

## TARINI INTERNATIONAL LIMITED

Our Company was originally incorporated at Delhi as "Tarini International Private Limited" on 20<sup>th</sup> January, 1999, under the provisions of Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company was converted in to a public limited company and consequently the name was changed to "Tarini International Limited" vide fresh certificate of incorporation dated 8<sup>th</sup> July, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. For further details in relation to the changes to the name of our Company, please refer to the section titled "Our History and Corporate Structure" beginning on page 75 of this Draft Prospectus.

**Registered office:** D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar IV, New Delhi-110024;

**Tel:** 91-11-26479995/26285364; **Fax:** 91-11-26477996;

**Accounts and Administrative Office:** F-33, Basement, East of Kailash, New Delhi-110065;

**Email:** [tarini@nde.vsnl.net.in](mailto:tarini@nde.vsnl.net.in); **Website:** [www.tariniindia.com](http://www.tariniindia.com)

**Contact Person & Compliance Officer:** Mr. Amit Arora, Company Secretary & Compliance Officer;

**PROMOTERS OF THE COMPANY:** MR. VAKAMULLA CHANDRA SHEKHAR & MRS. VAKAMULLA ANU NAIDU

**PUBLIC ISSUE OF 39,78,000 EQUITY SHARES OF RS.10/- EACH ("EQUITY SHARES") OF TARINI INTERNATIONAL LIMITED ("TIL" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS.41/- PER SHARE (THE "ISSUE PRICE"), AGGREGATING TO RS. 1630.98 LACS ("THE ISSUE"), OF WHICH, 2,01,000 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 37,77,000 EQUITY SHARES OF RS.10/- EACH IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.60% AND 29.06%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY.**

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

*For Further Details See "Issue Related Information" Beginning On Page142 of this Draft Prospectus.*

All potential investors may participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page148 of this Draft Prospectus. In case of delay, if any in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

**THE FACE VALUE OF THE EQUITY SHARES IS RS. 10/- EACH AND THE ISSUE PRICE IS 4.10 TIMES OF THE FACE VALUE.**

### RISK IN RELATION TO THE FIRST ISSUE TO THE PUBLIC

This being the first issue of our Company, there has been no formal market for the securities of the Company. The face value of the Equity Shares is Rs. 10/- and the issue price is at 4.10 times of face value. The issue price (as determined by our Company in consultation with the Lead Manager and as stated in the chapter titled on "Basis For Issue Price" beginning on page 48 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the Company or regarding the price at which the equity shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the BSE SME Platform nor does BSE SME Platform guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 9 of this Draft Prospectus

### ISSUER'S ABSOLUTE RESPONSIBILITY

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

### LISTING

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

| LEAD MANAGER  |   | REGISTRAR TO THE ISSUE   |  |
|---|---|--|--|
|  | <b>GUINNESS CORPORATE ADVISORS PVT. LTD.</b><br>18, Deshpriya Park Road,<br>Kolkata-700 026.<br><b>Tel :</b> +91-33-3001 5555<br><b>Fax:</b> +91-33-3001 5531<br><b>Email:</b> <a href="mailto:gmbpl@guinnessonline.net">gmbpl@guinnessonline.net</a><br><b>Website:</b> <a href="http://www.16anna.com">www.16anna.com</a><br><b>Contact Person:</b> Ms. Alka Mishra<br><b>SEBI Regn. No.:</b> INM 000011930 |  | <b>LINK INTIME INDIA PVT. LTD</b><br>C-13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup (West),<br>Mumbai 400078.<br><b>Tel:</b> +91-22-2596 7878<br><b>Fax:</b> +91-22-2596 0329<br><b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a><br><b>E-mail ID:</b> <a href="mailto:ptl.ipo@linkintime.co.in">ptl.ipo@linkintime.co.in</a><br><b>Contact Person:</b> Mr. Sachin Achar<br><b>SEBI Registration No:</b> INR000004058 |
|   |   |  |  |

### ISSUE PROGRAMME

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

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## SECTION I: GENERAL

### DEFINITIONS AND ABBREVIATIONS

#### DEFINITIONS

| TERMS  | DESCRIPTION   |
|--|---|
| "our Company", "the Company", "TIL", Tarini "we", "us" or "the Issuer" | Tarini International Limited, a public limited company incorporated under the Companies Act, 1956 |

#### CONVENTIONAL/GENERAL TERMS

| TERMS   | DESCRIPTION   |
|---|---|
| AOA/Articles/ Articles of Association                         | Articles of Association of Tarini International Limited   |
| Banker to the Issue   | [●]   |
| Board of Directors / Board/Director(s)                        | The Board of Directors of Tarini International Limited  |
| BSE   | BSE Limited (the designated stock exchange)   |
| Companies Act   | Unless specified otherwise, this would imply to the provisions of the Companies Act, 2013 (to the extent notified) and /or Provisions of Companies Act, 1956 w.r.t. the sections which have not yet been replaced by the Companies Act, 2013 through any official notification. |
| Depositories Act  | The Depositories Act, 1996 as amended from time to time   |
| CIN   | Company Identification Number   |
| DIN   | Directors Identification Number   |
| Depositories  | NSDL and CDSL   |
| FIPB  | Foreign Investment Promotion Board  |
| FVCI  | Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time.   |
| Director(s)   | Director(s) of Tarini International Limited, unless otherwise specified   |
| Equity Shares / Shares  | Equity Shares of our Company of face value of Rs. 10 each unless otherwise specified in the context thereof   |
| EPS   | Earnings Per Share  |
| GIR Number  | General Index Registry Number   |
| Gol/ Government   | Government of India   |
| Statutory Auditor / Auditors                                  | M/s VCG & Co., Chartered Accountants, the statutory / tax auditors of our Company   |
| Peer Review Auditors  | M/s Ramanand & Associates, Chartered Accountants, the Peer Review Auditors of our Company   |
| Promoters   | Promoters of the Company being Mr. Vakamulla Chandrashekhar and Mrs. Vakamulla Anu Naidu  |
| Promoter Group Companies /Group Companies / Group Enterprises | Unless the context otherwise specifies, refers to those entities mentioned in the section titled "Our Promoter Group / Group Companies / Entities" on page 93 of this Draft Prospectus.   |
| HUF   | Hindu Undivided Family  |
| Indian GAAP   | Generally Accepted Accounting Principles in India   |
| IPO   | Initial Public Offering   |
| Key Managerial Personnel / Key Managerial Employees           | The officers vested with executive powers and the officers at the level immediately below the Board of Directors as described in the section titled "Our Management" on page 87 of this Draft Prospectus.   |
| MOA/ Memorandum/ Memorandum of Association                    | Memorandum of Association of Tarini International Limited   |
| Non Resident  | A person resident outside India, as defined under FEMA  |
| Non-Resident Indian/ NRI                                      | A person resident outside India, who is a citizen of India or a Person of Indian Origin   |

| TERMS                                    | DESCRIPTION   |
|--|---|
|  | as defined under FEMA Regulations   |
| Overseas Corporate Body / OCB            | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. <b>OCBs are not allowed to invest in this Issue.</b> |
| Person or Persons                        | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires   |
| Registered office of our Company         | D-2, 1 <sup>st</sup> Floor , Amar Colony, Lajpat Nagar IV, New Delhi-110024   |
| SEBI                                     | The Securities and Exchange Board of India constituted under the SEBI Act   |
| SEBI Act                                 | Securities and Exchange Board of India Act, 1992  |
| SEBI Regulation/ SEBI (ICDR) Regulations | The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended  |
| SEBI Takeover Regulations                | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended   |
| SICA                                     | Sick Industrial Companies (Special Provisions) Act, 1985  |
| SME Platform of BSE/Stock Exchange       | The SME platform of BSE for listing of equity shares offered under Chapter X-B of the SEBI (ICDR) Regulations   |
| SWOT                                     | Analysis of strengths, weaknesses, opportunities and threats  |
| RoC                                      | Registrar of Companies, National Capital Territory of Delhi & Haryana.  |

#### ISSUE RELATED TERMS

| TERMS  | DESCRIPTION  |
|--|--|
| Allotment/Allot                                | Issue of Equity Shares pursuant to the Issue to the successful applicants as the context requires.   |
| Allottee                                       | The successful applicant to whom the Equity Shares are being / have been issued  |
| Applicant                                      | Any prospective investor who makes an application for Equity Shares in terms of this Draft Prospectus  |
| Application Form                               | The Form in terms of which the applicant shall apply for the Equity Shares of the Company  |
| 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  |
| 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)                              | Prospective investors in this Issue who apply through the ASBA process. Pursuant to SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, non- retail Investors i.e. QIBs and Non-Institutional Investors participating in this Issue are required to mandatorily use the ASBA facility to submit their Applications. |
| ASBA Location(s)/Specified Cities              | Location(s) at which ASBA Application can be uploaded by the Brokers, namely Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Baroda and Surat.   |
| ASBA Public Issue Account                      | An Account of the Company under Section 40 of the Companies Act, 2013, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Investors  |
| Basis of Allotment                             | The basis on which Equity Shares will be allotted to the Investors under the Issue and which is described in "Issue Procedure-Basis of Allotment" on page 154 of the Draft Prospectus  |
| Designated Market Maker                        | Guinness Securities Limited  |
| Eligible NRI                                   | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein   |

| TERMS   | DESCRIPTION  |
|---|--|
| Issue/Issue size/ initial public issue/Initial Public Offer/Initial Public Offering | Public issue of 39,78,000 Equity Shares of Rs. 10/- each ("Equity Shares") of Tarini International Limited ("TIL" or the "Company" or the "Issuer") for cash at a price of Rs. 41/- per share (the "Issue Price"), aggregating to Rs. 1630.98 Lacs ("the Issue")   |
| Issue Opening date  | The date on which the Issue opens for subscription   |
| Issue Closing date  | The date on which the Issue closes for subscription  |
| 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   |
| Lead Manager/LM   | Lead Manager to the Issue being Guinness Corporate Advisors Private Limited  |
| Listing Agreement   | Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company and the SME Platform of BSE.  |
| Market Maker Reservation Portion  | The Reserved portion of 2,01,000 Equity shares of Rs. 10/- each at Rs. 41/- per Equity Share aggregating to Rs. 82.41 Lacs for Designated Market Maker in the Initial Public Issue of Tarini International Limited   |
| Net Issue   | The Issue (excluding the Market Maker Reservation Portion) of 37,77,000 Equity Shares of Rs.10/- each at Rs. 41/- per Equity Share aggregating to Rs. 1548.57 Lacs by Tarini International Limited   |
| Business Day  | Any day on which commercial banks in Mumbai are open for the business  |
| Depository Act  | The Depositories Act, 1996   |
| Depository  | A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996  |
| Depository Participant  | A depository participant as defined under the Depositories Act, 1996   |
| Designated Market Maker   | Guinness Securities Limited having registered office at 216, 2 <sup>nd</sup> Floor, P.J. Towers, Dalal Street, Mumbai- 400 001 and correspondence office at Guinness House, 18, Deshapriya Park Road, Kolkata-700 026  |
| Escrow Account  | Account opened/to be opened with the Escrow Collection Bank(s) and in whose favor the Applicant (excluding the ASBA Applicant) will issue cheques or drafts in respect of the Application Amount when submitting an Application  |
| Escrow Agreement  | Agreement entered / to be entered into amongst the Company, Lead Manager, the Registrar, the Escrow Collection Bank(s) for collection of the Application Amounts and for remitting refunds (if any) of the amounts collected to the Applicants (excluding the ASBA Applicants) on the terms and condition thereof  |
| Escrow Bankers to the Issue / Escrow Collection Bank (s)                            | Being [●]  |
| Escrow Collection Bank(s)   | The banks, which are clearing members and registered with SEBI as Bankers to the Issue at which bank the Escrow Account of our Company, will be opened   |
| Issue Price   | The price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. 41/-  |
| Mutual Funds  | A mutual Fund registered with SEBI under SEBI (Mutual Funds) Regulations, 1996   |
| Memorandum of Understanding   | The arrangement entered into on 19 <sup>th</sup> April, 2014 between our Company, and Lead Manager pursuant to which certain arrangements are agreed in relation to the Issue  |
| Non - resident  | A person resident outside India, as defined under FEMA including eligible NRIs and FIIs  |
| Prospectus  | The Prospectus, filed with the RoC containing, inter alia, the Issue opening and closing dates and other information.  |
| Issue Account / Public Issue Account  | Account opened with Bankers to the Issue for the purpose of transfer of monies from the Escrow Account on or after the Issue Opening Date  |
| Qualified Institutional Buyers or QIBs  | The term "Qualified Institutional Buyers" or "QIBs" shall have the meaning ascribed to such term under the SEBI ICDR Regulations and shall mean and include (i) a Mutual Fund, VCF and FVCI registered with SEBI; (ii) an FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; (iii) a public financial institution as defined in Section 1 (72) of the Companies Act, 2013; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of Rs. 250 million; (ix) a pension fund with minimum corpus of Rs. 250 million; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, |

| TERMS  | DESCRIPTION   |
|--|---|
|  | 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India; and (xii) insurance funds set up and managed by the Department of Posts, India eligible for applying in this Issue.  |
| Registrar/Registrar to the Issue             | Registrar to the Issue being Link Intime India Private Ltd. having office at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078   |
| Retail Individual Investor(s)                | 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  |
| Refund Account                               | The account opened / to be opened with Escrow Collection Bank(s), from which refunds, if any, of the whole or part of application Amount (excluding to the ASBA Applicants) shall be made.  |
| Refund bank                                  | [●]   |
| Refunds through electronic transfer of funds | Refunds through ECS, Direct Credit, RTGS or the ASBA process, as applicable   |
| Self-Certified Syndicate Banks or SCSBs      | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on <a href="http://www.sebi.gov.in/pmd/scsb.pdf">www.sebi.gov.in/pmd/scsb.pdf</a> or at such other website as may be prescribed by SEBI from time to time. |
| SEBI   | The Securities and Exchange Board of India constituted under the SEBI Act   |
| SEBI Act                                     | Securities and Exchange Board of India Act, 1992  |
| SEBI Regulation/ SEBI (ICDR) Regulations     | The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended  |
| Underwriters                                 | Guinness Corporate Advisors Private Limited   |
| Underwriting Agreement                       | The Agreement among the Underwriter and our Company   |
| Working Days                                 | All days on which banks in Mumbai are open for business except Sunday and public holiday, provided however during the Application period a working day means all days on which banks in Mumbai are open for business and shall not include a Saturday, Sunday or a public holiday   |
| Market Maker                                 | A market maker is a company, or an individual, that quotes both a buy and a sell price in a financial instrument or commodity held in inventory, hoping to make a profit on the bid-offer spread, or turn. Market makers are net sellers of an option to be adversely selected at a premium proportional to the trading range at which they are willing to provide liquidity.   |

