares will happen in the minimum contract size of 1,200 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 SME platform of BSE.

## **Restrictions on Transfer and Transmission of Shares**

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution as detailed in chapter titled "Capital Structure" beginning on page 42 of this Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of Equity Shares and on their consolidation/ splitting except as provided in the Articles of Association. Please refer to the "Main Provisions of the Articles of Association" beginning on page 200 of this Prospectus.



### **Option to receive Equity Shares in Dematerialized Form**

As per Section 29(1) of the Companies Act 2013, every Company making public offer shall issue securities in dematerialized form only. Further, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. Accordingly, the Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

### **Migration to Main Board**

In accordance with the BSE Circular dated November 26, 2012, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of two years from the date of listing and after that period it can exercise the option to migrate to the Main Board of the BSE in accordance with the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations, subject to the following

- a) If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc (approved by a Special Resolution through postal ballot wherein the votes cast by the Shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by Shareholders other than Promoter Shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), the Company shall have to apply to BSE for listing of shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

- b) If the Paid up Capital of our Company is more than 10 crores but below Rs. 25 crores, 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 shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of three years from the date of listing of shares offered through this Prospectus. For further details of the agreement entered into between our Company, the Lead Manager and the Market Maker, please refer to details provided in the chapter titled "General Information" beginning on page 34 of this Prospectus.

### **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Issue.

### **Withdrawal of the Issue**

Our Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time after the Issue Opening Date but before the Allotment. 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 such decision, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchange on which the Equity Shares are proposed to be listed and the Lead Manager, through the Registrar shall notify the SCSBs to unblock the ASBA Account within one 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, our Company shall be required to file a fresh Draft 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 after it is filed with the RoC.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/ authorities in Ahmedabad, Gujarat, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered or sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(1) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post-issue face value capital does not exceed ten crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such Issue please refer the chapter titled “Terms of the Issue” and “Issue Procedure” beginning on page 170 and 177 of this Prospectus.

### Following is the Issue structure:

Public Issue of 5,40,000 Equity Shares of Rs. 10/- each fully paid-up (the “Equity Shares”) for cash at a price of Rs. 120/- per Equity Share (including a Share Premium of Rs. 110/- per Equity Share) aggregating to Rs. 648.00 Lakhs (“the Issue”) by our Company, of which 27,600 Equity Shares of Rs. 10/- each will be reserved for subscription by Market Makers to the Issue (the “Market Maker Reservation Portion”). The Issue less the Market Maker Reservation Portion i.e. Issue of 5,12,400 Equity Shares of Rs. 10/- each is hereinafter referred to as the “Net Issue”. The Issue and the Net Issue will constitute 26.73% and 25.37% respectively of the Post Issue Paid-Up Equity Share capital of our Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	5,12,400 Equity Shares	27,600 Equity Shares
Percentage of Issue Size available for allocation	94.89% of the Issue size	5.11% of the Issue size
Basis of Allotment	Proportionate subject to minimum allotment of 1,200 Equity Shares and further allotment in multiples of 1,200 Equity Shares each.  For further details, please refer to the “Basis of Allotment” on page 195 of this Prospectus.	Firm Allotment
Mode of Application	For QIB and NII Applicants the application must be made compulsorily through the ASBA Process.  The Retail Individual Applicant may apply through the ASBA or the Physical Form	Through ASBA Process Only
Minimum Application Size	<b>For QIB and NII:</b>  Such number of Equity Shares in multiples of 1,200 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-  <b>For Retail Individuals:</b>  <b>1,200 Equity Shares</b>	27,600 Equity Shares

Maximum Application Size	<p><b>For QIB and NII:</b></p> <p>Such number of Equity Shares in multiples of 1,200 Equity Shares such that Application Size does not exceed 5,12,400 Equity Shares</p> <p><b>For Retail Individuals:</b></p> <p>Such number of Equity Shares in multiples of 1,200 Equity Shares such that Application Value does not exceed Rs. 2,00,000</p>	
Mode of Allotment	Dematerialized Form	Dematerialized Form
Trading Lot	1,200 Equity Shares	1,200 Equity Shares, However the Market Makers may accept odd lots, if any, in the market as required under the SEBI (ICDR) Regulations, 2009
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form	

*\*50 % of the shares offered are reserved for applications below Rs. 2 Lakhs and the balance for higher amount applications. The unsubscribed portion in either category may be allocated to applicants in other category.*

<b>ISSUE OPENING DATE</b>	<b>July 22, 2014</b>
<b>ISSUE CLOSING DATE</b>	<b>July 25, 2014</b>

Applications and any revisions to the same will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue Closing Date when applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

### Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M)(1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 through a Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Collection Bankers to the Issue or collection centres who shall duly submit them to the Registrar to the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds.

**Investors should note that Equity Shares will be allotted to successful Applicants in dematerialize form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the BSE.**

### Availability of Prospectus and Application Forms

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the Lead Manager to the Issue, Registrar to the Issue and the Collection Centres of the Bankers to the Issue. The Application Forms may also be downloaded from the website of SME Platform of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com)

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. The Application Form shall contain space for indicating the number of specified securities subscribed. At the time of submitting the application, applicants should mention the Application Form number on the reverse of the Cheque /demand draft to avoid misuse of instrument submitted alongwith the Application Form.

Applicants, other than retail individual investor, shall apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA applicants. The Application Form shall bear the stamp of the SCSBs, without which, the same shall be rejected.

The prescribed color of the Application Form for various categories is as follows:

Category	Color of Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and Non ASBA)	White
Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis (ASBA and Non ASBA)	Blue

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, Non-Institutional applicants and QIB Applicants have to compulsorily apply through the ASBA Process.

## **Submission and Acceptance of Application Forms**

Applications will be accepted during the Issue Period, only during the regular banking days and hours of the respective bank branches of the Banker to the Issue and collection centres. For details of the bank branches where applications can be submitted and acknowledgment obtained, please see the Application Form.

With respect to non-ASBA Applicants, the Application Form duly completed and accompanied by account payee cheques or drafts shall be submitted to the bankers. With respect to ASBA Applicants, the Application Form shall be submitted, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained.

Applicants residing at places where the designated branches of the Banker to the Issue or collection centres are not located may submit the application at their sole risk along with a Demand Draft payable at Mumbai, by post, to the Registrar to the Issue.

### **Who can apply?**

- a.) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b.) 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;
- c.) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d.) Mutual Funds registered with SEBI;
- e.) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f.) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g.) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h.) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i.) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- j.) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k.) Foreign Venture Capital Investors registered with the SEBI;
- l.) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m.) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

- n.) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o.) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p.) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q.) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r.) Insurance funds set up and managed by army, navy or air force of the Union of India.
- s.) Multilateral and bilateral development financial institution
- t.) Eligible QFIs
- u.) Insurance funds set up and managed by the Department of Posts, India;
- v.) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them

**Applications not to be made by:**

1. Minors
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to 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 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/affiliates of Lead Manager**

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

**Subscription to the Issue**

1. Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.
2. The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

3. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

#### **Application by Indian Public including eligible NRIs applying on Non-Repatriation**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and NOT in the names of Minors, Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families. In case of HUF's application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of securities exceeding the number of Equity Shares offered to the public.

#### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

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 accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

#### **Applications by Eligible NRIs/FII's on Repatriation Basis**

Application Forms have been made available for Eligible NRIs at the Company's Registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. Companies are required to file declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.



The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.

**As per the current regulations, the following restrictions are applicable for investments by FIIs:**

The issue of Equity Shares to a single FII should not exceed 10% of our post Issue Paid up Capital of the Company. In respect of an FII investing in Equity Shares of our Company on behalf of its sub accounts, the investment on behalf of each sub account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub account is a foreign corporate or an individual.

In accordance with the foreign investment limits, the aggregate FII holding in our Company cannot exceed 24% of our total issued capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. As on the date of filing this Prospectus, no such resolution has been recommended to the shareholders of the Company for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII may issue, deal or hold, off shore derivative instruments such as participatory notes, equity linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "Know Your Client" requirements. An FII shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

In case of FII's in NRI/FII Portion, number of Equity Shares applied shall not exceed issue size.

**Application by Eligible QFIs**

Eligible QFIs are permitted to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also 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 5.00% and 10.00% of the paid up capital of the Indian company 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. An Eligible QFI may make investments in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5.00% of the paid-up capital of the Indian company at any point of time.

QFIs shall be eligible to apply under the Non-Institutional Applicants category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

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.

Eligible QFIs who wish to participate in the Issue are advised to use the Application Form meant for Non-Residents (blue in colour). Eligible QFIs shall compulsorily apply through the ASBA process to participate in the Issue.

### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33% of the funds available for investment by way of subscription to an Initial Public Offer.

The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's.

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 Venture capital fund registered as a category I AIF, as defined in the SEBI 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 Regulations shall continue to be regulated by the VCF Regulations.

### **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 which, the Company reserves the right to reject any application, without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment scheme) (5th Amendment) Regulations, 2013, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

- a) equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b) the entire group of the investee Company: the least of 15% of the respective fund in case of a life insurer or general insurer or reinsurer or 15% of investment assets in all Companies belonging to the group;
- c) The industry sector in which the investee Company operates: the least of 15% of the respective fund in case of a life insurer or general insurer or reinsurer or 15% of investment assets.

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in infrastructure and housing sectors, providing, among other things, that the exposure of an insurer to an infrastructure Company may be increased to not more than 20%, provided that in case of equity investment, a dividend of not less than 4% including bonus should have been declared for at least five preceding years. This limit of 20% would be combined for debt and equity taken together, without sub ceilings.

Further, investments in equity including preference shares and the convertible part of debentures shall not exceed 50% of the exposure norms specified under the IRDA Investment Regulations.

#### **Application by Provident Funds / Pension Funds**

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, the Company reserves the right to reject any application, without assigning any reason thereof.

#### **Application under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores 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 with the Application Form. Failing this, the Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a) With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, the Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c) With respect to applications made by provident funds with minimum corpus of Rs. 25 Crores (subject to applicable law) and pension funds with a minimum corpus of Rs. 25 Crores, 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 . Failing this, the Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

The 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 the Company and the lead manager may deem fit.

The 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 Allotment Advice / CANs / refund orders / letters notifying the unblocking of the bank accounts of ASBA

applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

**This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.**

Lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

#### **ASBA Process**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (“ASBA Account”) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Form shall bear the stamp of the SCSBs and if not, the same shall be rejected.

The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Lead Manager.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all investors can apply through ASBA process and w.e.f May 02, 2011, Non-Institutional applicants and QIB Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date.

On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account.

The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account.

However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

### **Maximum and Minimum Application Size**

The applications in this Issue, being a fixed price issue, will be categorized into two;

#### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 1,200 Equity Shares and in multiples of 1,200 Equity Share thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

**(b) For Other Applicants (Non Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares such that the Application Amount exceeds Rs. 2,00,000 and in multiples of 1,200 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non Institutional Portion.

**Applicants are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Prospectus.**

**Information for the Applicants:**

- a.) The Company will file the Prospectus with the ROC at least 3 (three) days before the Issue Opening Date.
- b.) The Lead Manager will circulate copies of the Prospectus along with the Application Form to potential investors.
- c.) Any investor, being eligible to invest in the Equity Shares offered, who would like to obtain the Prospectus and/ or the Application Form can obtain the same from the Company's Registered Office or from the Registered Office of the Lead Manager.
- d.) Applicants who are interested in subscribing to the Equity Shares should approach the branches of the Bakers to the issue or the Collection centres to submit their Applications. Applicants should obtain acknowledgement from the Banks/collection centres and retain the same with them for reference.
- e.) Applications made in the name of Minors and/or their nominees shall not be accepted.
- f.) Applicants are requested to mention the application form number on the reverse of the payment instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, the Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one Gujarati newspaper with wide circulation.

**Escrow mechanism, terms of payment and payment into the Escrow Accounts**

For details of the escrow mechanism and payment instructions, see "Issue Procedure - Payment Instructions" at page 189 of this Prospectus.

### **Signing of Underwriting Agreement**

The issue is 100% Underwritten. Our Company has entered into an Underwriting Agreement and Supplementary Underwriting Agreement with the Lead Manager on April 21, 2014 and June 13, 2014 respectively.

### **Filing of the Prospectus with the RoC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 26 of Companies Act, 2013.

### **Designated Date and Allotment of Equity Shares**

Our Company will ensure that the (i) Allotment of Equity Shares; and (ii) credit to successful Applicants' depository account is done within 12 working Days of the Issue Closing Date. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, our Company would ensure the credit to the successful Applicants Depository Account within 12 working days of the Issue Closing Date.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by the Company, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

### **Issuance of Allotment Advice**

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Lead Manager or the Registrar to the Issue shall send to the Bankers to the Issue a list of their Applicants who have been allocated/Allotted Equity Shares in this Issue.
2. Pursuant to confirmation of corporate actions with respect to Allotment of Equity Shares, the Registrar to the Issue will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.
3. Approval of the Basis of Allotment by the Designated Stock Exchange. As described above shall be deemed a valid, binding and irrevocable contract for the Applicant.

## GENERAL INSTRUCTIONS

### Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that Applications submitted by any person resident outside India is in compliance with applicable foreign and Indian laws

### Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

### Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue or collection centres are not located may submit the application at their sole risk along with a Demand Draft payable at Mumbai, by post, to the Registrar to the Issue.

### Applicant's Depository Account and Bank Details

***Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.***

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants' sole risk and neither the Lead Manager or the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor



the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **ESCROW MECHANISM**

### **Terms of Payment / Payment Instructions**

The entire Issue Price of Rs. 120/- per share is payable on application. In case of allotment of lesser number of Equity shares than the number applied, the Company shall refund the excess amount paid on Application to the Applicants.

**Payments should be made by cheque, or demand draft drawn on any Bank (including a Co-operative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the center 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/ Stock invest/ Money Orders/ Postal orders will not be accepted.

A separate Cheque or Bank Draft should accompany each application form. Applicants should write the Share Application Number on the back of the Cheque /Draft. Outstation Cheques will not be accepted and applications accompanied by such cheques drawn on outstation banks are liable for rejection. Money Orders / Postal Notes will not be accepted.

Each Applicant shall draw a cheque or demand draft for the amount payable on the Application and/ or on allocation/ Allotment as per the following terms:

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:
  - Indian Public including eligible NRIs applying on non-repatriation basis: **“Bhanderi Infracon Limited - Public Issue - R”**.
  - In case of Non Resident Retail Applicants applying on repatriation basis: **“Bhanderi Infracon Limited - Public Issue - NR”**
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.

4. On the Designated Date and not later than 12 working days from the Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Applicants and also the excess amount paid on Application, if any, after adjusting for allocation / Allotment to the Applicants.

### **Payment by Stock Invest**

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003 04 dated November 5, 2003; the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **OTHER INSTRUCTIONS**

#### **Joint Applications in the case of Individuals**

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

#### **Multiple Applications**

An Applicant should submit only one Application (and not more than one). Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- i. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- ii. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- iii. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) 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. 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. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple Applications in any or all categories. In this regard, the procedure which would be followed by the Registrar to the Issue to detect multiple Applications is given below:

1. All Applications will be checked for common PAN. 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. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

#### **Permanent Account Number or PAN**

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Applications without the PAN will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

**Our Company/ Registrar to the Issue/ Lead Manager can, however, accept the Application(s) in which PAN is wrongly entered into by ASBA SCSB's in the ASBA system, without any fault on the part of Applicant.**

#### **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

#### **GROUND FOR REJECTIONS**

Applicants are advised to note that Applications are liable to be rejected inter alia on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
- Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Application Form;
- GIR number furnished instead of PAN;

- Applications for lower number of Equity Shares than specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 1,200;
- Category not ticked;
- Multiple Applications as defined in this Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 3.00 pm on the Issue Closing Date;
- Applications not containing the details of Bank Account and/or Depositories Account.

#### **Equity Shares In Dematerialized Form with NSDL or CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) a tripartite agreement dated April 10, 2014 with NSDL, our Company and Registrar to the Issue;
- b) a tripartite agreement dated March 19, 2014 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No INE336Q01016

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).

- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The BSE SME platform where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip.

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

### **PAYMENT OF REFUND**

Applicants other than the ASBA Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), nor the Lead Manager shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

### **Mode of making refunds**

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through various modes as given hereunder:

1. **NECS (National Electronic Clearing System)** - Payment of refund would be done through NECS for Applicants having an account at any of the centers where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of such centers, except where the applicant, being eligible, opts to receive refund through NEFT, direct credit or RTGS.
2. **Direct Credit** - Applicants having bank accounts with the Refund Banker(s), as mentioned in the Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. **RTGS** (Real Time Gross Settlement) - Applicants having a bank account at any of the centers where such facility has been made available and whose refund amount exceeds Rs. 2.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through 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** (National Electronic Fund Transfer) - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

#### **Disposal of applications and application moneys and interest in case of delay**

The Company shall ensure the dispatch of Allotment advice, refund orders (except for Applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 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 15 days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 12 working days of closure of the issue.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment of Equity Shares shall be made within 12 (twelve) working days of the Issue Closing Date;
2. Dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 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;

3. The Company shall pay interest at 15% p.a. for any delay beyond the 15 days from the Issue Closing Date, 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 prescribed above. If such money is not repaid within eight days from the day our Company becomes liable to repay, our Company, every Director of our Company who is an officer in default shall, on and from expiry of eight days, be liable to repay the money with interest as prescribed under the applicable law; and
4. 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.