#### COMPANY/INDUSTRY RELATED TERMS/TECHNICAL TERMS

| TERM/ABBREVIATION      | DESCRIPTION/FULL FORM                     |
|------------------------|---|
| AFC                    | Annual Fixed Charges                      |
| CEA                    | Central Electricity Authority             |
| CER                    | Certified Emission Reduction              |
| CERC                   | Central Electricity Regulatory Commission |
| CPP                    | Captive Power Plant                       |
| CPSU                   | Central Public Sector Undertaking         |
| Electricity Supply Act | Electricity (Supply) Act, 1948            |
| EPA                    | Environment (Protection) Act, 1986        |
| EPC                    | Engineering Procurement & Construction    |
| EOT                    | Electric Overhead Travelling              |
| ERC                    | Electricity Regulatory Commission         |
| ERP                    | Enterprise Resource Planning              |
| GIS                    | Geographic Information System             |
| GW                     | Giga Watt                                 |

| TERM/ABBREVIATION  | DESCRIPTION/FULL FORM                     |
|--------------------|---|
| HR                 | Human resources                           |
| IPP                | Independent Power Producer                |
| KW                 | Kilo Watt                                 |
| KWh Kilo Watt Hour | KWh Kilo Watt Hour                        |
| LC                 | Letter of credit                          |
| LoI                | Letter of Intent                          |
| MoU                | Memorandum of Understanding               |
| MU                 | Million Units                             |
| MW                 | Mega Watt                                 |
| NPV                | Net present value                         |
| PPA                | Power Purchase Agreement                  |
| FDI                | Foreign Direct Investment                 |
| MAT                | Minimum Alternative Tax under the I.T Act |

#### ABBREVIATIONS

| ABBREVIATION    | FULL FORM   |
|-----------------|---|
| AGM             | Annual General Meeting  |
| AMBI            | Association of Merchant Bankers of India  |
| AS              | Accounting Standards issued by the Institute of Chartered Accountants of India  |
| A.Y.            | Assessment Year   |
| B.A             | Bachelor of Arts  |
| B.Com           | Bachelor of Commerce  |
| B.E.            | Bachelor of Engineering   |
| B.Sc.           | Bachelor of Science   |
| B.Tech.         | Bachelor of Technology  |
| BG/LC           | Bank Guarantee / Letter of Credit   |
| CAGR            | Compounded Annual Growth Rate   |
| C. A.           | Chartered Accountant  |
| CAIIB           | Certified Associate of the Indian Institute of Bankers  |
| CC              | Cubic Centimeter  |
| CDSL            | Central Depository Services (India) Limited   |
| CEO             | Chief Executive Officer   |
| C.S.            | Company Secretary   |
| DP              | Depository Participant  |
| ECS             | Electronic Clearing System  |
| EGM / EOGM      | Extra Ordinary General Meeting of the shareholders  |
| EPS             | Earnings per Equity Share   |
| ESOP            | Employee Stock Option Plan  |
| EMD             | Earnest Money Deposit   |
| FCNR Account    | Foreign Currency Non Resident Account   |
| FEMA            | Foreign Exchange Management Act, 1999, as amended from time to time and the regulations issued there under.   |
| FII             | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India. |
| FIs             | Financial Institutions.   |
| FY / Fiscal     | Financial Year  |
| FVCI            | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.   |
| GDP             | Gross Domestic Product  |
| GoI/ Government | Government of India   |
| HUF             | Hindu Undivided Family  |

| ABBREVIATION               | FULL FORM  |
|----------------------------|--|
| INR / Rs./ Rupees          | Indian Rupees, the legal currency of the Republic of India                   |
| M. A.                      | Master of Arts   |
| MBBS                       | Bachelor in Medical Science  |
| M.B.A.                     | Master of Business Administration  |
| SME                        | Small And Medium Enterprises   |
| M. Com.                    | Master of Commerce   |
| NAV                        | Net Asset Value  |
| No.                        | Number   |
| NR                         | Non Resident   |
| NSDL                       | National Securities Depository Limited                                       |
| P/E Ratio                  | Price/Earnings Ratio   |
| PAN                        | Permanent Account Number   |
| RoC/Registrar of Companies | Registrar of Companies, National Capital Territory of Delhi & Haryana        |
| RONW                       | Return on Net Worth  |
| USD/ \$/ US\$              | The United States Dollar, the legal currency of the United States of America |



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

### **FINANCIAL DATA**

Unless stated otherwise, the financial data in this Draft Prospectus is extracted from the financial statements of our Company for the fiscal years 2013, 2012, 2011, 2010, 2009 and period ended 31<sup>st</sup> December, 2013 and the restated financial statements of our Company for Fiscal Years 2013, 2012, 2011, 2010, 2009 and period ended 31<sup>st</sup> December, 2013 prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2009, as stated in the report of our Auditors and the SEBI Regulations and set out in the section titled – Financial Information on page 107. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI Regulations. Our fiscal years commence on April 1 and end on March 31. In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

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

### **CURRENCY OF PRESENTATION**

All references to "Rupees" or "Rs." or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "\$", "US\$", "USD", "U.S.\$" or "U.S. Dollar(s)" are to United States Dollars, if any, the official currency of the United States of America. This Draft Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees (and certain Indian Rupee amounts into U.S. Dollars and other currency amounts). These have been presented solely to comply with the requirements of the SEBI Regulations. These translations should not be construed as a representation that such Indian Rupee or U.S. Dollar or other amounts could have been, or could be, converted into Indian Rupees, at any particular rate, or at all.

In this Draft Prospectus, throughout all figures have been expressed in Lacs, except as otherwise stated. The word "Lacs", "Lac", "Lakhs" or "Lakh" means "One hundred thousand".

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated financial statement prepared in accordance with Indian GAAP.

### **INDUSTRY & MARKET DATA**

Unless otherwise stated, Industry & Market data used throughout this Draft Prospectus has been obtained from internal Company reports and Industry publications and the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Draft Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

For additional definitions, please refer the section titled "Definitions and Abbreviations" on page 1 of this Draft Prospectus.

## FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Prospectus, that contain words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "shall", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will continue", "will pursue" and similar expressions or variations of such expressions that are "forward-looking statements". However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Company objectives, plans or goals, expected financial condition and results of operations, business, plans and prospects are also forward-looking statements.

These forward-looking statements include statements as to business strategy, revenue and profitability, planned projects and other matters discussed in this Draft Prospectus regarding matters that are not historical fact. These forward-looking statements contained in this Draft Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others General economic conditions, political conditions, regulatory changes pertaining to the entertainment industry in India, technological changes, our exposure to market risks which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, etc.

- Our ability to successfully implement our strategy, our growth and expansion, technological changes.
- Our exposure to market risks that have an impact on our business activities or investments.
- The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and Globally.
- Changes in foreign exchange rates or other rates or prices;
- Our failure to keep pace with rapid changes in engineering, infrastructure and power sector;
- The monetary and interest policies of India, unanticipated turbulence in interest rates;
- Our ability to protect our intellectual property rights and not infringing intellectual property rights of other parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Changes in political condition in India.
- The outcome of legal or regulatory proceedings that we are or might become involved in;
- Government approvals;
- Our ability to compete effectively, particularly in new markets and businesses;
- Our dependence on our Key Management Personnel and Promoter;
- Conflicts of interest with affiliated companies, the Group Entities and other related parties;
- Other factors beyond our control; and
- Our ability to manage risks that arise from these factors.

For further discussion of factors that could cause Company's actual results to differ, see the section titled "Risk Factors" on page 9 of this Draft 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, 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, our 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.

## SECTION II

### RISK FACTORS

*An Investment in equity involves higher degree of risks. Prospective investors should carefully consider the risks described below, in addition to the other information contained in this Draft Prospectus before making any investment decision relating to the Equity Shares. The occurrence of any of the following events could have a material adverse effect on the business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to decline and you may lose all or part of your investment.*

*Prior to making an investment decision, prospective investors should carefully consider all of the information contained in this Draft Prospectus, including the sections titled "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the "Financial Information" included in this Draft Prospectus beginning on pages 63, 122 & 107 respectively. The occurrence of any of the following events could have a material adverse effect on our business, results of operation, financial condition and prospects and cause the market price of the Equity Shares to fall significantly.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.*

#### **Materiality**

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

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

*The risk factors are as envisaged by the management. Wherever possible, the financial impact of the risk factors has been quantified.*

#### **INTERNAL RISK FACTORS**

1. **Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.**

We employ significant number of employees. We are unable to assure you that we will not experience disruptions to our operations due to disputes or other problems with our work force, which may lead to strikes, lock - outs or increased wage demands. Such issues could have an adverse effect on our business, and results of operations.

2. **The insurance coverage taken by our Company may not be adequate to protect against certain business risks. This may adversely affect our financial condition and result of operations.**

Operating and managing a business involves many risks that may adversely affect our Company's operations, and the availability of insurance is therefore important to our operations. Our Company believes that our insurance coverage is generally consistent with industry practice. However, to the extent that any uninsured risks materialize or if it fails to effectively cover itself for any risks, we could be exposed to substantial costs and losses that would adversely affect financial condition. In addition, our Company cannot be certain that the coverage will be available in sufficient amounts to cover one or more large claims, or that our insurers will not disclaim coverage as to any claims. A successful assertion of one or more large claims against our Company that exceeds our available insurance coverage or that leads to adverse changes in our insurance policies, including premium increases or the imposition of a large deductible or coinsurance requirement, could adversely affect our financial condition and results of operations.

3. There are outstanding litigations by and against our Company, Promoters and Promoter Group concerns, which if determined adversely, could affect our business and financial operations:

Summary of litigations are given below:

| Sr. No.  | Particulars   | No. of cases / disputes            | Amount Involved  |
|--|---|------------------------------------|--|
| <b>LITIGATIONS BY AND AGAINST OUR COMPANY</b>            |   |                                    |  |
| Litigations filed by our Company                         |   |                                    |  |
| 1.   | Civil cases filed by our Company:<br>Tarini International Ltd. is a party in the impending suit for permanent and mandatory injunction and damages pending before the Hon'ble High Court of Delhi. The suit is titled V. Chandrashekhar & Ors Vs. Anurag Dhumal & Ors. Being CS (OS) No. 107/2014. The said suit has been filed by the promoter Mr. V. Chandrashekhar for himself and on behalf of Tarini International Ltd. and other group companies of TIL in the suit. The matter is pending disposal before the Hon'ble High Court.  | 1                                  | Damages sought for Rs 300 Lacs from defendants.  |
| <b>LITIGATIONS INVOLVING OUR PROMOTER GROUP ENTITIES</b> |   |                                    |  |
| 1.   | Civil cases by our Promoter Group Entities:<br>i. Venture Energy and Technologies Ltd. has filed a writ petition before the High Court of Himachal Pradesh at Shimla. The writ petition is titled Venture Energy and Technologies Ltd. Vs. State of Himachal Pradesh being number CWP no. 2411/2014. The said writ petition is filed against the illegal cancellation of Sai Kothi 15 MW power project of Venture Energy and Technologies Ltd. The notice has been issued in the writ petition and the same is pending before the High Court of Himachal Pradesh at Shimla.<br><br>ii. Defamation Suit by Group Companies   | 1<br><br>Please refer to (1) above | The Company Venture Energy has incurred an expenditure of Rs 800 Lacs approx. on the said project as pre-operative expenses.<br><br>Please refer to (1) above                                |
| 2.   | Civil cases against our Promoter Group Entities:<br><br>i. Tarini Infrastructure Ltd. is a party in a civil proceeding before the Hon'ble Supreme Court, being titled Civil Appeal No. 5875/2012 titled Gujarat Urja Vikas Nigam Ltd. Vs. Tarini Infrastructure Ltd. The said Civil Appeal has been filed by the Gujarat Urja Vikas Nigam Ltd. against the order dated 31/05/2012 passed in Appeal no. 29 of 2011 of the Appellate Tribunal of Electricity. The Appellate Tribunal of Electricity had allowed the tariff dispute in the favour of the Tarini Infrastructure Ltd. The said Civil Appeal is now pending final disposal before the Hon'ble Supreme Court of India. | 1                                  | Tariff revision of Rs 4.50 per kwh sought in lieu of Rs 3.49 currently applicable since August 2010 based on completion cost of the Project.<br><br>(Approx. difference of Rs 1.00 per unit) |

4. We have incurred losses in F.Y. 2012-13.

We have incurred losses of Rs. 0.09 Lacs in fiscal 2013 as per our restated financial statements. We cannot guarantee that we will not make losses in the future.

**5. Some of our Group Companies has posted negative profits in last three (3) financial years.**

Some of our Promoter Group Companies as tabled below have incurred losses in the last three financial years. The details of profit/loss are as under:

| (Rs. in Lacs)                                 |                         |          |          |          |
|---|-------------------------|----------|----------|----------|
| Name of Group Company                         | Particulars             | 31.03.13 | 31.03.12 | 31.03.11 |
| B. Soilmec India Private Limited              | Profit/(Loss) after Tax | (5.01)   | (2.88)   | (1.94)   |
| Tarini Wilderness Innovations Private Limited | Profit/(Loss) after Tax | (0.56)   | (1.42)   | -        |
| Venture Infrastructure Limited                | Profit/(Loss) after Tax | (27.35)  | (18.25)  | (17.52)  |

**6. Our revenues depend upon the award of new contracts. Consequently, our failure to win new contracts will adversely affect our results of operations and our cash flows may fluctuate materially from period to period.**

Our revenues are derived primarily from contracts awarded to us on a project-by-project basis. Generally, it is very difficult to predict whether and when we will be awarded a new contract since many potential contracts involve a lengthy and complex bidding and selection process that may be affected by a number of factors, including changes in existing or assumed market conditions, financing arrangements, technical and financial qualifications, governmental approvals and environmental matters. Because our revenues are derived primarily from these contracts, our results of operations and cash flows may be adversely affected or fluctuate materially from period to period depending on our ability to win new contracts.

The uncertainty associated with the award of new contracts may increase our cost of doing business. For example, we may decide to maintain and bear the cost of a workforce in excess of our current contract needs in anticipation of future contract awards. If an expected contract award is delayed or not received, we could incur costs in maintaining an idle workforce that may have a material adverse effect on our results of operations.

**7. Projects included in our order book may be changed, delayed, cancelled or not fully paid for by our clients, which could materially harm our cash flow position, revenues or profits.**

The future earnings related to the performance of the work in our order book may not be realized. Although projects in our order book represent business that we may consider firm on the date of such order book, cancellations, delays or scope adjustments may occur. Due to changes that may occur in project scope and schedule, we cannot predict with certainty when or if the projects in our order book will be completed. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed or dispute the amounts owed to us. Any delay, cancellation or payment default could materially harm our cash flow position, revenues and profits, and adversely affect the trading price of the Equity Shares.

**8. Our registered office is under renovation for time-being and we have temporarily shifted our administrative activities at F-33, Basement, East of Kailash, New Delhi-110065.**

While we own our registered office which is situated at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar IV, New Delhi-110024. We have commenced certain renovation activities at our registered office and for administrative convenience we have temporarily shifted our administrative activities at F-33, Basement, East of Kailash, New Delhi-110065. Any delay in completion of renovation activities will force ourselves to carry out our administrative operations from F-33, Basement, East of Kailash, New Delhi-110065.

**9. We operate in highly competitive businesses and increased competitive pressure may adversely affect our results of operations.**

We operate in highly competitive businesses. Our contracts are entered into primarily through a competitive bidding process and certain contracts are entered into on the basis of negotiations with the client. 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 compete against various multinational and

national companies as well as regional organized and unorganized entities. In selecting contractors for projects, clients generally limit the tender to contractors they have pre-qualified based on technical and financial criteria, such as experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Our ability to meet the qualification criteria in our various business areas is critical to being considered for any project. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. Our competitors may be larger and may have better access to financial resources. Some of our competitors may be better known in regional markets in which we compete. Our inability to compete successfully in the businesses in which we operate could materially and adversely affect our business prospects and results of operations.

- 10. We depend on the adequate and timely supply of materials and bought-out items at commercially acceptable prices. Any disruptions, delay or increase in prices of such material and bought-out items could have a material adverse effect on our business.**

Our business is significantly affected by the availability, cost and quality of materials and bought-out items that we require to construct, develop and complete our projects and services. The price and supply of materials, equipment and bought-out items depend on factors not under our control, including domestic and international economic conditions, competition, availability of quality suppliers, production levels, transportation costs and import, value added and government duties and taxes. Any of such events could have a material adverse effect on our business and results of operations.

- 11. We are dependent on our management team for success whose loss could seriously impair the ability to continue to manage and expand business efficiently.**

Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Further, the loss of any of the senior management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability to implement new projects and expand our business.

- 12. We have substantial indebtedness and will continue to have debt service obligations following the Issue. The total amounts outstanding and payable by our Company as principal and interest were Rs. 694.41 Lacs as on 31<sup>st</sup> December, 2013.**

The total amounts outstanding and payable by us as principal and interest on account of the loan arrangements with banks, financial institutions, promoters and other body corporate as on 31<sup>st</sup> December, 2013 are Rs. 694.41 Lacs. For further information on the financing and loan agreements along with the total amounts outstanding and the details of the repayment schedule, see Annexure 9 & 10 of section titled "*Financial Information of Our Company*" on page 118 of this Draft Prospectus.

- 13. Our lenders have charge over our movable and immovable properties in respect of finance availed by us.**

We have secured our lenders by creating charge over our properties. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders. For further information on the financing and loan agreements along with the total amounts outstanding; please refer to Annexure 10 of section titled "*Financial Information of our Company*" on page 118 of this Draft Prospectus.

- 14. We have taken unsecured loan of Rs. 492.59 Lacs as on 31<sup>st</sup> December, 2013, which is repayable on demand. In case of untimely demand, we will have to arrange these funds which may carry higher cost of funding, which may have an impact on our financial operations.**

We have taken unsecured loan of Rs. 492.59 Lacs as on 31<sup>st</sup> December, 2013 from our Promoter and Group Companies, which can be recalled at any time and in that event, it may affect the financial operations of our Company to that extent.

15. As at March 31, 2014, we had contingent liabilities of Rs. 3969.90 Lacs which have not been provided for in our financial statements and could adversely affect our financial condition.

We have contingent liabilities in the following amounts:-

| Particulars   | Amount (Rs. Lacs) |
|---|-------------------|
| Equitable Mortgage of the property of company situated at E-236, East of Kailash, New Delhi-110065, against which loan availed by one of our group company M/s. Tarini Infrastructure Ltd. from Bank of India, Chennai large Corporate Banking branch.  | 3535.00           |
| Equitable mortgage of property of company situated at Must No. 119, Kila no. 131417, village Dera Mandi, Hauz Khass, New Delhi, against which personal loan availed by Promoters from Bank of India, Mount Road Branch, Chennai. Further the said mortgage has been extended for additional loan of Rs. 35.35 Crores availed by one of the group company M/s Tarini Infrastructure Ltd. from Bank of India, Chennai large Corporate Banking branch. | 400.00            |
| An appeal is being filed against the demand of raised by the Income Tax Department, Circle-16(1), New Delhi against the company vide their order dated 28/03/2014 for the Assessment Year 2010-11.  | 34.90             |

16. We have reported negative cash flows.

The detailed break up of cash flows is summarized in below mentioned table and our Company has reported negative cash flow in certain financial years and which could affect our business and growth:

(Rs. In Lacs)

| Particulars                             | 31.12.13 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 |
|---|----------|----------|----------|----------|----------|----------|
| Net Cash flow from Operative activities | 75.52    | 197.71   | (612.24) | 804.82   | 155.22   | 273.50   |
| Net Cash Flow from investing activities | (6.66)   | (128.02) | (154.96) | (653.95) | (472.58) | (273.51) |
| Net Cash Flow from Financing activities | (58.47)  | (65.20)  | 774.18   | (149.51) | 306.69   | (1.97)   |
| Net Cash Flow for the Year              | 10.39    | 4.49     | 6.98     | 1.36     | (10.67)  | (1.98)   |

17. We have entered into certain related party transactions and may continue to do so.

We have entered into related party transactions with our Promoters, Group Company, Directors. While we believe that all such transactions have been conducted on the arm's length basis, however it is difficult to ascertain whether more favorable terms would have been achieved had such transactions been entered with unrelated parties. Furthermore, it is likely that we will enter into related party transactions in the future. For details of these transactions, please refer to section titled "Related Party Transactions" at page 105 of this Draft Prospectus.

18. There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our Management and our Board of Directors, though it shall be monitored by the Audit Committee.

As per SEBI (ICDR) Regulations, 2009 appointment of monitoring agency is required only for Issue size above Rs. 50,000 Lacs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

19. We have high working capital requirements. If we experience insufficient cash flows to meet required payments on our working capital requirements, there may be an adverse effect on our results of operations

Our business requires a substantial amount of working capital. In many cases, working capital is required to finance the purchase of materials and execution of work on projects before payment is received from clients. Our working capital requirements may increase if, in certain contracts, payment terms do not provide for advance payments to us or if payment schedules are less favorable to us. We may need to borrow additional funds in the future to fulfill our working capital needs. Continued increases in working capital requirements may have an adverse effect on our financial condition and results of operations.

- 20. Accidents at the site where we operate may lead to public liability consequences. Further, our revenue could be diminished if we are associated with negative publicity.**

Occurrence of accidents at the site wherein we execute our work order, may expose our Company to pay compensation and penalty to our workmen and third parties for any losses or damage to human life/health or the environment. Further, our revenue could be diminished if we are associated with negative publicity.

- 21. It may be difficult for us to recruit and retain highly skilled technical personnel that are necessary for our business in order to remain competitive.**

Competition for highly skilled technical personnel in engineering operations are intense. We believe that our future success depends largely on our continued ability to hire, assimilate, retain and leverage the skills of qualified engineers and other highly-skilled personnel needed to effective and timely execution of our work orders. We may not be as successful as our competitors at recruiting, assimilating, retaining and utilizing these highly-skilled personnel. If we are unable to recruit and retain qualified personnel with the requisite experience, our growth and competitive position will be adversely affected.

- 22. Delay in raising funds from the IPO could adversely impact the implementation schedule.**

The proposed expansion, as detailed in the section titled "*Objects of the Issue*" is to be largely funded from the proceeds of this IPO. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute the expansion process within the given timeframe, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our growth plans and profitability.

- 23. The Company has not appointed any independent agency for the appraisal of the proposed Project.**

The Project, for which we intend to use our Issue proceeds as mentioned in the objects of the Issue, has not been appraised by any bank or financial institution. The total cost of Project is our own estimates based on current conditions and are subject to changes in external circumstances or costs. Our estimates for total cost of Project has been based on various quotations received by us from different suppliers and our internal estimates and which may exceed which may require us to reschedule our Project expenditure and may have an adverse impact on our business, financial condition and results of operations.

- 24. Our trademark is not registered under the Trade Marks Act our ability to use the trademark may be impaired.**

Our company's business may be affected due to our inability to protect our existing and future intellectual property rights. Currently, we do not have a registered trademark over our name and logo under the Trade Marks Act and consequently do not enjoy the statutory protections accorded to a trademark registered in India and cannot prohibit the use of such logo by anybody by means of statutory protection. Our Company has made application for registration of logo. We cannot guarantee that all the pending application will be decided in the favor of the Company. If our trademarks are not registered it can allow any person to use a deceptively similar mark and market its product which could be similar to the products offered by us. Such infringement will hamper our business as prospective clients may go to such user of mark and our revenues may decrease.

- 25. 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 Draft Prospectus as well as other rules and formalities for completing the Issue.**



The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014. Though we have incorporated the relevant details pertaining to the new Companies Act, 2013 (to the extent notified) in this Draft Prospectus, any further notifications by the MCA after our filing of this Draft Prospectus may be material with respect to the disclosures to be made in the 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, and 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.

## **EXTERNAL RISK FACTORS**

### **26. Political, economic and social changes in India could adversely affect our business.**

Our business, and the market price and liquidity of our Company's shares, may be affected by changes in Government policies, including taxation, social, political, economic or other developments in or affecting India could also adversely affect our business. Since 1991, successive governments have pursued policies of economic liberalization and financial sector reforms including significantly relaxing restrictions on the private sector. In addition, any political instability in India may adversely affect the Indian economy and the Indian securities markets in general, which could also affect the trading price of our Equity Shares.