### **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 therein to him, any other person in a fictitious name,

shall be liable for action under Section 447 of the Companies Act, 2013.”

Section 447 of the Companies Act, 2013, is reproduced as below:

“Without Prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may exceed to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud:

Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years.”

### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with SME Platform of BSE Limited (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

3. For applications where the proportionate allotment works out to less than 1,200 equity shares the allotment will be made as follows:
  - a. Each successful applicant shall be allotted 1,200 equity shares; and
  - b. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 1,200 equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 1,200 equity shares subject to a minimum allotment of 1,200 equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 1,200 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
  - a. A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
  - b. The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
  - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled 'Basis of Allotment' beginning on page 195 of this Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the SME Platform of BSE.

#### **Basis of Allotment in the event of Undersubscription**

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified in page 58 shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.



The Executive Director/Managing Director of the SME Platform of BSE - the Designated Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## **Refunds**

**In case of Applicants receiving refunds through electronic transfer of funds, delivery of refund orders/ allocation advice/ CANs may get delayed if the same once sent to the address obtained from the depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Applicants sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s) nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.**

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

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/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar to the Issue shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

**Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. Our Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.**

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

**There is no reservation for Non Residents, NRIs, FPIs and foreign venture capital funds and all Non Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.**

## **Undertaking 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 the Stock Exchange where the Equity Shares are proposed to be listed shall be taken within 7 working days of the finalization of the basis of allotment;
3. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;

4. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
6. that no further issue of Equity Shares shall be made till the Equity Shares offered through this Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
7. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
8. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to Non ASBA Applications while finalizing the basis of allotment.

#### **Utilization of Issue Proceeds**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- 2) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till any part of the issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated primarily by the FEMA and the policy prescribed by the Department of Industrial Policy and Promotion, Government of India through Consolidated FDI Policy Circular of 2014 with effect from April 17, 2014 (“**FDI Policy**”). While the FDI Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The Government bodies responsible for granting foreign investment approvals are FIPB and the RBI.

In terms of the Consolidated FDI policy (effective from April 17, 2014), issued by the Department of Industrial Policy and Promotion, 100% foreign direct investment in the Company is permitted.

### **Subscription by foreign investors (NRIs/FIIs)**

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/ RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and 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 Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the 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.**

**SECTION VIII**  
**MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

Pursuant to Schedule II of the Companies Act and the SEBI (ICDR) Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or Debentures and / or on their consolidation /splitting are detailed below. Each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized / defined terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company.

Title of Article	Articles Number and Contents
<b>Share Capital</b>	3. The Authorized Share Capital of the Company shall be as per Paragraph V of the Memorandum of Association of the Company with powers to increase or reduce the share capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred or such other rights, privileges or conditions as may be determined in accordance with the regulations of the Company and to vary, modify, abrogate any such rights, privileges or conditions in such manner as may be provided by regulations of the Company and consolidate or subdivide the shares and issue share of higher or lower denomination by way of Ordinary Resolution.
<b>Increase of capital by the Company how carried into effect</b>	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 97of the Act.
<b>New Capital same as existing capital</b>	5. 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.
<b>Non-voting Shares</b>	6. 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.
<b>Redeemable Preference Shares</b>	7. 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 authorizing such issue shall prescribe the manner, terms and conditions of redemption.

<b>Voting rights of preference shares</b>	8. The holder of Preference Shares shall have a right to vote only on Resolutions, which directly affect the rights attached to his Preference Shares.
<b>Provisions to apply on issue of Redeemable Preference Shares</b>	9. On the issue of redeemable preference shares under the provisions of Article 7 hereof, the following provisions shall take effect: (a) 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. (b) No such Shares shall be redeemed unless they are fully paid. (c) The premium, if any payable on redemption shall have been provided for out of the profits of the Company or out of the Company's security premium account, before the Shares are redeemed. (d) Where any such Shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called "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. (e) 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 issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.
<b>Reduction of capital</b>	10. 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 (a) the share capital; (b) any capital redemption reserve account; or (c) any security premium account. 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.
<b>Purchase of own Shares</b>	11. 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.
<b>Sub-division consolidation and cancellation of Shares</b>	12. 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 subdivisions, 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.
<b>Modification of rights</b>	13. 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

	<p>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 mutatis mutandis apply to every such Meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. 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.</p>
<b>SHARES, CERTIFICATES AND DEMATERIALISATION</b>	
<b>Restriction on allotment and return of allotment</b>	<p>14. 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>
<b>Further issue of shares</b>	<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> <ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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;</li> <li>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.</li> </ol> <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> <ol style="list-style-type: none"> <li>a. If a Special Resolution to that effect is passed by the Company in General Meeting; or</li> <li>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 voting and the Central Government is</li> </ol>

	<p>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 (1) hereof shall be deemed;</p> <ol style="list-style-type: none"> <li>a. To extend the time within which the offer should be accepted; or</li> <li>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.</li> </ol> <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> <ol style="list-style-type: none"> <li>i. To convert such debentures or loans into Shares in the Company; or</li> <li>ii. To subscribe for Shares in the Company PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term: <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> </li> </ol>
<p><b>Shares at the disposal of the Directors</b></p>	<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>
<p><b>Power to offer Shares/options to acquire Shares</b></p>	<p>16A.</p> <ol style="list-style-type: none"> <li>i. 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 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),</li> </ol>

	<p>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>ii. In addition to the powers of the Board under Article 16A(i), the Board may also allot the Shares referred to in Article 16A(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees [including by way of options, as referred to in Article 16A(i)] in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.</p> <p>iii. 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(i) and (ii) above.</p>
<b>Application of premium received on Shares</b>	<p>17.</p> <ol style="list-style-type: none"> <li>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.</li> <li>The security premium account may, notwithstanding anything in clause (I) thereof be applied by the Company: (a) In paying up unissued Shares of the Company, to be issued to the Members of the Company as fully paid bonus; (b) In writing off the preliminary expenses of the Company; (c) In writing off the expenses of or the commission paid or discount allowed or any issue of Shares or debentures of the Company ; or (d) In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.</li> </ol>
<b>Power also to Company in General Meeting to issue Shares</b>	<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 Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.</p>
<b>Power of General Meeting to authorize Board to offer Shares/Options to employees</b>	<p>18A.</p> <p>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</p>



	<p>the right to the Board or any Committee thereof to determine, that any existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted/granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/ other writing, as may be set out before it, for the aforesaid purpose) In addition to the powers contained in Article 18A(i), 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>
<b>Shares at a discount</b>	<p>19. The Company may issue at a discount Shares in the Company of a class already issued, if the following conditions are fulfilled, namely:</p> <ol style="list-style-type: none"> <li>a. 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;</li> <li>b. 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</li> <li>c. 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 or other authority/authorities may allow.</li> </ol>
<b>Installments of Shares to be duly paid</b>	<p>20. 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>
<b>The Board may issue Shares as fully paid-up</b>	<p>21. 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 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.</p>
<b>Acceptance of Shares</b>	<p>22. 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>
<b>Deposit and call etc., to be debt payable</b>	<p>23. 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</p>

	such Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
<b>Liability of Members</b>	24. 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.
<b>DEMATERIALIZATION OF SECURITIES</b>	
<b>Definitions</b>	25A. Beneficial Owner "Beneficial Owner" means a person whose name is recorded as such with a depository.  SEBI "SEBI" means the Securities and Exchange Board of India.  Bye-Laws "Bye-Laws" mean bye-laws made by a depository under Section 26 of the Depositories Act, 1996;  Depositories Act "Depositories Act" means the Depositories Act, 1996 including any statutory modifications or re-enactment thereof for the time being in force; Depository "Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;  Record "Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by the regulations made by SEBI;  Regulations "Regulations" mean the regulations made by SEBI;  Security "Security" means such security as may be specified by SEBI.
<b>Dematerialisation of securities</b>	25B. 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.
<b>Options to receive security certificates or hold securities with depository</b>	25C. Every person subscribing to securities offered by the Company shall have the option to receive the Security certificates or hold securities with a depository. 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 allottee as the Beneficial Owner of that Security.
<b>Securities in depositories to be in fungible form</b>	25D. 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.
<b>Rights of depositories and beneficial owners</b>	<p>25E.</p> <ol style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>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.</li> </ol>
<b>Depository To Furnish Information</b>	<p>25F.</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>
<b>Service of documents</b>	<p>25G.</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>
<b>Option to opt out in respect of any security</b>	<p>25H.</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>
<b>Sections 83 and 108 of the Act not to apply</b>	<p>25I.</p> <p>Notwithstanding anything to the contrary contained in the Articles,</p> <ol style="list-style-type: none"> <li>1) Section 83 of the Act shall not apply to the Shares held with a Depository;</li> <li>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.</li> </ol>
<b>Share certificate</b>	<p>26.</p> <ol style="list-style-type: none"> <li>a) 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.</li> <li>b) 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 all of them.</li> </ol>
<b>Limitation of time for issue of certificates</b>	<p>26A.</p> <p>Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the</p>