### **27. Our business is subject to a significant number of tax regimes and changes in legislation governing the rules implementing them or the regulator enforcing them in any one of those jurisdictions could negatively and adversely affect our results of operations.**

The revenues recorded and income earned is taxed on differing bases, including net income actually earned, net income deemed earned and revenue-based tax withholding. The final determination of the tax liabilities involves the interpretation of local tax laws as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax laws, could impact the determination of the tax liabilities of our Company for any year.

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

Natural disasters may cause significant interruption to our operations, and damage to the environment that could have a material adverse impact on us. The extent and severity of these natural disasters determines their impact on the Indian economy. Prolonged spells of deficient or abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy, which could adversely affect our business and results of operations.

### **29. Our transition to IFRS reporting could have a material adverse effect on our reported results of operations or financial condition.**

Our Company may be required to prepare annual and interim financial statements under IFRS in accordance with the roadmap for the adoption of, and convergence with, the IFRS announced by the Ministry of Corporate Affairs, Government of India through a press note dated January 22, 2010 ("IFRS Convergence Note"). The Ministry of Corporate Affairs by a press release dated February 25, 2011 has notified that 32 Indian Accounting Standards are to be converged with IFRS. The date of implementation of such converged Indian accounting standards has not yet been determined and will be notified by the Ministry of Corporate Affairs after various tax related issues are resolved. We have not yet determined with certainty what impact the adoption of IFRS will have on our financial reporting. 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 IFRS 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.

**30. Restrictions on foreign investment limit our ability to raise debt or capital outside India.**

Indian laws constrain our ability to raise capital outside India through the issuance of equity or convertible debt securities and restrict the ability of non-Indian companies to invest in us. Foreign investment in, or an acquisition of, an Indian company requires approval from the relevant government authorities in India, including the Reserve Board of India and the Foreign Investment Promotion Board.

**31. 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 agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial results and business prospects, ability to obtain financing for capital expenditures and the price of our Equity Shares.

**32. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.**

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares will trade. These acts may result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of our Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our Equity Shares.

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

We have not independently verified any of the data from industry publications and other sources referenced in this Draft Prospectus and therefore cannot assure you that they are complete or reliable. Discussions of matters relating to India, its economies or the industries in which we operate in this Draft Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

**RISKS RELATING TO THE EQUITY SHARES**

**34. Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.**

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

**35. Our ability to pay any dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements 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.

**36. The price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.**

Prior to the offer, there has been no public market for our Equity Shares, and an active trading market on the SME Platform of BSE. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the engineering and power sector in India and volatility in the Exchange and securities markets elsewhere in the world. However, the LM will arrange for compulsory market making for a period of 3 years from the date of listing as per the regulations applicable to the SME Platforms under SEBI (ICDR) Regulations, 2009.

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

In 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 only applied to 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.

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

Prior to this Issue, there has been no public market for our Equity Shares. Guinness Securities Limited is acting as Designated Market Maker for the Equity Shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could materially affect the price of our Equity Shares. There can be no assurance that an active trading market for our Equity Shares will develop or be sustained after this Issue, or that the price at which our Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue. For further details of the obligations and limitations of Market Makers please refer to the section titled "*General Information - Details of the Market Making Arrangement for this Issue*" on page 32 of this Draft Prospectus.

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

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to

sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**PROMINENT NOTES:**

**1) SIZE OF THE ISSUE:**

Public Issue of 39,78,000 Equity Shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 41/- per Equity Share aggregating to Rs. 1630.98 Lacs (“the Issue”) by Tarini International Limited (“TIL” or the “Company” or the “Issuer”). Out of the Issue, 2,01,000 Equity Shares of Rs. 10 each at a price of Rs. 41 each per Equity Share aggregating to Rs. 82.41 Lacs, which will be reserved for subscription by Market Makers to the issue (the “market maker reservation portion”) and Net Issue to the Public of 37,77,000 Equity Shares of Rs. 10 each at a price of Rs. 41/- each per Equity Share aggregating to Rs. 1548.57 Lacs (hereinafter referred to as the “Net Issue”). The Issue and the Net Issue will constitute 30.60% and 29.06%, respectively, of the post issue paid up Equity Share capital of the Company.

**2) The average cost of acquisition of Equity Shares by the Promoters:**

| Name of the Promoter          | No. of Shares held | Average cost of Acquisition (in Rs.) |
|-------------------------------|--------------------|--------------------------------------|
| Mr. Vakamulla Chandra Shekhar | 7018181            | 10.27                                |
| Mrs. Vakamulla Anu Naidu      | 2001565            | 12.32                                |

*\*The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares, including the issue of bonus shares to them. The average cost of acquisition of our Equity Shares by our Promoters has been reduced due to the issuance of bonus shares to them, if any. For more information, please refer to the section titled “Capital Structure” on page 34.*

- 3) Our Net worth as on 31<sup>st</sup> December, 2013 is Rs. 1316.53 Lacs as per Restated Financial Statements.
- 4) The Book -Value per share as on 31<sup>st</sup> December, 2013 is Rs. 14.60 as per Restated Financial Statements.
- 5) There was no change in the name of the Company at any time during last three years except the fact that constitutions of our Company has been changed from private limited to public limited and thereby change in the name of Company to Tarini International Limited on 8<sup>th</sup> July, 2011.
- 6) Investors may please note that in the event of over subscription, allotment shall be made on proportionate basis in consultation with the BSE Limited, the Designated Stock Exchange. For more information, please refer to “Basis of Allotment” on page 154 of the Draft Prospectus. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
- 7) Investors are advised to refer to the paragraph on “Basis for Issue Price” on page 48 of this Draft Prospectus before making an investment in this Issue.
- 8) No part of the Issue proceeds will be paid as consideration to Promoters, Promoter Group, Directors, key management employee, associate companies, or Group Companies.
- 9) Investors may contact the Lead Manager or the Compliance Officer for any complaint/clarifications/information pertaining to the Issue. For contact details of the Lead Manager and the Compliance Officer, refer the front cover page.
- 10) Other than as stated in the section titled “Capital Structure” beginning on page 34 of this Draft Prospectus, our Company has not issued any Equity Shares for consideration other than cash.
- 11) Except as mentioned in the sections titled “Capital Structure” beginning on page 34 of this Draft Prospectus, we have not issued any Equity Shares in the last twelve months.

- 12) Except as disclosed in the sections titled "*Our Promoters*" or "*Our Management*" beginning on pages 90 and 79 respectively of this Draft Prospectus, none of our Promoters, our Directors and our Key Managerial Employees have any interest in our Company except to the extent of remuneration and reimbursement of expenses 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 and/or trustee and to the extent of the benefits arising out of such shareholding.
- 13) Any clarification or information relating to the Issue shall be made available by the LM and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the LM for any complaints pertaining to the Issue. Investors are free to contact the LM for any clarification or information relating to the Issue who will be obliged to provide the same to the investor.
- 14) For transactions in Equity Shares of our Company by the Promoter Group and Directors of our Company in the last six (6) months, please refer to paragraph under the section titled "*Capital Structure*" on page 34 of this Draft Prospectus.
- 15) There are certain contingent liabilities as on date and are disclosed in Risk Factor No. 15, please refer page 13 of the Draft Prospectus.
- 16) For details of any hypothecation, mortgage or other encumbrances on the movable and immovable properties of our Company please refer to the section titled "*Financial Information*" on page 107 of this Draft Prospectus.
- 17) Except as disclosed in the section titled "*Our Promoter Group / Group Companies / Entities*" on page 93, none of our Group Companies have business interest in our Company.
- 18) For interest of Promoters/Directors, please refer to the section titled "*Our Promoters*" beginning on page 90 of this Draft Prospectus.
- 19) The details of transactions with the Group Companies/ Group Enterprises and other related party transactions are disclosed as Annexure 15 of restated financial statement under the section titled "*Financial Information*" on page 121 of the Draft Prospectus.

## SECTION III: INTRODUCTION

### SUMMARY

*This is only the summary and does not contain all information that you shall consider before investing in Equity Shares. You should read the entire Draft Prospectus, including the information on "Risk Factors" and related notes on page 9 of this Draft Prospectus before deciding to invest in Equity Shares.*

### INDUSTRY OVERVIEW

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

##### A. Global Economy

The global economy grew by approximately 2.9% in 2013, its slowest rate since 2009. However, prospects for 2014 look brighter with robust growth forecast in large developed economies such as Germany, Japan, the United Kingdom and the United States. Because of their scale, a recovery in these economies is likely to boost global growth to 3.6% in 2014, accelerating to 4.0% in 2015. Having contracted marginally in 2013, the eurozone is expected to return to growth, although the outlook remains tricky with debt levels continuing to rise, especially in troubled southern Europe. Growth in developing economies as a whole slowed in 2013, but they are still expected to expand faster than developed economy peers in 2014. The economies of developing Asia, led by China, India and Indonesia, are expected to grow by 6.5% in 2014. 4. Strong growth is also forecast in Sub-Saharan Africa and the Middle East, and North Africa is expected to rebound after a tough 2013 complicated by the fallout from the Arab Spring. (Sources: Grant Thornton International Business Report)

##### B. Indian Economy

India's growth is expected to recover from 4.4 per cent in 2013 to 5.4 per cent in 2014, supported by slightly stronger global growth, improving export competitiveness and implementation of recently approved investment projects. A pick-up in exports in recent months and measures to curb gold imports have contributed to lowering the current account deficit. Policy measures to bolster capital flows have further helped reduce external vulnerabilities. Overall growth is expected to firm up on policies supporting investment and a confidence boost from recent policy actions, but will remain below trend. Consumer price inflation is expected to remain an important challenge, but should continue to move onto a downward trajectory. The outlook also projected India's growth rate to increase to 6.4 per cent in 2015. In 2012, India's growth rate stood at 4.7 per cent. For India, real GDP growth is projected to strengthen to 5.4 per cent in 2014 and 6.4 per cent in 2015, assuming that government efforts to revive investment growth succeed and export growth strengthens after the recent rupee depreciation. In India, further tightening of the monetary stance might be needed for a durable reduction in inflation and inflation expectations. Continued fiscal consolidation will be essential to lower macroeconomic imbalances. Policymakers in India must also concentrate on structural reforms to support investment, which has slowed markedly. Priorities include market-based pricing of natural resources to boost investment, addressing delays in the implementation of infrastructure projects, improving policy frameworks in the power and mining sectors, reforming the extensive network of subsidies, and securing passage of the new goods and services tax to underpin medium term fiscal consolidation. (Sources: The latest edition of the World Economic Outlook released by the International Monetary Fund (IMF))

#### Overview of Consultancy Services in India

Consultancy is a practice of giving expert advice within a particular field by professionals or experts who advice in a particular area and has wide knowledge, well experienced, problem solving skill and is expertise of the subject matter.

- **Construction Consulting**

Construction consulting is a specialized form of business consultation that focuses on all forms of construction, most notably building construction. When companies, especially large ones, need to build new installations and factories, they need conceptual planning, phasing, sequencing, and construction services.

The primary goal of any build is to end up with high-quality product while remaining within budget and on schedule. In today's construction market, this is a nearly impossible task without the professionals specialized in accomplishing it. The specific services provided by these professionals includes, but are not

limited to, project planning, risk management, construction management, schedule delay analysis, construction cost estimates, construction claims, expert testimony, and litigation support.

- **Engineering Consulting -**

A city might need a new bridge across a river, for which design and building plans would be required, a new factory with multiple automated assembly lines might need to be constructed, an engine might need to be designed for a new aircraft, or a helipad might need to be built atop a 100-storey building. Engineering Consultants would be employed for such assignments.

## **The Indian Infrastructure Opportunity**

The Indian economy is based on planning through successive five year plans that set out targets for economic development in various sectors, including the infrastructure sector. The XIth Five Year Plan ("FYP") aims at a sustainable GDP growth rate of 9.00%, but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both public and private sector, is being developed for the XIth FYP. Infrastructure spending targets for the XIth FYP were revised from approximately 4.60% to approximately 7.60% of GDP representing an increase of over 140.00% compared to the Xth FYP.

## **Overview of the Indian Power Sector**

The power sector in India is slowly moving from a regulated return framework to a market driven pricing mechanism. This has provided a major boost for private entrepreneurs to enter the power sector and set up projects. Currently significant traction has been achieved in the generation space, while the transmission and the distribution segment is slowly opening to the private sector. (Source: Ministry of Power).

## **HYDROPOWER**

Hydropower is a renewable energy resource because it uses the Earth's water cycle to generate electricity. Water evaporates from the Earth's surface, forms clouds, precipitates back to earth, and flows toward the ocean. The movement of water as it flows downstream creates kinetic energy that can be converted into electricity. 2700 TWH is generated every year. Hydropower supplies at least 50% of electricity production in 66 countries and at least 90% in 24 countries. Out of the total power generation installed capacity in India of 1,76,990 MW (June, 2011), hydro power contributes about 21.5% i.e. 38,106 MW. A capacity addition of 78,700 MW is envisaged from different conventional sources during 2007-2012 (the 11th Plan), which includes 15,627 MW from large hydro projects. In addition to this, a capacity addition of 1400 MW was envisaged from small hydro up to 25 MW station capacity. The total hydroelectric power potential in the country is assessed at about 150,000 MW, equivalent to 84,000 MW at 60% load factor. The potential of small hydro power projects is estimated at about 15,000 MW.

## **BUSINESS OVERVIEW**

### **OVERVIEW**

Our Company was originally incorporated at Delhi as "Tarini International Private Limited" on 20<sup>th</sup> January, 1999 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company was subsequently converted in to a Public Limited Company and consequently the name was changed to "Tarini International Limited " vide fresh certificate of incorporation dated 8<sup>th</sup> July, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

We have been evolved as an engineering arm to provide financial and technical consultancy related to Hydro Power generation, Transmission and Distribution and Infrastructure. Our current projects are well geographically based in India and sub African Continent.

Over a period of time, we have been developed as an integrated player providing turn-key services under one umbrella from designing, construction, generation, transmission and distribution. We are also professionally competent to undertake projects from concept to commissioning. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

We are well equipped with state of art tools and equipment and boasts of having a fleet of professionals capable of drawing up complete Detailed Project Report at the shortest period of time including detailed survey, geo-technical/hydrological observations, land acquisition procedure and layouts ready for implementation.

We provide solutions to our clients depending on their requirements inter alia including feasibility studies, detailed project reports, techno economic feasibility reports, financial syndication, lender's engineer services, basic and detailed engineering, bid process management, project management, cluster development, technical/financial restructuring, energy audits, corporate debt restructuring, due diligence, qualitative and market research, and Consultation services etc.

## **OUR PRODUCTS AND SERVICES**

### **A. Turnkey Projects in T & D**

Our Company takes up Turnkey Projects in Transmission and Distribution by way of competitive bidding and or through negotiations. We would like to now focus on African continent as it has abundance of natural resources leading to extensive mining activities involving continuous need of power. The region being power deficient, there are tremendous amount of opportunities for impending power infrastructure works.

### **B. Project refurbishment**

Our Company undertake preparation of detailed technical reports for the nonoperational projects to be refurbished covering technical aspects, cost estimations, engineering, designing and execution.

### **C. Project Developer:**

Our company further intends to develop its own, self-identified 5 MW Kanyatana mini small hydro project in Karnataka under IPP and shall soon be taking up the execution of the same. The project is scheduled to be completed in 2 years' time and is propose to generate approx. 35 million KWH annually.

### **D. Project Consultancy**

Our Company provides technical consultancy services and pick up assignments for preparation of the Feasibility Reports / Detailed Project Reports for prospective Projects(s). The company provides technical consultancy along with framing of the Detailed Project Reports (DPRs) and detailed designing and engineering for small hydro projects with various capacities from 3.5 to 20 MW, domestically. The company has been quite successful in its endeavors as the DPRs submitted to the stringent competent Authorities such as HPSEB, Central Design Organization of Narmada water resources Gujarat, Karnataka Renewable Energy Development Limited (KREDL) Karnataka and Gujarat Irrigation Dept. - Gujarat have extended appreciations with rave reviews and timely approvals.

## **SWOT**

### **Strengths**

- Experienced Management Team
- Specific knowledge, capabilities, organizational skills and other qualifications of the professional consultant
- More focus on strategy and operations projects

### **Weaknesses**

- Low advertising and visibility
- Declining customer-base or new competition within the target market.

### **Opportunities**

- Getting into more diverse areas of business and evolving new concept there rather than sticking into only strategy



- Strong professional and skilled management team that can be quickly tapped into growing a client base.

#### **Threats**

- Stiff competition from existing industry players
- Fluctuations in currencies affects international projects
- Changes in government policies
- Rising cost of skilled manpower

**SUMMARY OF FINANCIAL DATA**

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

(Rs. In Lacs)

| Particulars                         | 31.12.13        | 31.03.13        | 31.03.12        | 31.03.11        | 31.03.10        | 31.03.09      |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Equity &amp; Liabilities</b>     |                 |                 |                 |                 |                 |               |
| <b>Shareholders' Funds</b>          |                 |                 |                 |                 |                 |               |
| Share Capital                       | 902.00          | 902.00          | 902.00          | 83.27           | 83.27           | 83.27         |
| Reserve & Surplus                   | 419.98          | 417.62          | 417.72          | 351.50          | 322.43          | 153.76        |
| <b>Total (A)</b>                    | <b>1,321.98</b> | <b>1,319.62</b> | <b>1,319.72</b> | <b>434.77</b>   | <b>405.70</b>   | <b>237.03</b> |
| <b>Non-Current Liabilities</b>      |                 |                 |                 |                 |                 |               |
| Share Application Money             | -               | -               | -               | 140.00          | -               | -             |
| Long Term Borrowings                | 201.82          | 231.21          | 258.37          | 166.24          | 385.72          | 60.71         |
| Other Long Term Liabilities         | 5.00            | 5.00            | -               | -               | -               | -             |
| Deferred Tax Liabilities / (Assets) | 9.34            | 7.42            | 4.28            | 3.60            | (1.32)          | -             |
| Long Term Provisions                | 5.50            | 5.04            | 3.59            | 3.59            | -               | -             |
| <b>Total (B)</b>                    | <b>221.66</b>   | <b>248.67</b>   | <b>266.24</b>   | <b>313.43</b>   | <b>384.40</b>   | <b>60.71</b>  |
| <b>Current Liabilities</b>          |                 |                 |                 |                 |                 |               |
| Short Term Borrowings               | 492.59          | 320.18          | 131.63          | 717.52          | 232.06          | 35.69         |
| Other Current Liabilities           | 102.76          | 145.62          | 113.18          | 250.27          | 395.90          | 383.32        |
| Short Term Provisions               | -               | -               | 1.32            | 10.89           | 129.49          | 39.92         |
| <b>Total (C)</b>                    | <b>595.35</b>   | <b>465.80</b>   | <b>246.13</b>   | <b>978.68</b>   | <b>757.45</b>   | <b>458.93</b> |
| <b>Total (D=A+B+C)</b>              | <b>2,138.99</b> | <b>2,034.09</b> | <b>1,832.09</b> | <b>1,726.88</b> | <b>1,547.55</b> | <b>756.67</b> |
| <b>Assets</b>                       |                 |                 |                 |                 |                 |               |
| <b>Fixed Assets:</b>                |                 |                 |                 |                 |                 |               |
| Tangible Assets                     | 540.13          | 549.91          | 451.98          | 442.80          | 425.60          | 75.98         |
| Intangible Assets                   | 0.19            | 0.41            | 0.70            | 0.99            | 1.29            | -             |
| Capital Work in Progress            | 47.04           | 40.38           | 16.69           | -               | -               | -             |
| Non-Current Investments             | 1,271.75        | 1,271.75        | 1,271.75        | 1,148.50        | 516.61          | 400.06        |
| Long Term Loans & Advances          | 2.50            | 2.67            | 2.67            | 0.17            | -               | -             |
| Other Non-Current Assets            | 5.45            | 5.46            | 5.46            | -               | -               | 0.91          |
| <b>Total (E)</b>                    | <b>1,867.06</b> | <b>1,870.58</b> | <b>1,749.25</b> | <b>1,592.46</b> | <b>943.50</b>   | <b>476.95</b> |
| <b>Current Assets</b>               |                 |                 |                 |                 |                 |               |
| Trade Receivables                   | 60.95           | -               | -               | -               | -               | -             |
| Cash & Bank Balances                | 24.76           | 14.39           | 9.91            | 2.92            | 1.56            | 12.22         |
| Short Term Loans & Advances         | 186.21          | 149.13          | 72.94           | 131.51          | 602.49          | 267.50        |
| <b>Total (F)</b>                    | <b>271.92</b>   | <b>163.52</b>   | <b>82.85</b>    | <b>134.43</b>   | <b>604.05</b>   | <b>279.72</b> |
| <b>Total (G=E+F)</b>                | <b>2,138.98</b> | <b>2,034.10</b> | <b>1,832.10</b> | <b>1,726.89</b> | <b>1,547.55</b> | <b>756.67</b> |

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

(Rs. In Lacs)

| Particulars  | 31.12.13     | 31.03.13      | 31.03.12      | 31.03.11      | 31.03.10      | 31.03.09      |
|--|--------------|---------------|---------------|---------------|---------------|---------------|
| <b>Income</b>  |              |               |               |               |               |               |
| Sales  | 70.00        | 76.70         | 122.16        | 292.84        | 298.48        | 218.19        |
| Other Income   | 9.90         | 44.88         | 9.42          | 5.54          | 69.19         | -             |
| <b>Total</b>   | <b>79.90</b> | <b>121.58</b> | <b>131.58</b> | <b>298.38</b> | <b>367.67</b> | <b>218.19</b> |
|  |              |               |               |               |               |               |
| <b>Expenditure</b>   |              |               |               |               |               |               |
| Employees Benefit Expenses                                   | 22.00        | 37.46         | 33.37         | 97.85         | 14.82         | 11.57         |
| Administrative, Selling & Other Expenses                     | 13.90        | 29.90         | 35.15         | 70.10         | 70.83         | 80.08         |
| <b>Total</b>   | <b>35.90</b> | <b>67.36</b>  | <b>68.52</b>  | <b>167.95</b> | <b>85.65</b>  | <b>91.65</b>  |
| <b>Profit before Depreciation, Interest and Tax</b>          | <b>44.00</b> | <b>54.22</b>  | <b>63.06</b>  | <b>130.43</b> | <b>282.02</b> | <b>126.54</b> |
| Depreciation & Amortization Expenses                         | 10.00        | 6.69          | 6.13          | 5.16          | 5.12          | 5.89          |
| <b>Profit before Interest &amp; Tax</b>                      | <b>34.00</b> | <b>47.53</b>  | <b>56.93</b>  | <b>125.27</b> | <b>276.90</b> | <b>120.65</b> |
| Finance Cost   | 29.72        | 44.49         | 53.88         | 73.45         | 19.23         | 6.48          |
| <b>Net Profit before Tax</b>                                 | <b>4.28</b>  | <b>3.04</b>   | <b>3.05</b>   | <b>51.82</b>  | <b>257.67</b> | <b>114.17</b> |
| <b>Less: Provision for Taxes:</b>                            |              |               |               | -             | -             | -             |
| Current Tax  | -            | -             | 1.32          | 18.92         | 90.33         | 39.15         |
| Fringe Benefit Expenses                                      | -            | -             | -             | -             | -             | 0.77          |
| Deferred Tax   | 1.92         | 3.13          | 0.68          | 3.82          | (1.32)        | (0.69)        |
| <b>Net Profit After Tax &amp; Before Extraordinary Items</b> | <b>2.36</b>  | <b>(0.09)</b> | <b>1.05</b>   | <b>29.08</b>  | <b>168.66</b> | <b>74.94</b>  |
| Extra Ordinary Items (Net of Tax)                            | -            | -             | -             | -             | -             | -             |
| <b>Net Profit</b>  | <b>2.36</b>  | <b>(0.09)</b> | <b>1.05</b>   | <b>29.08</b>  | <b>168.66</b> | <b>74.94</b>  |