	<p>Company shall complete and have ready for delivery such certificates within such period as may be required pursuant to allotment and 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 and approve, provided that in respect of a Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.</p>
<b>Renewal of share certificates</b>	<p>27. 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. 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>
<b>Issue of new certificate in place of one defaced, lost or destroyed</b>	<p>28. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new Certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new Certificates in replacement of those which are old, defaced or worn out or where there is no Further space on the back thereof for endorsement of transfer.</p> <p>Provided that notwithstanding what is stated above the Directors shall comply with such rules or 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. The provision of this Article shall mutatis mutandis apply to Debentures of the Company.</p>
<b>The first name joint holder deemed sole holder</b>	<p>29. If any Share(s) stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and 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.</p>
<b>Issue of Shares without Voting Rights</b>	<p>30. In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such shares upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.</p>
<b>Buy-Back of Shares and Securities</b>	<p>31. Notwithstanding anything contained in these Articles, in the event it is permitted</p>

	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.
<b>Employees Stock Options Scheme/ Plan</b>	32. The Directors shall have the power to offer, issue and allot Equity Shares 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.
<b>Sweat Equity</b>	33. 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.
<b>Postal Ballot</b>	34. 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.
<b>Company not bound to recognize any interest in Shares other than of registered holder</b>	35. 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.
<b>Trust recognized</b>	36. 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.
<b>Declaration by person not holding beneficial interest in any Shares</b>	37. 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

	<p>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, if 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>
<b>Funds of Company not to be applied in purchase of Shares of the Company</b>	<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 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 for any Share in the Company or in its holding Company.</p>
<b>UNDERWRITING AND BROKERAGE</b>	
<b>Commission may be paid</b>	<p>39.</p> <p>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 be paid at such rate not exceeding the maximum as provided for, in any law and shall be payable in such form and manner as applicable.</p>
<b>Brokerage</b>	<p>40.</p> <p>The Company may on any issue of Shares or Debentures or on deposits pay such brokerage as may be reasonable and lawful.</p>
<b>Commission to be included in the annual return</b>	<p>41.</p> <p>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.</p>
<b>Interest out of Capital</b>	<p>42.</p> <p>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</p>

	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
<b>DEBENTURES</b>	
<b>Debentures with voting rights not to be issued</b>	<p>43.</p> <p>a) The Company shall not issue any debentures carrying voting rights at any Meeting of the Company whether generally or in respect of particular classes of business.</p> <p>b) The Company shall have power to reissue redeemed debentures in certain cases in accordance with Section 121 of the Act.</p> <p>c) 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>d) 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>e) 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>f) 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>g) 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>h) The Company shall comply with the provisions of Section 124 to 145 (inclusive) of the Act as regards registration of charges.</p>
<b>Directors may make calls</b>	<p>44.</p> <p>a) 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>b) The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.</p>
<b>Notice of call when to be given</b>	<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>
<b>Call deemed to have been made</b>	<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</p>

	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.
<b>Directors may extend time</b>	47. 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.
<b>Amount payable at fixed time or by installments to be treated as calls</b>	48. 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.
<b>When interest on call or installment payable</b>	49. 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.
<b>Evidence in action by Company against share holder</b>	50. 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.
<b>Payment in anticipation of calls may carry interest</b>	51. The Directors may, if they think fit, subject to the provisions of Section 92 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.



	<p>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.</p> <p>The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company</p>
<b>LIEN</b>	
<b>Partial payment not to preclude forfeiture</b>	<p>52.</p> <p>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.</p>
<b>Company's lien on Shares/ Debentures</b>	<p>53.</p> <p>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. That fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's shall be restricted to moneys called or payable at a fixed time in respect of such shares</p>
<b>Enforcing lien by sale</b>	<p>54.</p> <p>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:-</p> <ol style="list-style-type: none"> <li>a) Unless a sum in respect of which the lien exists is presently payable; or</li> <li>b) 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 on behalf of and in the name of such Member.</li> <li>c) The purchaser shall not be bound to see the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</li> </ol>
<b>Application of proceeds of sale</b>	<p>55.</p> <ol style="list-style-type: none"> <li>a) 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</li> <li>b) 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</li> </ol>

	Shares before the sale).
<b>Forfeiture of shares</b>	56. If money payable on Shares not paid notice to be given  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.
<b>Sum payable on allotment to be deemed a call</b>	57. 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
<b>Form of notice</b>	58. 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.
<b>In default of payment Shares to be forfeited</b>	59. 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.
<b>Notice of forfeiture to a Member</b>	60. 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 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.
<b>Forfeited Shares to be the property of the Company and may be sold etc.</b>	61. 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.
<b>Member still liable for money owing at the time of forfeiture and interest</b>	62. 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.
<b>Effects of forfeiture</b>	63. 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.
<b>Power to annul forfeiture</b>	64. 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.
<b>Declaration of forfeiture</b>	65. <ul style="list-style-type: none"> <li>a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that Share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.</li> <li>b) 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.</li> <li>c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.</li> <li>d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.</li> <li>e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.</li> </ul>
<b>Provisions of these articles as to forfeiture to apply in case of nonpayment of any sum</b>	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.
<b>Cancellation of shares certificates in respect of forfeited Shares</b>	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.
<b>Evidence of forfeiture</b>	68. The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
<b>Validity of sale</b>	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
<b>Surrender of Shares</b>	70. The Directors may subject to the provisions of the Act, accept a surrender of any share from any Member desirous of surrendering on such terms and conditions as they think fit.
<b>TRANSFER AND TRANSMISSION OF SHARES</b>	
<b>No transfers to minors etc.</b>	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.
<b>Instrument of transfer</b>	72. 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.
<b>Application for transfer</b>	73. <ul style="list-style-type: none"> <li>a) An application for registration of a transfer of the Shares in the Company may be either by the transferor or the transferee.</li> <li>b) 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</li> <li>c) For the purposes of clause (b) 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.</li> </ul>
<b>Execution of transfer</b>	74. 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.
<b>Transfer by legal representatives</b>	75. 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.
<b>Register of Members etc when closed</b>	76. 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.
<b>Directors may refuse to register Transfer</b>	77. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Issuer on any account.
<b>Death of one or more joint holders of Shares</b>	78. 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(s) shall be the only persons recognised by the Company as having title or interest in 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.
<b>Titles of Shares of deceased Member</b>	79. 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.
<b>Notice of application when to be given</b>	80. 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.
<b>Registration of persons entitled to Shares otherwise than by transfer (Transmission Clause)</b>	81. 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".
<b>Refusal to register nominee</b>	82. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.
<b>Person entitled may receive dividend without being registered as a Member</b>	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.
<b>No fee on transfer or transmissions</b>	84. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letter of Administration, Certificate of Death or Marriage, Power of Attorney or other similar document.
<b>Transfer to be presented with evidence of title</b>	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.
<b>Company not liable for disregard of a notice prohibiting registration of transfer</b>	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 to or in the said Shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or 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.
<b>Power to issue share warrants</b>	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.
<b>Deposit of share warrants</b>	88. a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and

	<p>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>b) Not more than one person shall be recognized as depositor of the Share warrant</p> <p>c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor</p>
<b>Privileges and disabilities of the holders of share warrant</b>	<p>89.</p> <p>a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.</p>
<b>Issue of new share warrant coupons</b>	<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>
<b>Share may be converted into stock</b>	<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>
<b>Transfer of stock</b>	<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>
<b>Right of stock holders</b>	<p>93.</p> <p>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 the 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.</p>
<b>Regulation applicable to stock and share warrant</b>	<p>94.</p> <p>Such of the regulations of the Company as are applicable to the paid up Shares shall apply to stock and the words "Share" and "Shareholder" in these regulations shall include "stock" and "stock holder" respectively.</p>
<b>BORROWING POWERS</b>	
<b>Power to borrow</b>	<p>95.</p> <p>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</p>