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

| Particulars   | 31.12.13       | 31.03.13        | 31.03.12        | 31.03.11        | 31.03.10        | 31.03.09        |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                |                 |                 |                 |                 |                 |
| Net profit after taxes  | 2.36           | (0.09)          | 1.05            | 29.08           | 168.66          | 74.94           |
| <b>Adjustment for:</b>  |                |                 |                 |                 |                 |                 |
| Add: Depreciation & Amortization Expenses                       | 10.00          | 6.69            | 6.13            | 5.16            | 5.12            | 5.89            |
| Add: Depreciation Adjustments                                   | -              | -               | -               | -               | -               | 6.99            |
| Add: Interest & Finance Charges                                 | 29.72          | 44.49           | 53.88           | 73.45           | 19.23           | 6.48            |
| <b>Operating Profit before Working capital changes</b>          | <b>42.08</b>   | <b>51.09</b>    | <b>61.06</b>    | <b>107.69</b>   | <b>193.01</b>   | <b>94.30</b>    |
| <b>Adjustments for:</b>   |                |                 |                 |                 |                 |                 |
| Decrease (Increase) in Trade Receivables                        | (60.95)        | -               | -               | -               | -               | -               |
| Decrease (Increase) in Short Term Loans & Advances              | (37.08)        | (76.19)         | 58.57           | 470.98          | (334.99)        | (43.60)         |
| Increase (Decrease) in Short Term Borrowings                    | 172.41         | 188.55          | (585.89)        | 485.46          | 196.37          | (10.25)         |
| Increase (Decrease) in Other Current Liabilities                | (42.86)        | 32.44           | (137.09)        | (145.63)        | 12.58           | 228.89          |
| Increase (Decrease) in Short Term Provisions                    | -              | (1.32)          | (9.57)          | (118.60)        | 89.57           | 4.16            |
| Increase (Decrease) in deferred Tax Liabilities                 | 1.92           | 3.14            | 0.68            | 4.92            | (1.32)          | -               |
| <b>Net Changes in Working Capital</b>                           | <b>33.44</b>   | <b>146.62</b>   | <b>(673.30)</b> | <b>697.13</b>   | <b>(37.79)</b>  | <b>179.20</b>   |
| <b>Net Cash Flow from Operating Activities (A)</b>              | <b>75.52</b>   | <b>197.71</b>   | <b>(612.24)</b> | <b>804.82</b>   | <b>155.22</b>   | <b>273.50</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                |                 |                 |                 |                 |                 |
| Sale / (Purchase) of Fixed Assets                               | (6.66)         | (128.02)        | (31.71)         | (22.06)         | (356.03)        | (15.51)         |
| Sale / (Purchase) of Non-Current Investments                    | -              | -               | (123.25)        | (631.89)        | (116.55)        | (258.00)        |
| <b>Net Cash Flow from Investing Activities (B)</b>              | <b>(6.66)</b>  | <b>(128.02)</b> | <b>(154.96)</b> | <b>(653.95)</b> | <b>(472.58)</b> | <b>(273.51)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                |                 |                 |                 |                 |                 |
| Issue of share capital  | -              | -               | 883.89          | -               | -               | -               |
| Proceeds / (Refund) from Share Application Money                | -              | -               | (140.00)        | 140.00          | -               | -               |
| Interest & Finance Charges                                      | (29.72)        | (44.49)         | (53.88)         | (73.45)         | (19.23)         | (6.48)          |
| Increase / (Repayment) of Long Term Borrowings                  | (29.39)        | (27.16)         | 92.13           | (219.48)        | 325.01          | 4.83            |
| Increase / (Decrease) of Other Long Term Liabilities            | -              | 5.00            | -               | -               | -               | -               |
| Increase / (Decrease) of Long Term Provisions                   | 0.46           | 1.45            | -               | 3.59            | -               | -               |
| Decrease (Increase) in Long Term Loans & Advances               | 0.17           | -               | (2.50)          | (0.17)          | -               | -               |
| Decrease (Increase) in Other Non-Current Assets                 | 0.01           | -               | (5.46)          | -               | 0.91            | (0.32)          |
| <b>Net Cash Flow from Financing Activities (C)</b>              | <b>(58.47)</b> | <b>(65.20)</b>  | <b>774.18</b>   | <b>(149.51)</b> | <b>306.69</b>   | <b>(1.97)</b>   |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b> | <b>10.39</b>   | <b>4.49</b>     | <b>6.98</b>     | <b>1.36</b>     | <b>(10.67)</b>  | <b>(1.98)</b>   |
| Cash and cash equivalents at the beginning of the year / Period | 14.39          | 9.91            | 2.92            | 1.56            | 12.22           | 14.20           |
| <b>Cash and cash equivalents at the end of the year/ Period</b> | <b>24.78</b>   | <b>14.40</b>    | <b>9.90</b>     | <b>2.92</b>     | <b>1.55</b>     | <b>12.22</b>    |

## ISSUE DETAILS IN BRIEF

### PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS

|  |  |
|--|--|
| <b>Equity Shares Offered:</b><br>Fresh Issue of Equity Shares by our Company | Issue of 39, 78,000 Equity Shares of Rs. 10 each at a price of Rs. 41 per Equity Share aggregating Rs. 1630. 98 Lacs |
| <b>Of Which:</b>   |  |
| <b>Issue Reserved for the Market Makers</b>                                  | 2,01,000 Equity Shares of Rs. 10/- each at a price of Rs. 41 per Equity Share aggregating Rs. 82.41 Lacs             |
| <b>Net Issue to the Public</b>   | 37,77,000 Equity Shares of Rs. 10 each at a price of Rs. 41 per Equity Share aggregating Rs. 1548.57 Lacs            |
| <b>Equity Shares outstanding prior to the Issue</b>                          | 90,20,000 Equity Shares of face value of Rs. 10 each   |
| <b>Equity Shares outstanding after the Issue</b>                             | 1,29,98,000 Equity Shares of face value of Rs. 10 each   |
| <b>Objects of the Issue</b>  | Please refer section titled “ <i>Objects of the Issue</i> ” on page 43 of this Draft Prospectus                      |

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 146 of this Draft Prospectus.

## **GENERAL INFORMATION**

### **TARINI INTERNATIONAL LIMITED**

Our Company was originally incorporated at Delhi as “Tarini International Private Limited” on 20<sup>th</sup> January, 1999 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Tarini International Limited ” vide fresh certificate of incorporation dated 8<sup>th</sup> July, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

#### **REGISTERED OFFICE & CORPORATE OFFICE:**

D-2, 1<sup>st</sup> Floor, Amar Colony,  
Lajpat Nagar IV,  
New Delhi-110024  
Tel: 91-11-26479995/26285364;  
Fax: 91-11-26477996;  
**Website:** www.tariniindia.com  
**E-Mail:** tarini@nde.vsnl.net.in

**COMPANY REGISTRATION NUMBER:** 097993

**COMPANY IDENTIFICATION NUMBER:** U74899DL1999PLC097993

#### **ADDRESS OF REGISTRAR OF COMPANIES**

4<sup>th</sup> Floor, IFCI Tower,  
61, Nehru Palace,  
New Delhi- 110019  
Tel: 011-26235707, 26235708, 26235709  
Fax: 011-26235702,  
Email: roc.delhi@mca.gov.in

**DESIGNATED STOCK EXCHANGE:** BSE Limited

**LISTING OF SHARES OFFERED IN THIS ISSUE:** SME platform of BSE

For details in relation to the changes to the name of our Company, please refer to the section titled “Our *History and Corporate Structure*” beginning on page 75 of this Draft Prospectus.

#### **CONTACT PERSON:**

Mr. Amit Arora  
Company Secretary & Compliance Officer,  
D-2, 1<sup>st</sup> Floor, Amar Colony,  
Lajpat Nagar IV,  
New Delhi -110024  
Tel: 91-11-26479995/26285364;  
Fax: 91-11-26477996;  
E-Mail: tarini@nde.vsnl.net.in

**BOARD OF DIRECTORS:**

Our Board of Directors comprise of the following members:

| NAME                          | DESIGNATION          | DIN      | ADDRESS  |
|-------------------------------|----------------------|----------|--|
| Mr. Vakamulla Chandra Shekhar | Managing director    | 00073657 | F-33, East of Kailash, 2 <sup>nd</sup> Floor, Delhi, 110065, Delhi, India  |
| Mrs. Vakamulla Anu Naidu      | Whole-time director  | 00073661 | F-33, East of Kailash, 2 <sup>nd</sup> Floor, Delhi- 110065, Delhi, India  |
| Mr. Ponnu Swami Sethu Seshan  | Independent Director | 03512750 | Flat No.1, Plot No.768, 9 <sup>th</sup> Street, Opp to Syndicate Bank Colony, Anna Nagar West Extn, Chennai, 600101, Tamil Nadu, , India |
| Mr. Simhachalam Gedela        | Independent Director | 05302995 | 14-168 , P.O. Old Gajuwaka , Pantulugari Meda, Visakhapatnam, 530026, Andhra Pradesh, India  |

For further details of Management of our Company, please refer to section titled "*Our Management*" on page 79 of this Draft Prospectus.

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Amit Arora  
Company Secretary & Compliance Officer,  
D-2, 1<sup>st</sup> Floor, Amar Colony,  
Lajpat Nagar IV,  
New Delhi-110024  
Tel: 91-11-26479995/26285364;  
Fax: 91-11-26477996;  
**Website:** www.tariniindia.com  
**E-Mail:** tarini@nde.vsnl.net.in

Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account, refund orders etc.

**STATUTORY AUDITORS**

**M/s VCG & CO.**  
1214 A, 12<sup>th</sup> Floor, Ansal Tower,  
38, Nehru Place,  
New Delhi-110019  
Tel.: +91-11-41661214  
**Contact Person:** Mr. Vishal Chandra Gupta  
Firm Registration No. 021837N

**PEER REVIEW AUDITORS**

**RAMANAND & ASSOCIATES**  
Chartered Accountants  
6/C, Ostwal Park, Building No. 4 CHSL,  
Near Jesal Park, Jain Temple,  
Bhayander (East), Thane - 401105  
**Tel :** +91-22-28171199  
**Telefax:** +91-22-28171199

**E-mail:** rg@ramanandassociate.com  
**Contact Person:** Mr. Ramanand Gupta  
**Firm Registration No.:** 117776W

#### **LEAD MANAGER**

#### **GUINNESS CORPORATE ADVISORS PRIVATE LIMITED**

18 Deshapriya Park Road,  
Kolkata - 700 026.  
Tel: +91 - 33 - 30015555  
Fax: +91 - 33 - 3001 5531  
Email: [gmbpl@guinnessonline.net](mailto:gmbpl@guinnessonline.net)  
Website: [www.16anna.com](http://www.16anna.com)  
Contact Person: Ms. Alka Mishra  
SEBI Regn. No.: INM 000011930

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

##### **ASTHANA & CO.**

Advocate & Solicitors,  
83, LGF, Saket,  
New Delhi-17  
Contact-Mr. Lalit Asthana  
Tel:-011-26516463/011-26514883

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

Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai 400078  
Tel: +91-22-2596 7878  
Fax: +91-22-2596 0329  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)  
E-mail ID: [ptl.ipo@linkintime.co.in](mailto:ptl.ipo@linkintime.co.in)  
Contact Person: Mr. Sachin Achar  
SEBI Registration No: INR000004058

#### **ESCROW COLLECTION BANK / BANKER TO THE ISSUE AND REFUND BANKER**

[•]

#### **SELF CERTIFIED SYNDICATE BANKS**

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount ("ASBA") Process are provided on <http://www.sebi.gov.in/pmd/scsb.pdf>. For details on designated branches of SCSBs collecting the ASBA Application Form, please refer to the above-mentioned SEBI link.

#### **CREDIT RATING**

As the Issue is of Equity shares, credit rating is not mandatory.



## TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

## IPO GRADING

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

## BROKERS TO THE ISSUE

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

## APPRAISAL AND MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 500.00 Crores. Since the Issue size is only of Rs. 1630.98 Lacs, our Company has not appointed any monitoring agency for this Issue. However, as per the Clause 52 of the SME Listing Agreement to be entered into with BSE upon listing of the equity shares and the corporate governance requirements, the audit committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

## DETAILS OF THE APPRAISING AUTHORITY

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

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Since Guinness Corporate Advisors Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation responsibilities among Lead Manager's is not required.

## EXPERT OPINION

Except the report of the Statutory Auditor of our Company on the financial statements and statement of tax benefits included in the Draft Prospectus, our Company has not obtained any other expert opinion.

## UNDERWRITING AGREEMENT

### Underwriting

This Issue is 100% Underwritten. The Underwriting agreement is dated 21<sup>st</sup> April, 2014. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

| Name and Address of the Underwriters   | Number of Equity shares Underwritten | Amount Underwritten (Rupees In Lacs) |
|--|--------------------------------------|--------------------------------------|
| <b>GUINNESS CORPORATE ADVISORS PRIVATE LIMITED</b><br>Guinness House,<br>18 Deshapriya Park Road,<br>Kolkata - 700 026.<br>Tel: +91 - 33 - 30015555<br>Fax: +91 - 33 - 24646969<br>Email: <a href="mailto:gmbpl@guinessonline.net">gmbpl@guinessonline.net</a><br>Website: <a href="http://www.16anna.com">www.16anna.com</a><br>Contact Person: Ms. Alka Mishra<br>SEBI Regn. No: INM 000011930 | 39,78,000                            | 1630.98                              |
| <b>Total</b>   | <b>39,78,000</b>                     | <b>1630.98</b>                       |

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company has entered into an agreement dated 21<sup>st</sup> April, 2014 with the Lead Manager and Market Maker to fulfill the obligations of Market Making.

### NAME AND ADDRESS OF THE MARKET MAKER

#### GUINNESS SECURITIES LIMITED

Guinness House,  
18, Deshapriya Park Road,  
Kolkata-700 026  
Tel: +91-33-3001 5555  
Fax: +91-33-24646969  
Email: kmohanty@guinnessonline.net  
Website: [www.16anna.com](http://www.16anna.com)  
Contact Person: Mr. Kuldeep Mohanty  
SEBI Regn. No: INM 231146037

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

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

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The minimum depth of the quote shall be Rs. 1,00,000/-. However, the investors with holdings of value less than Rs. 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
3. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25 %. (Including the 5 % of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 5% of Issue Size would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to 24%, 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.
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. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
8. The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
9. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market - for instance due to system problems or 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 six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

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

11. **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.

12. **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.

13. **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:

- i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
- ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
- iii. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The following spread will be applicable on the BSE SME Exchange/ Platform.