	<p>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.</p> <p>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.</p>
<b>The payment or repayment of moneys borrowed</b>	<p>96.</p> <p>The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon : such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a Resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.</p>
<b>Bonds, Debentures, etc. to be subject to control of Directors</b>	<p>97.</p> <p>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.</p>
<b>Terms of issue of Debentures</b>	<p>98.</p> <p>Any Debentures, Debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of Shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise; 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.</p>
<b>Mortgage of uncalled capital</b>	<p>99.</p> <p>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.</p>
<b>MEETING OF MEMBERS</b>	
<b>Statutory meeting</b>	<p>100.</p> <p>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.</p>
<b>Annual General Meeting</b>	<p>101.</p> <p>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</p>



	<p>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 Registrar 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.</p>
<b>Report statement and registers to be laid before the Annual General Meeting</b>	<p>102. The Company shall in every Annual General Meeting in addition to any other Report or 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</p>
<b>Extra-Ordinary General Meeting</b>	<p>103. All General Meeting other than Annual General Meeting shall be called Extra-Ordinary General Meeting.</p>
<b>Requisitionists' meeting</b>	<p>104.</p> <ol style="list-style-type: none"> <li>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:- <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol> </li> <li>2) The number of Members necessary for a requisition under clause (1) hereof shall be <ol style="list-style-type: none"> <li>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</li> <li>b) not less than one hundred Members having the rights aforesaid</li> </ol> </li> </ol>

	<p>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, 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>
<p><b>Extra-Ordinary General Meeting by Board and by requisition</b></p>	<p>105.</p> <p>a. The Directors may, whenever they think fit, convene an Extra-Ordinary General Meeting and they shall on requisition of the Members as herein provided, forthwith proceed to convene Extra-Ordinary General Meeting of the Company. When a Director or any two Members may call an Extra Ordinary General Meeting</p>

	<p>b. If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a General Meeting, any Director or any two or more Members of the Company holding not less than one-tenth of the total paid up share capital of the Company may call for an Extra Ordinary General Meeting in the same manner as nearly as possible as that in which meeting may be called by the Directors.</p>
<p><b>Contents of requisition, and number of requisitionists required and the conduct of Meeting</b></p>	<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 (c) 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 paidup share capital of the Company as is referred to in sub clauses (c) of clause (I) 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 of the Board to duly 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>
<p><b>Length of notice of Meeting</b></p>	<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>a) In the case of Annual General Meeting by all the Members entitled to vote thereat; and</p> <p>b) 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>
<p><b>Contents and manner of service of notice</b></p>	<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 subsections (1) to (4) of Section 53 of the Act;</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</p>

	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 Member of the Company.
<b>Special and ordinary business and explanatory statement</b>	<p>109.</p> <p>1)</p> <p>(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> <ol 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> </ol> <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>
<b>Omission to give notice not to invalidate proceedings</b>	<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>
<b>Notice of business to be given</b>	<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>
<b>Quorum</b>	<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>
<b>If quorum not present when Meeting to be dissolved and when to</b>	<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</p>

<b>be adjourned</b>	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 adjourned 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.
<b>Resolution passed at adjourned Meeting</b>	114. 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.
<b>Chairman of General Meeting</b>	115. 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.
<b>Act for Resolution sufficiently done or passed by Ordinary Resolution unless otherwise required</b>	115A. 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.
<b>Business confined to election of Chairman whilst the Chair is vacant</b>	116. No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant.
<b>Chairman may adjourn Meeting</b>	117. (a) 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. (b) No business shall be transacted at any adjourned Meeting other than the business left unfinished at the Meeting from which the adjournment took place. (c) When a Meeting is adjourned for thirty days or more notice of the adjourned Meeting shall be given as in the case of an original Meeting. (d) 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.
<b>How questions are decided at Meetings</b>	118. 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.

<b>Chairman's declaration of result of voting on show of hands</b>	119. 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.
<b>Demand of poll</b>	120. 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.
<b>Time of taking poll</b>	121. 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.
<b>Chairman's casting vote</b>	122. 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.
<b>Appointment of scrutineers</b>	123. 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.
<b>Demand for poll not to prevent transaction of other business</b>	124. 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.
<b>Special notice</b>	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.

<b>Votes of members</b>	<p>126. Member paying money in advance not to be entitled to vote in respect thereof</p> <p>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.</p>
<b>Restriction on exercise of voting rights of Members who have not paid calls</b>	<p>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.</p>
<b>Number of votes to which Member entitled</b>	<p>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 authorized 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.</p>
<b>Votes of Members of unsound mind</b>	<p>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 committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.</p>
<b>Votes of joint Members</b>	<p>130. 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>
<b>Representation of body corporate</b>	<p>131. (a) 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</p>



	<p>Shareholders of the Company or at any meeting of the creditors of the Company or Debenture-holders of the Company. A person authorized 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>(b) 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>
<b>Votes in respects of deceased or insolvent Members</b>	<p>132. 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 fortyeight 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>
<b>Voting in person or by proxy</b>	<p>133. Subject to the provisions of these Articles, votes may be given either personally or by proxy. A body corporate being a Member may vote either by a proxy or by a representative duly authorised in accordance with Section 187 of the Act.</p>
<b>Rights of Members to use votes differently</b>	<p>134. 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>
<b>Proxies</b>	<p>135. 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>
<b>Proxy either for specified meeting or for a period</b>	<p>136. 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>
<b>No proxy to vote on a show of hands</b>	<p>137. No proxy shall be entitled to vote by a show of hands.</p>

<b>Instrument of proxy when to be deposited</b>	138. 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.
<b>Form of Proxy</b>	139. 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.
<b>Validity of votes given by proxy notwithstanding revocation of authority</b>	140. 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 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.
<b>Time for objection to vote</b>	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.
<b>Chairman of any Meeting to be the judge of Validity of any value</b>	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.
<b>Custody of Instrument</b>	143. If any such instrument of appointment is confined to the object of appointing an 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.
<b>DIRECTORS</b>	
<b>Number of Directors</b>	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.
<b>First Directors</b>	145. The persons hereinafter named shall be the first Directors of the Company:-

	<ol style="list-style-type: none"> <li>1) Harshad Purshottamdas Bhatt</li> <li>2) Tekchand Pamandas Chawla</li> </ol>
<b>Debenture Directors</b>	<p>146.</p> <p>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, 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>
<b>Nominee Director or Corporation Director</b>	<p>147.</p> <ol style="list-style-type: none"> <li>a. 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.</li> <li>b. 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.</li> <li>c. 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 ipso facto vacate such office immediately on the moneys owing by the Company to the Corporation being paid off</li> <li>d. 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</li> </ol>

	<p>notices and minutes.</p> <p>e. 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 powers and duties as may be 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 him.</p>
<b>Special Director</b>	<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. The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such Company or corporation or any partner or such person and shall be delivered to the Company at its registered office. It is clarified that every collaborator entitled to appoint a director under this Article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.</p>
<b>Limit on number of retaining Directors</b>	<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>
<b>Alternate Director</b>	<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</p>

	<p>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 the State 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>
<b>Directors may fill in vacancies</b>	<p>151. 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.</p>
<b>Additional Directors</b>	<p>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.</p>
<b>Qualification shares</b>	<p>153. A Director need not hold any qualification shares</p>
<b>Directors’ sitting fees</b>	<p>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.</p>
<b>Extra remuneration to Directors for special work</b>	<p>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 Board of Directors, and such remuneration may be either in addition to or in substitution for his share in the remuneration herein provided.</p> <p>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 authorized such payment.</p>

<b>Travelling expenses incurred by Directors on Company's business</b>	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 travelling, hotel, and other incidental expenses properly incurred by him in addition to his fees for attending such Meeting as above specified.
<b>Director may act notwithstanding vacancy</b>	157. 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.
<b>Board Resolution necessary for certain contracts</b>	158. <ol style="list-style-type: none"> <li>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. <ol style="list-style-type: none"> <li>(a) For the sale, purchase or supply of goods, materials or services; or</li> <li>(b) For underwriting the subscription of any Share in or debentures of the Company;</li> <li>(c) Nothing contained in clause (a) of sub-clause (1) shall affect:- <ol style="list-style-type: none"> <li>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</li> <li>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;</li> </ol> </li> </ol> </li> <li>2) Notwithstanding anything else 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.</li> <li>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 date on which it</li> </ol>