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

## CAPITAL STRUCTURE

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

(Rs. in Lacs, except share data)

| Sr. No    | Particulars  | Aggregate value at face value | Aggregate value at Issue Price |
|-----------|--|-------------------------------|--------------------------------|
| <b>A.</b> | <b>Authorized Share Capital</b>  |                               |                                |
|           | 135,00,000 Equity Shares of face value of Rs.10 each   | 1350.00                       |                                |
| <b>B.</b> | <b>Issued, subscribed and paid-up Equity Share Capital before the Issue</b>  |                               |                                |
|           | 90,20,000 Equity Shares of face value of Rs. 10 each   | 902.00                        | ---                            |
| <b>C.</b> | <b>Present Issue in terms of the Draft Prospectus</b>  |                               |                                |
|           | Issue of 39,78,000 Equity Shares of Rs. 10 each at a price of Rs. 41 per Equity Share.   | 397.80                        | 1630.98                        |
|           | <b>Which comprises</b>   |                               |                                |
|           | 2,01,000 Equity Shares of Rs. 10/- each at a price of Rs. 41 per Equity Share reserved as Market Maker Portion                                       | 20.10                         | 82.41                          |
|           | Net Issue to Public of 37,77,000 Equity Shares of Rs. 10/- each at a price of Rs. 41 per Equity Share to the Public                                  | 377.70                        | 1548.57                        |
|           | <b>Of which</b>  |                               |                                |
|           | 18,88,500 Equity Shares of Rs.10/- each at a price of Rs. 41 per Equity Share will be available for allocation for Investors of up to Rs. 2.00 Lacs  | 188.85                        | 774.29                         |
|           | 18,88,500 Equity Shares of Rs. 10/- each at a price of Rs. 41 per Equity Share will be available for allocation for Investors of above Rs. 2.00 Lacs | 188.85                        | 774.29                         |
| <b>D.</b> | <b>Equity capital after the Issue</b>  |                               |                                |
|           | 129,98,000 Equity Shares of Rs. 10 each  | 1299.80                       | ---                            |
| <b>E.</b> | <b>Securities Premium Account</b>  |                               |                                |
|           | Before the Issue   | 230.44                        |                                |
|           | After the Issue  | 1463.62                       |                                |

*\*This Issue has been authorized by the Board of Directors pursuant to a board resolution 25<sup>th</sup> February, 2014 and by the shareholders of our Company pursuant to a special resolution dated 21<sup>st</sup> March, 2014 passed at the EGM of shareholders under section 81 (1A) of the Companies Act, 1956.*

*Our Company has no outstanding convertible instruments as on the date of the Draft Prospectus.*

### CHANGES IN THE AUTHORIZED SHARE CAPITAL OF OUR COMPANY:

| Sr. No. | Particulars of Change                    |  | Date of Shareholders' Meeting | Meeting AGM/EGM |
|---------|--|--|-------------------------------|-----------------|
|         | From                                     | To                                       |                               |                 |
| 1       | -  | 5,00,000 Equity Shares of Rs. 100 each   | -                             | Incorporation   |
| 2       | 5,00,000 Equity Shares of Rs. 10 each    | 15,00,000 Equity Shares of Rs. 10 each   | 19/01/2007                    | EGM             |
| 4       | 15,00,000 Equity Shares of Rs. 10 each   | 25,00,000 Equity Shares of Rs. 10 each   | 17/06/2008                    | EGM             |
| 5       | 25,00,000 Equity Shares of Rs. 10 each   | 1,30,00,000 Equity Shares of Rs. 10 each | 30/09/2011                    | EGM             |
| 6       | 1,30,00,000 Equity Shares of Rs. 10 each | 1,35,00,000 Equity Shares of Rs. 10 each | 21/03/2014                    | EGM             |

## NOTES FORMING PART OF CAPITAL STRUCTURE

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

| Date of/<br>issue<br>allotment<br>of Shares | No. of<br>Equity<br>Shares<br>Issued | Face<br>value<br>(Rs) | Issue<br>price<br>(Rs.) | Conside<br>ration<br>(cash,<br>bonus,<br>consider<br>ation<br>other<br>than<br>cash) | Nature of<br>allotment<br>(Bonus, swap<br>etc.) | Cumulative<br>no. of<br>Equity<br>Shares | Cumulative<br>paid-up<br>share<br>capital<br>(Rs.) | Cumulative<br>share<br>premium<br>(Rs.) |
|---|--------------------------------------|-----------------------|-------------------------|--|---|--|--|---|
| 20/01/1999                                  | 200                                  | 10                    | 10                      | Cash   | Subscription to<br>MOA                          | 200                                      | 2000   | -                                       |
| 01/10/2002                                  | 23500                                | 10                    | 10                      | Cash   | Further Allotment                               | 23700                                    | 237000   | -                                       |
| 29/08/2003                                  | 48500                                | 10                    | 10                      | Cash   | Further Allotment                               | 72200                                    | 722000   | -                                       |
| 23/01/2004                                  | 130000                               | 10                    | 10                      | Cash   | Further Allotment                               | 202200                                   | 2022000  | -                                       |
| 29/03/2005                                  | 44500                                | 10                    | 10                      | Cash   | Further Allotment                               | 246700                                   | 2467000  | -                                       |
| 01/02/2006                                  | 30000                                | 10                    | 10                      | Cash   | Further Allotment                               | 276700                                   | 2767000  | -                                       |
| 10/10/2007                                  | 556000                               | 10                    | 10                      | Cash   | Further Allotment                               | 832700                                   | 8327000  | -                                       |
| 16/05/2011                                  | 70                                   | 10                    | 10                      | Cash   | Further Allotment                               | 832770                                   | 8327700  | -                                       |
| 25/07/2011                                  | 832770                               | 10                    | Nil                     | Cash   | Bonus issue (in the<br>ratio of 1:1)            | 1665540                                  | 16655400   | -                                       |
| 10/08/2011                                  | 834400                               | 10                    | 12                      | Cash   | Further Allotment                               | 2499940                                  | 24999400   | 1668800                                 |
| 01/11/2011                                  | 4498546                              | 10                    | 13.75                   | Cash   | Further Allotment                               | 6998486                                  | 69984860   | 18538348                                |
| 17/02/2012                                  | 1201514                              | 10                    | 13.75                   | Cash   | Further Allotment                               | 8200000                                  | 82000000   | 23044026                                |
| 20/03/2012                                  | 820000                               | 10                    | Nil                     | Cash   | Bonus issue (in the<br>ratio of 10:1)           | 9020000                                  | 90200000   | 23044026                                |

- We have not issued any Equity Shares for consideration other than cash except bonus issue in the ratio of 1:1 on 25<sup>th</sup> July, 2011 and 10:1 on 20<sup>th</sup> March, 2012.
- 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.
- We have not issued any Equity Shares in the last one (1) year
- Shareholding of our Promoters:

Set forth below are the details of the build-up of shareholding of our Promoters

| 1. MR. VAKAMULLA CHANDRASHEKHAR    |                   |                            |  |   |                        |  |   |
|------------------------------------|-------------------|----------------------------|--|---|------------------------|--|---|
| Date of<br>Allotment /<br>Transfer | Considera<br>tion | No. of<br>Equity<br>Shares | Face<br>value<br>per<br>Shar<br>e<br>(Rs.) | Issue /<br>Acquis<br>ition/T<br>ransfer<br>price<br>(Rs.) | Nature of Transactions | Pre-<br>issue<br>shareh<br>olding<br>% | Post-<br>issue<br>shareh<br>olding<br>% |
| 20/01/1999                         | Cash              | 100                        | 10   | 10  | Subscribed             |  |   |
| 01/10/2002                         | Cash              | 23500                      | 10   | 10  | Allotment              |  |   |
| 29/08/2003                         | Cash              | 48500                      | 10   | 10  | Allotment              |  |   |
| 23/01/2004                         | Cash              | 110000                     | 10   | 10  | Allotment              |  |   |
| 29/03/2005                         | Cash              | 44500                      | 10   | 10  | Allotment              |  |   |

| 1. MR. VAKAMULLA CHANDRASHEKHAR |                               |                      |                            |  |                                    |                          |                           |
|---------------------------------|-------------------------------|----------------------|----------------------------|--|------------------------------------|--------------------------|---------------------------|
| Date of Allotment / Transfer    | Consideration                 | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.) | Nature of Transactions             | Pre-issue shareholding % | Post-issue shareholding % |
| 01/02/2006                      | Cash                          | 30000                | 10                         | 10                                       | Allotment                          |                          |                           |
| 10/10/2007                      | Cash                          | 556000               | 10                         | 10                                       | Allotment                          |                          |                           |
| 25/07/2011                      | Consideration other than cash | 812600               | 10                         | Nil                                      | Bonus issue (in the ratio of 1:1)  |                          |                           |
| 10/08/2011                      | Cash                          | 834400               | 10                         | 10                                       | Allotment                          |                          |                           |
| 01/11/2011                      | Cash                          | 2902473              | 10                         | 10                                       | Allotment                          |                          |                           |
| 17/02/2012                      | Cash                          | 1018182              | 10                         | 10                                       | Allotment                          |                          |                           |
| 20/03/2012                      | Consideration other than cash | 638026               | 10                         | 10                                       | Bonus issue (in the ratio of 10:1) |                          |                           |
| <b>Total</b>                    |                               | <b>7018281</b>       |                            |  |                                    | <b>77.80</b>             | <b>53.99</b>              |

| 2. MRS. VAKAMULLA ANU NAIDU  |                               |                      |                            |  |                                    |                          |                           |
|------------------------------|-------------------------------|----------------------|----------------------------|--|------------------------------------|--------------------------|---------------------------|
| Date of Allotment / Transfer | Consideration                 | No. of Equity Shares | Face value per Share (Rs.) | Issue / Acquisition/Transfer price (Rs.) | Nature of Transactions             | Pre-issue shareholding % | Post-issue shareholding % |
| 20/01/1999                   | Cash                          | 100                  | 10                         | 10                                       | Subscribed                         |                          |                           |
| 23/01/2004                   | Cash                          | 20000                | 10                         | 10                                       | Allotment                          |                          |                           |
| 25/07/2011                   | Consideration other than cash | 20100                | 10                         | Nil                                      | Bonus issue (in the ratio of 1:1)  |                          |                           |
| 01/11/2011                   | Cash                          | 1596073              | 10                         | 10                                       | Allotment                          |                          |                           |
| 17/02/2012                   | Cash                          | 183332               | 10                         | 10                                       | Allotment                          |                          |                           |
| 20/03/2012                   | Consideration other than cash | 181960               | 10                         | Nil                                      | Bonus issue (in the ratio of 10:1) |                          |                           |
| <b>Total</b>                 |                               | <b>2001565</b>       |                            |  |                                    | <b>22.19</b>             | <b>15.39</b>              |

#### 6. Details of Promoters' contribution locked in for three years:

Pursuant to Regulation 32 and 36 of SEBI (ICDR) Regulations aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution ("**Promoters Contribution**") and locked-in for a period of three years from the date of Allotment. 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 listing of the Equity Shares.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20% of the post-Issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above.

| Name of Promoter             | No. of shares locked in | Date of Allotment/ Acquisition/Transfer | Issue Price / Purchase Price /Transfer Price(Rs. per share) | % of Pre-Issue Paid up Equity capital | % of Post Issue Paid up Equity capital |
|------------------------------|-------------------------|---|---|---------------------------------------|--|
| Mr. Vakamulla Chandrashekhar | 2729580                 | 01/11/2011                              | 10  |                                       |  |
| <b>TOTAL</b>                 | <b>2729580</b>          |   |   | <b>30.26%</b>                         | <b>21.00%</b>                          |

We further confirm that the minimum Promoter Contribution of 20% which is subject to lock-in for three years does not consist of:

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

Specific written consent has been obtained from the Promoters for inclusion of the Equity Shares for ensuring lock-in of three years to the extent of minimum 20% of post -Issue paid-up Equity Share Capital from the date of allotment in the proposed public Issue. Promoters' Contribution does not consist of any private placement made by solicitation of subscription from unrelated persons either directly or through any intermediary.

The minimum Promoters' Contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoters under the SEBI (ICDR) Regulations, 2009. The Promoters' Contribution constituting 20% of the post-Issue capital shall be locked-in for a period of three years from the date of Allotment of the Equity Shares in the Issue.

All Equity Shares, which are to be locked-in, are eligible for computation of Promoters' Contribution, in accordance with the SEBI (ICDR) Regulations, 2009. Accordingly we confirm that the Equity Shares proposed to be included as part of the Promoters' Contribution:

- have not been subject to pledge or any other form of encumbrance; or
- have not been acquired, during preceding three years, for consideration other than cash and revaluation of assets or capitalization of intangible assets is not involved in such transaction;
- is not resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the Issuer or from bonus issue against Equity Shares which are ineligible for minimum Promoters' Contribution;
- have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Draft Prospectus at a price lower than the Issue Price.

The Promoters' Contribution can be pledged only with a scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or financial institutions, in the event the pledge of the

Equity Shares is one of the terms of the sanction of the loan. The Promoters' Contribution may be pledged only if in addition to the above stated, the loan has been granted by such banks or financial institutions for the purpose of financing one or more of the objects of this Issue.

The Equity Shares held by our Promoters may be transferred to and among the Promoter Group or to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

## 7. Details of share capital locked in for one year:

In addition to 20% of the post-Issue shareholding of our Company held by the Promoters (locked in for three years as specified above), in accordance with regulation 36 of SEBI (ICDR) Regulations, 2009, the entire pre-Issue share capital of our Company (including the Equity Shares held by our Promoters) shall be locked in for a period of one year from the date of Allotment in this Issue.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment, in accordance with regulation 37 of SEBI (ICDR) Regulations, 2009, in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Code.