	<p>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> <p>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.</p>
<b>Disclosure to the Members of Directors' interest in contract appointing Managers, Managing Director or Whole-time Director</b>	<p>159.</p> <p>When the Company:-</p> <p>(a) 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>(b) 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>
<b>Directors of interest General notice of disclosure</b>	<p>160.</p> <p>(a) 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>(b) 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 it is brought up and read at the first meeting of the Board after it is given.</p>
<b>Directors and Managing Director may contract with Company</b>	<p>151.</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>
<b>Disqualification of the Director</b>	<p>162.</p> <p>A person shall not be capable of being appointed Director of the Company if:-</p> <p>(a) He has been found to be of unsound mind by a Court of competent jurisdiction and the finding is in force;</p> <p>(b) He is an undischarged insolvent;</p>

	<p>(c) He has applied to be adjudged an insolvent and his application is pending;</p> <p>(d) 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>(e) 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>(f) 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>
<b>Vacation of office by Directors</b>	<p>163. The office of Director shall become vacant if:-</p> <p>(a) He is found to be of unsound mind by a Court of competent jurisdiction; or</p> <p>(b) He applies to be adjudged an insolvent; or</p> <p>(c) He is adjudged an insolvent; or</p> <p>(d) He is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or</p> <p>(e) 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>(f) 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>(g) 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>(h) 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>(i) He becomes disqualified by an order of the Court under Section 203 of the Act; or</p> <p>(j) He is removed by an Ordinary Resolution of the Company before the expiry of his period of office; or</p> <p>(k) If by notice in writing to the Company, he resigns his office, or</p> <p>(l) Having been appointed as a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company.</p>
<b>Vacation of office by Directors</b>	<p>164. Notwithstanding anything contained in sub-clauses (c), (d) and (i) of Article</p>



	<p>162hereof, the disqualification referred to in these clauses shall not take effect:</p> <p>(a) for thirty days from the date of the adjudication, sentence or order;</p> <p>(b) 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>(c) where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence, conviction or order, and the appeal or petition, if allowed, would result in the removal of the disqualification, until such further appeal or petition is disposed of.</p>
<p><b>Removal of Directors</b></p>	<p>165.</p> <p>(a) 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>(b) Special Notice as provided by these Articles or Section 190 of the Act; shall be required of any Resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.</p> <p>(c) 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>(d) 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: (i) in the notice of the Resolution given to the Members of the Company state the fact of the representations having been made, and (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 are received 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, the Court is satisfied that the rights concerned by this sub-clause are being abused to secure needless publicity for defamatory matter.</p> <p>(e) 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</p>

	<p>aforesaid.</p> <p>(f) If the vacancy is not filled under sub-clause(e), 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>(g) 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>(h) Nothing contained in this Article shall be taken:-</p> <ol style="list-style-type: none"> <li>i. as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as Director, or</li> <li>ii. as derogating from any power to remove a Director which may exist apart from this Article.</li> </ol>
<b>Interested Directors not to participate or vote in Board's proceedings</b>	<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, nor 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> <ol style="list-style-type: none"> <li>(a) Any contract of indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;</li> <li>(b) Any contract or arrangement entered into or to be entered into with a public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely;</li> </ol> <ol style="list-style-type: none"> <li>i. In his being: <ol style="list-style-type: none"> <li>(a) A director of such company; and</li> <li>(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</li> </ol> </li> <li>ii. In his being a member holding not more than two percent of its paid up share capital.</li> </ol>
<b>Director may be director of companies promoted by the Company</b>	<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 except in so far Section 309(6) or Section 314 of the Act may be applicable.</p>
<b>Appointment of Sole Selling Agents</b>	<p>168.</p> <ol style="list-style-type: none"> <li>(a) 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.</li> <li>(b) The payment of any compensation to a sole selling agent shall be subject to the provisions of Section 294A of the Act.</li> </ol>
<b>Rotation of Directors</b>	<p>169.</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.
<b>Retirement of Directors</b>	170. 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.
<b>Retiring Directors</b>	171. 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.
<b>Appointment of Technical or Executive Directors</b>	172. (a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors. (b) Subject to the provisions of Section 262 of the Act, if the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.
<b>Ascertainment of Directors retiring by rotation and filling of vacancies</b>	173. Subject to Section 288 (5) 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.
<b>Eligibility for re-election</b>	174. 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.
<b>Company to fill vacancies</b>	175. Subject to Sections 258, 259 and 294 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.
<b>Provision in default of appointment</b>	176. (a) 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. (b) If at the adjourned Meeting also, the place of the retiring Director is not

	<p>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> <ol style="list-style-type: none"> <li>I. At that Meeting or the previous Meeting a Resolution for the re-appointment of such Director has been put to the Meeting and lost.</li> <li>II. 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.</li> <li>III. He is not qualified or is disqualified for appointment</li> <li>IV. A Resolution, whether Special or Ordinary is required for his appointment or reappointment by virtue of any provisions of the Act, or</li> <li>V. The provision of the sub-section (2) of section 263 of the Act is applicable to the case.</li> </ol>
<b>Company may increase or reduce the number of Directors or remove any Director</b>	<p>177. 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>
<b>Appointment of Directors to be voted individually</b>	<p>178.</p> <ol style="list-style-type: none"> <li>(a) 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.</li> <li>(b) A Resolution moved in contravention of clause (a) 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 of the automatic reappointment of retiring Directors in default of another appointment as herein before provided shall apply.</li> <li>(c) 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.</li> </ol>
<b>Notice of candidature for office of Directors except in certain cases</b>	<p>179.</p> <ol style="list-style-type: none"> <li>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</li> <li>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</li> </ol>

	<p>language of that place.</p> <p>3) Every person (other than Director retiring by rotation or otherwise a 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 of 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>
<b>Disclosure by Directors of their holdings of their Shares and debentures of the Company</b>	<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>
<b>Votes of Body Corporate</b>	<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 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>
<b>Powers to appoint Managing Director</b>	<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 Wholetime 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>(a) 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>(b) 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>

<b>Remuneration of Managing Director</b>	183. 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.
<b>Special position of Managing Director</b>	184. Subject to any contract between him and the Company, a Managing or Wholetime Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
<b>Powers of Managing Director</b>	185. The Board 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.
	186. The Company's General Meeting may also from time to time appoint any Managing Director or Managing Directors or Wholetime Director or Wholetime Directors of the Company and may exercise all the powers referred to in these Articles.
	187. 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.
	188. 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 he may think fit.
	189. 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.
<b>Appointment and powers of Manager</b>	189A. 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.
<b>WHOLE TIME DIRECTOR</b>	
<b>Power to appoint Whole Time Director and/or Whole-time Directors</b>	190. 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. 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 or periods and upon such conditions and subject to such restrictions as 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 an Ordinary Resolution or a contract/s or an agreement/s under such terms not expressly prohibited by the Act.
<b>To what provisions Whole time Directors shall subject</b>	191. Subject to the provisions of Section 255 of the Act and these Articles, a Whole Time Director or Whole Time Directors 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 provisions as to resignation and removal as the other Directors, and he/they shall ipso facto and immediately ceases or otherwise cease 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 at any Annual General Meeting and shall be re-appointed as a Director or 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.
<b>Seniority of Whole Time Director and Managing Director</b>	192. If at any time the total number of Managing Directors and Whole Time Directors is more than one, then 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.

<b>PROCEEDINGS OF THE BOARD OF DIRECTORS</b>	
<b>Meeting of Directors</b>	193. 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 atleast 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 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.
<b>Quorum</b>	194. (a) 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 two 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 two shall be the quorum during such time. (b) For the purpose of clause(a) (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 (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.
<b>Procedure when Meeting adjourned for want of quorum</b>	195. 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.
<b>Chairman of Meeting</b>	196. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors, provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same, meeting of the Director shall choose one of their members to be Chairman of such Meeting.
<b>Question at Board meeting how decided</b>	197. Subject to the provisions of Section 316, 372(5) 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.
<b>Powers of Board meeting</b>	198. 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.



<b>Directors may appoint Committee</b>	199. 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.
<b>Meeting of the Committee how to be governed</b>	200. 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.
<b>Circular Resolution</b>	201. (a) 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 (b) 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. (b) 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.
<b>Acts of Board or Committee valid notwithstanding defect in appointment</b>	202. 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.
<b>POWERS OF THE BOARD</b>	
<b>General powers of management vested in the Board of Directors</b>	203. 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

	<p>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. Provided that the Board shall not, except with the consent of the Company in General Meeting :-</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) Remit, or give time for the repayment of, any debt due by a Director,</li> <li>(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;</li> <li>(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;</li> <li>(e) Contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, or contribute any amount to any political party or for any political purposes to any individual or body 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;</li> </ul> <ul style="list-style-type: none"> <li>i. Provided that in respect of the matters 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) or, as the case may be, the total amount which may be contributed to charitable or other funds in a financial year under clause (e)</li> <li>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.</li> </ul>
<p><b>Certain powers to be exercised by the Board only at Meetings</b></p>	<p>204.</p> <ul style="list-style-type: none"> <li>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; <ul style="list-style-type: none"> <li>(a) the power to make calls, on Shareholders in respect of money unpaid on their Shares,</li> <li>(b) the power to issue Debentures,</li> </ul> </li> </ul>

	<p>(c) the power to borrow moneys otherwise than on Debentures,  (d) the power to invest the funds of the Company, and  (e) the power to make loans Provided that the Board may, by Resolution passed at a Meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company, the powers specified in sub-clause (c) (d) and (e) to the extent specified below:</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>
<p><b>Certain powers of the Board</b></p>	<p>205.  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> <ol style="list-style-type: none"> <li>1. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.</li> <li>2. 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.</li> <li>3. 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.</li> <li>4. At their discretion and subject to the provisions of the Act to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in 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.</li> <li>5. To secure the fulfillment of any contracts or engagement entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.</li> </ol>

	<p>6. 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.</p> <p>7. 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.</p> <p>8. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe and perform any awards made thereon 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.</p> <p>9. To act on behalf of the Company in all matters relating to bankruptcy and insolvency, winding up and liquidation of companies.</p> <p>10. To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.</p> <p>11. Subject to the provisions of Sections 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.</p> <p>12. To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present 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>13. 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>14. 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>
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15. To provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, 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.

16. Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund, or as 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 equalizing 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.

17. 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 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 of 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 powers conferred by this sub clause.

18. 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.

19. From time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards, and to fix their remuneration or salaries or emoluments.

20. 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 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.

21. 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.

22. 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.

23. From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.

24. To purchase or otherwise acquire any land, buildings, machinery, premises,

	<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>25. 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>26. 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>27. 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>28. 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>29. 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>30. 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>31. To improve, manage, develop, exchange, lease, sell, resell and repurchase, 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>32. 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>33. Generally subject to the provisions of the Act and these Articles, to delegate</p>
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	<p>the powers/authorities and discretions vested in the Directors to any person(s), firm, company or fluctuating body of persons as aforesaid.</p> <p>34. 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>
<b>MANAGEMENT</b>	
<b>Prohibition of simultaneous appointment of different categories of managerial personnel</b>	<p>206.</p> <p>The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely :-</p> <p>a) Managing Director and</p> <p>b) Manager.</p>
<b>MINUTES</b>	
<b>Minutes to be made</b>	<p>207.</p> <p>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.</p> <p>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:</p> <p>(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.</p> <p>(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.</p>
<b>Minutes to be evidence of the proceeds, Books of minutes of General Meeting to be kept</b>	<p>208.</p> <p>(a) 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. .</p> <p>(b) 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.</p>
<b>Presumptions</b>	<p>209.</p> <p>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.</p>
<b>THE SECRETARY</b>	
<b>Secretary</b>	<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</p>



	<p>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>
<b>The Seal, its custody and use</b>	<p>211.</p> <p>(a) Seal 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>(b) Common Seal for use outside India 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>(c) Safe Custody of Seal The Common Seal shall be in the safe custody of the Director or the Secretary for the time being of the company.</p> <p>(d) Affixing of Seal on deeds and instruments' 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>(e) Affixing of Seal on Share Certificates 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>(f) Removal of Common Seal outside the office premises The Board may authorize any person or persons to carry the Common Seal to any place outside the Registered Office for affixture and for return to safe custody to the Registered Office.</p>
<b>DIVIDENDS AND CAPITALISATION OF RESERVES</b>	
<b>Division of profits</b>	<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>
<b>The Company at General Meeting may declare dividend</b>	<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</p>

	directors. However, the Company may declare a smaller dividend than that recommended by the Board in General Meeting.
<b>Dividends out of profits only</b>	214. No dividend shall be payable except out of profits of the Company arrived at the manner provided for in Section 205 of the Act.
<b>Interim dividend</b>	215. 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.
<b>Debts may be deducted</b>	216. (a) 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. (b) 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.
<b>Capital paid-up in advance to carry interest, not the right to earn dividend</b>	217. 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.
<b>Dividends in proportion to amounts paid-up</b>	218. 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.
<b>No Member to receive dividend while indebted to the Company and the Company's right in respect thereof</b>	219. 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.
<b>Effect of transfer of Shares</b>	220. A transfer of Shares shall not pass the right to any dividend declared therein before the registration of the transfer.
<b>Dividend to joint holders</b>	221. 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.
<b>Dividend how remitted</b>	222. The dividend payable in cash may be paid by cheque or warrant sent through post 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.
<b>Notice of dividend</b>	223. Notice of the declaration of any dividend whether interim or otherwise shall be given to the registered holders of Shares in the manner herein provided.
<b>Reserves</b>	224. 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.
<b>Dividend to be paid within time required by law.</b>	225. 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:- <ul style="list-style-type: none"> <li>a. Where the dividend could not be paid by reason of the operation of any law; or</li> <li>b. where a Shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with; or</li> <li>c. where there is dispute regarding the right to receive the dividend; or</li> <li>d. where the dividend has been lawfully adjusted by the Company against any sum due to it from Shareholder; or</li> <li>e. 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.</li> </ul>
<b>Unpaid or unclaimed dividend</b>	226. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any Shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Bhanderi Infracon Limited ____ (year) Unpaid Dividend Account". Any money transferred to the unpaid dividend account of a 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 Fund known as Investor Education and Protection Fund established under Section 205C of the Act. No unclaimed or unpaid dividend shall be forfeited by the Board.
<b>Set-off of calls against dividends</b>	227. 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.
<b>Dividends in cash</b>	228. 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.
<b>Capitalisation</b>	229. 1) The Company in General Meeting may, upon the recommendation of the

	<p>Board, resolve:</p> <ol style="list-style-type: none"> <li>a. that it 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</li> <li>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 dividend and in the same proportion.</li> </ol> <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> <ol style="list-style-type: none"> <li>a. paying up any amount for the time being unpaid on any Shares held by such Members respectively, or</li> <li>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</li> <li>c. partly in the way specified in sub clause (a) and partly in that specified in sub-clause(b)</li> </ol> <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>
<b>Board to give effect</b>	<p>230. The Board shall give effect to the Resolution passed by the Company in pursuance of above Article.</p>
<b>Fractional certificates</b>	<p>231.</p> <ol style="list-style-type: none"> <li>1. Whenever such a Resolution as aforesaid shall have been passed, the Board shall; <ol style="list-style-type: none"> <li>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</li> <li>b. Generally do all acts and things required to give effect thereto.</li> </ol> </li> <li>2. The Board shall have full power: <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> </li> <li>3. Any agreement made under such authority shall be effective and binding on all such Members.</li> <li>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.</li> </ol>
<b>ACCOUNTS</b>	
<b>Books to be kept</b>	<p>232.</p> <ol style="list-style-type: none"> <li>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</li> </ol>

	<p>transactions with respect to:</p> <ol style="list-style-type: none"> <li>a. all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place</li> <li>b. all sales and purchases of goods by the Company</li> <li>c. the assets and liabilities of the Company and</li> <li>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 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.</li> </ol> <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 transactions effected at the branch are kept at that office and proper summarized 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>
<b>Inspection by Members</b>	<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>
<b>Statements of accounts to be furnished to General Meeting</b>	<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 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>
<b>Right of Members or others to copies of balance sheet and Auditors' report and statement under Section 219</b>	<p>235.</p> <ol style="list-style-type: none"> <li>1. The Company shall comply with the requirements of Section 219 of the Act.</li> <li>2. The copies of every balance sheet including the Profit and Loss Account, the Auditors' Report and every other document required to be laid before the Company in General Meeting shall be made available for inspection at the Registered Office of the Company during working hours for a period of 21 days before the Annual General Meeting.</li> </ol> <p>A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid, as the Company may deem fit will be sent to every Member of the Company and to every trustee of the holders of any Debentures issued by the Company not less than 21 days before the date of the Meeting.</p>
<b>Accounts to be audited</b>	<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>
<b>Appointment of Auditors</b>	<p>237.</p> <ol style="list-style-type: none"> <li>1. Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.</li> <li>2. The Company shall at each Annual General Meeting appoint an Auditor or</li> </ol>

	<p>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> <ol style="list-style-type: none"> <li>3. At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be re-appointed unless: <ol style="list-style-type: none"> <li>a. He is not qualified for re-appointment;</li> <li>b. He has given to the Company notice in writing of his unwillingness to be re-appointed;</li> <li>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</li> <li>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.</li> </ol> </li> <li>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.</li> <li>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.</li> <li>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 an Auditor, the vacancy shall only be filled by the Company in General Meeting.</li> <li>7. A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a Resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and 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.</li> </ol>
<p><b>Accounts when audited and approved to be conclusive except as to errors discovered within 3 months</b></p>	<p>238. 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>
<p><b>DOCUMENTS AND NOTICES</b></p>	
<p><b>To whom documents must be served or given</b></p>	<p>239. 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</p>

	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.
<b>Members bound by documents or notices served on or given to previous holders</b>	240. 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.
<b>Service of documents on the Company</b>	241. 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 post under a certificate of posting or by registered post or by leaving it at its Registered Office.
<b>Authentication of documents and proceedings</b>	242. 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.
<b>REGISTERS AND DOCUMENTS</b>	
<b>Registers and documents to be maintained by the Company</b>	243. The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following: <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>
<b>Inspection of Registers</b>	244. The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same

		fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing Article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.
<b>WINDING UP</b>		
<b>Distribution of assets</b>	<b>of</b>	245. 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.
<b>Distribution in specie or kind</b>	<b>in</b>	246. (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.  (b) If thought expedient any such division may, subject to the provisions of the Act, be otherwise than in accordance with the legal rights of the contributories (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 by a Special Resolution passed pursuant to Section 494 of the Act.  (c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.
<b>Right of Shareholders in case of sale</b>	<b>of in</b>	247. A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.
<b>Directors and others right to</b>	<b>and to</b>	248. Subject to the provisions of Section 201 of the Act, every Director of officer, or



<b>indemnity</b>	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.
<b>Director, officer not responsible for acts of others</b>	249. 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 and 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 of 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.
<b>Secrecy Clause</b>	250. 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 Board of 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 matters relating 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.
<b>No Member to enter the premises of the Company without permission</b>	251. 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 may 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

### LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by our Company or contracts entered into more than two years before the date of this Prospectus), which are or may be deemed to be material have been entered into by or on behalf of our Company. Copies of these contracts together with copies of documents referred under material documents below all of which have been attached to the copy of this Prospectus and have been delivered to the Registrar of Companies, Gujarat, for Registration and may be inspected at the Registered Office of the Company situated at B/12, Jabuka Complex, Near Bajrang Ashram, Below Vikas School, NH - 8, Thakkar Bapanagar Ahmedabad - 382350, Gujarat between 10:30 am to 5:30 pm on any working day from the date of filing of this Prospectus until the Issue Closing Date.*

#### **Material Contracts**

1. Memorandum of Understanding dated April 17, 2014 between our Company and the Lead Manager.
2. Memorandum of Understanding dated April 21, 2014 and Supplementary Memorandum of Understanding dated June 13, 2014 between our company and the Registrar to the Issue.
3. Escrow Agreement dated July 08, 2014 between our Company, Lead Manager, Escrow Collection Bank and the Registrar to the issue.
4. Underwriting Agreement dated April 21, 2014 and Supplementary Underwriting Agreement dated June 13, 2014 between our Company and the Lead Manager.
5. Market Making Agreement dated April 21, 2014 and Supplementary Market Making Agreement dated June 13, 2014 between our Company, Lead Manager and Market Maker.
6. Tripartite agreement dated April 10, 2014 between NSDL, our Company and the Registrar to the Issue.
7. Tripartite agreement dated March 19, 2014 between CDSL, our Company and the Registrar to the Issue.

#### **Material Documents for Inspection**

8. Certificate of Incorporation dated July 19, 2004.
9. Copy of Fresh Certificate of Incorporation dated February 26, 2013 issued by Registrar of Companies, consequent to the change of name from Bileshwar Industrial Estate Developers Private Limited to Bhanderi Infracon Private Limited
10. Copy of Fresh Certificate of Incorporation dated April 29, 2013 issued by Registrar of Companies, consequent to the change of name from Bhanderi Infracon Private Limited to Bhanderi Infracon Limited on conversion of Company from private to public limited Company.
11. Certified True Copies of Memorandum and Articles of Association of our Company as amended from time to time.
12. Copy of the Resolution passed at the meeting of the Board of Directors held on March 01, 2014 approving the Issue.

13. Copy of the Resolution passed by the Shareholders of the Company under section 81 (1A) of the Companies Act, 1956 at the Extra Ordinary General Meeting held on March 24, 2014.
14. Report dated June 09, 2014 from M/s. S A R A & Associates, Chartered Accountants, the statutory Auditors of the Company on the restated financial statements for the years ended March 31, 2009, 2010, 2011, 2012, 2013 and for ten months period ended January 31, 2014.
15. Legal Due Diligence Reports dated July 07, 2014 and July 10, 2014 from Law Chamber of Siddharth Murarka, Legal Advisors to the Issue.
16. Copy of Statement of Tax Benefits dated April 21, 2014 from the statutory Auditors of the Company, M/s. S A R A & Associates, Chartered Accountants.
17. Consents of the Directors, Company Secretary/Compliance Officer, Statutory Auditors, Lead Manager to the Issue, Underwriters, Market Makers, Bankers to our Company, Bankers to the Issue/Escrow Collection Bank, Refund Banker to the Issue, Legal Advisors to the Issue and Registrars to the Issue, to include their names in the Prospectus to act in their respective capacities.
18. Copy of approval from BSE vide letter dated July 01, 2014 to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.
19. Due Diligence Certificate dated July 11, 2014 of the Lead Manager to be submitted to SEBI along with the filing of the Prospectus.
20. Special Resolution dated January 13, 2014 for the appointment of Mr. Sunil Patel as Managing director and Mr. Dhirubhai Patel as Whole Time Director of our Company.

None of the contracts or documents mentioned in this Prospectus may be amended or modified at any time.

## **DECLARATION**

We, the Directors of the Company, hereby certify and declare that, all the relevant provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), and the guidelines issued by the Government of India or the regulations / guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all disclosures and statements made in this Prospectus are true and correct.

### **SIGNED BY THE BOARD OF DIRECTORS OF THE COMPANY**

Sd/-

**Mr. Sunil Dhirubhai Patel**  
**Managing Director**

Sd/-

**Mr. Dhirubhai Mohanbhai Patel**  
**Whole-time Director**

Sd/-

**Mr. Rohit Amrutbhai Thumar**  
**Independent Director**

Sd/-

**Mr. Kanubhai Govindbhai Bhanderi**  
**Independent Director**

Sd/-

**Mr. Maheshbhai Jayantibhai Savaliya**  
**Independent Director**

### **SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER**

Sd/-

**Mustafa Shabbir Badami**

**Date: July 11, 2014**

**Place: Ahmedabad**

## DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY CHOICE CAPITAL ADVISORS PRIVATE LIMITED

Sr. No.	Issue Name	Issue Size Rs. (Cr.)	Issue Price (Rs)	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 10 <sup>th</sup> calendar day from listing day	Benchmark index as on 10 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 20 <sup>th</sup> calendar day from listing day	Benchmark index as on 20 <sup>th</sup> calendar days from listing day (Closing)	Closing price as on 30 <sup>th</sup> calendar day from listing day*	Benchmark index as on 30 <sup>th</sup> calendar days from listing day (Closing)**
1	Chemtech Industrial Valves Limited	7.43	15.00	January 31, 2014	14.70	14.95	0.33	20513.85	14.75	20334.27	14.95	20536.64	14.95	21120.12

Source: All share price data is from www.bseindia.com

**Note:-**

1. The BSE Sensex is considered as the Benchmark Index
2. Price on BSE is considered for all of the above calculations

\* Since the 30<sup>th</sup> calendar day from listing day is not a trading day (trading holiday), closing price of the previous trading day i.e. February 20, 2014 has been considered

\*\* Since the 30<sup>th</sup> calendar day from the listing day is not a trading day (trading holiday), closing price of the previous trading day i.e. February 28, 2014 has been considered

**SUMMARY STATEMENT OF DISCLOSURE**

Financial Year	Total no. of IPOs	Total Funds Raised (Rs. Cr.)	Nos. of IPOs trading at discount on listing date			Nos. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30 <sup>th</sup> calendar day from listing day			Nos. of IPOs trading at premium as on 30 <sup>th</sup> 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%
13-14	1	7.43	-	-	1	-	-	-	-	-	1	-	-	-

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