## 8. Shareholding pattern of our Company:

A: The following table presents the shareholding pattern of Our Company

| Category of Shareholder                            | No. of Shareholders | Pre-Issue            |                         | Post-Issue           |                         | Shares Pledged or otherwise encumbered |        |
|--|---------------------|----------------------|-------------------------|----------------------|-------------------------|--|--------|
|  |                     | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity | Number of shares                       | As a % |
| Shareholding of Promoters and Promoter group       |                     |                      |                         |                      |                         |  |        |
| INDIAN   |                     |                      |                         |                      |                         |  |        |
| Individuals/HUFs Directors/Relatives               | 6                   | 9019934              | 99.99                   | 9019934              | 69.39                   | ---                                    | ---    |
| Central Govt. / State Govts.                       | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Bodies Corporate                                   | -                   |                      |                         |                      |                         | ---                                    | ---    |
| Financial Institutions/Banks                       | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Sub Total A (1)                                    | 6                   | 9019934              | 99.99                   | 9019934              | 69.39                   | ---                                    | ---    |
| FOREIGN  |                     |                      |                         |                      |                         |  |        |
| Bodies Corporate                                   | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Individual   | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Institutions                                       | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Any others (specify)                               | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Sub Total A (2)                                    | -                   | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Total Shareholding of Promoter group A (1) + A (2) | 6                   | 9019934              | 99.99                   | 9019934              | 69.39                   | ---                                    | ---    |
| PUBLIC SHAREHOLDING                                |                     |                      |                         |                      |                         |  |        |
| Institutions                                       |                     |                      |                         |                      |                         |  |        |
| Central Govt. / State Govts.                       | -                   | ---                  | ---                     | [●]                  | [●]                     | ---                                    | ---    |
| Financial Institutions/Banks                       | -                   | ---                  | ---                     | [●]                  | [●]                     | ---                                    | ---    |
| Mutual Funds/UTI                                   | -                   | ---                  | ---                     | [●]                  | [●]                     | ---                                    | ---    |
| Venture Capital Funds                              | -                   | ---                  | ---                     | [●]                  | [●]                     | ---                                    | ---    |
| Insurance Companies                                | -                   | ---                  | ---                     | [●]                  | [●]                     | ---                                    | ---    |
| Foreign Institutions Investors                     | -                   | ---                  | ---                     | [●]                  | [●]                     | ---                                    | ---    |



| Category of Shareholder  | No. of Shareholders | Pre-Issue            |                         | Post-Issue           |                         | Shares Pledged or otherwise encumbered |        |
|--|---------------------|----------------------|-------------------------|----------------------|-------------------------|--|--------|
|  |                     | No. of Equity Shares | As a % of Issued Equity | No. of Equity Shares | As a % of Issued Equity | Number of shares                       | As a % |
| Foreign Venture Capital Investors  | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| Any Others (Specify)   | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| <b>Sub Total B (1)</b>   | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| Non Institutions   | -                   | ---                  | ---                     |                      |                         |  |        |
| Bodies Corporate   | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| Individuals-shareholders holding normal share capital up to Rs. 1 Lac                | 2                   | 44                   | 0.0005                  | [•]                  | [•]                     | ---                                    | ---    |
| Individuals-shareholders holding normal Share capital in excess of Rs.1 Lac          | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| Trust  | -                   | -                    | -                       | [•]                  | [•]                     | ---                                    | ---    |
| Any Other (i) Clearing Member  | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| Directors/Relatives  | -                   | ---                  | -                       | [•]                  | [•]                     | ---                                    | ---    |
| Employees  | 1                   | 22                   | 0.0002                  | [•]                  | [•]                     | ---                                    | ---    |
| Foreign Nationals  | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| NRIs   | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| OCB'S  | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| Person Acting in Concert   | -                   | ---                  | ---                     | [•]                  | [•]                     | ---                                    | ---    |
| <b>Sub Total B(2)</b>  |                     |                      |                         | [•]                  | [•]                     | ---                                    | ---    |
| <b>Total Public Shareholding B(1) + B(2)</b>   | <b>3</b>            | <b>66</b>            | <b>0.0007</b>           | <b>3777066</b>       | <b>29.06</b>            | ---                                    | ---    |
| <b>Total A+B</b>   | <b>9</b>            | <b>902000</b>        | <b>0.0007</b>           | <b>12797000</b>      | <b>98.45</b>            | ---                                    | ---    |
| Shares held by Custodians and against which Depository receipts have been issued (C) | ---                 | ---                  | ---                     | ---                  | ---                     | ---                                    | ---    |
| Shares held by Market Makers (D)   | -                   | -                    | -                       | 201000               | 1.55                    |  |        |
| <b>Grand Total A+B+C+D</b>   | <b>9</b>            | <b>9020000</b>       | <b>100</b>              | <b>12998000</b>      | <b>100.00</b>           | ---                                    | ---    |

#### [B] Shareholding of our Promoters and Promoter Group

The table below presents the current shareholding pattern of our Promoters and Promoter Group (individuals and companies) as per clause 37 of the SME Listing Agreement.

| Sr. No.  | Name of the shareholder | Pre-Issue            |                                | Post-Issue           |                                | Shares pledged or otherwise encumbered |                 |  |
|----------|-------------------------|----------------------|--------------------------------|----------------------|--------------------------------|--|-----------------|--|
|          |                         | No. of Equity Shares | As a % of Issued Share Capital | No. of Equity Shares | As a % of Issued Share Capital | Number                                 | As a percentage | As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a) |
| <b>A</b> | <b>Promoters</b>        |                      |                                |                      |                                |  |                 |  |

| Sr. No.   | Name of the shareholder  | Pre-Issue            |                                | Post-Issue           |                                | Shares pledged or otherwise encumbered |                 |  |
|---|--------------------------|----------------------|--------------------------------|----------------------|--------------------------------|--|-----------------|--|
|   |                          | No. of Equity Shares | As a % of Issued Share Capital | No. of Equity Shares | As a % of Issued Share Capital | Number                                 | As a percentage | As a % of grand Total (a)+(b)+(c) of Sub-clause (i)(a) |
| 1   | Vakamulla Chandrashekhar | 7018281              | 77.80                          | 7018281              | 53.99                          | -                                      | -               | -  |
| 2   | Vakamulla Anu Naidu      | 2001565              | 22.19                          | 2001565              | 15.39                          | -                                      | -               | -  |
| <b>B Promoter Group, Relatives and other Associates</b> |                          |                      |                                |                      |                                |  |                 |  |
| 3   | Vakamulla Anjaneyulu     | 22                   | 0.0002                         | 22                   | 0.0001                         | -                                      | -               | -  |
| 4   | V. A. Rajeshwari         | 22                   | 0.0002                         | 22                   | 0.0001                         | -                                      | -               | -  |
| 5   | Vakamulla Bhaskar Naidu  | 22                   | 0.0002                         | 22                   | 0.0001                         | -                                      | -               | -  |
| 6   | Vakamulla Tarini Naidu   | 22                   | 0.0002                         | 22                   | 0.0001                         | -                                      | -               | -  |
|   | <b>TOTAL (A+B)</b>       | <b>9019934</b>       | <b>99.99</b>                   | <b>9019934</b>       | <b>69.38</b>                   | <b>-</b>                               | <b>-</b>        | <b>-</b>   |

[C] Shareholding of persons belonging to the category 'Public' and holding more than 1% of our Equity Shares

| S. No. | Name of shareholder | Pre-Issue     |                                    | Post-Issue    |                                    |
|--------|---------------------|---------------|------------------------------------|---------------|------------------------------------|
|        |                     | No. of Shares | Shares as % of total no. of shares | No. of Shares | Shares as % of total no. of shares |
| Nil    |                     |               |                                    |               |                                    |

9. 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.) |
|--------------------------|--------------------|--------------------------------------|
| Vakamulla Chandrashekhar | 7018281            | 10.27                                |
| Vakamulla Anu Naidu      | 2001565            | 12.32                                |

10. None of our Directors or Key Managerial Personnel hold Equity Shares in our Company, other than as follows:

| Name of the Director     | No. of Equity Shares | Pre-Issue percentage Shareholding |
|--------------------------|----------------------|-----------------------------------|
| Vakamulla Chandrashekhar | 7018281              | 76.59                             |
| Vakamulla Anu Naidu      | 2001565              | 22.19                             |
| Vakamulla Bhaskar Naidu  | 22                   | 0.0002                            |
| Abhilash Chand Jain      | 22                   | 0.0002                            |

#### 11. Equity Shares held by top ten shareholders

(a) Our top ten shareholders and the number of Equity Shares held by them as on date of the Draft Prospectus are as under:

| Sr. No. | Name of shareholder      | No. of Shares | % age of pre-Issue capital |
|---------|--------------------------|---------------|----------------------------|
| 1       | Vakamulla Chandrashekhar | 7018281       | 77.80                      |
| 2       | Vakamulla Anu Naidu      | 2001565       | 22.19                      |
| 3       | Vakamulla Anjaneyulu     | 22            | 0.0002                     |
| 4       | V. A. Rajeshwari         | 22            | 0.0002                     |
| 5       | Vakamulla Bhaskar Naidu  | 22            | 0.0002                     |

| Sr. No. | Name of shareholder    | No. of Shares  | % age of pre-Issue capital |
|---------|------------------------|----------------|----------------------------|
| 6       | Vakamulla Tarini Naidu | 22             | 0.0002                     |
| 7       | Abhilash Chand Jain    | 22             | 0.0002                     |
| 8       | Prabhdeep Malia        | 22             | 0.0002                     |
| 9       | Dev Kumar Pathak       | 22             | 0.0002                     |
|         | <b>Total</b>           | <b>9020000</b> | <b>100</b>                 |

(b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to the date of the Draft Prospectus are as under:

| Sr. No. | Name of shareholder      | No. of Shares  | % age of pre-Issue capital |
|---------|--------------------------|----------------|----------------------------|
| 1       | Vakamulla Chandrashekhar | 7018281        | 77.80                      |
| 2       | Vakamulla Anu Naidu      | 2001565        | 22.19                      |
| 3       | Vakamulla Anjaneyulu     | 22             | 0.0002                     |
| 4       | V. A. Rajeshwari         | 22             | 0.0002                     |
| 5       | Vakamulla Bhaskar Naidu  | 22             | 0.0002                     |
| 6       | Vakamulla Tarini Naidu   | 22             | 0.0002                     |
| 7       | Abhilash Chand Jain      | 22             | 0.0002                     |
| 8       | Prabhdeep Malia          | 22             | 0.0002                     |
| 9       | Dev Kumar Pathak         | 22             | 0.0002                     |
|         | <b>Total</b>             | <b>9020000</b> | <b>100</b>                 |

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of the Draft Prospectus are as under:

| Sr. No. | Name of shareholder      | No. of Shares* | % age of pre-Issue capital |
|---------|--------------------------|----------------|----------------------------|
| 1       | Vakamulla Chandrashekhar | 7018281        | 77.80                      |
| 2       | Vakamulla Anu Naidu      | 2001565        | 22.19                      |
| 3       | Vakamulla Anjaneyulu     | 22             | 0.0002                     |
| 4       | V. A. Rajeshwari         | 22             | 0.0002                     |
| 5       | Vakamulla Bhaskar Naidu  | 22             | 0.0002                     |
| 6       | Vakamulla Tarini Naidu   | 22             | 0.0002                     |
| 7       | Abhilash Chand Jain      | 22             | 0.0002                     |
| 8       | Prabhdeep Malia          | 22             | 0.0002                     |
| 9       | Dev Kumar Pathak         | 22             | 0.0002                     |
|         | <b>Total</b>             | <b>9020000</b> | <b>100</b>                 |

12. There is no "Buyback", "Standby", or similar arrangement for the purchase of Equity Shares by our Company/Promoters/Directors/Lead Manager for purchase of Equity Shares offered through the Draft Prospectus.

13. There have been no purchase or sell of Equity Shares by the Promoters during a period of six months preceding the date on which the Draft Prospectus is filed with BSE.

14. Our Company has not raised any bridge loans against the proceeds of this Issue.

15. Investors may note that in case of over-subscription, allotment will be on proportionate basis as detailed in paragraph on "Basis of Allotment" on page 154 of this Draft Prospectus.

16. An over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off while finalizing the basis of allotment to the nearest integer during finalizing the allotment, subject to minimum allotment lot.

Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.

17. As on date of filing of this Draft Prospectus with SEBI, the entire issued share capital of our Company is fully paid-up. The Equity Shares offered through this Public Issue will be fully paid up.

18. On the date of filing the Draft Prospectus with SEBI, there are no outstanding financial instruments or any other rights that would entitle the existing Promoters or shareholders or any other person any option to receive Equity Shares after the Issue.

19. Our Company has not issued any Equity Shares out of revaluation reserves and not issued any bonus shares out of capitalization of revaluation reserves.

20. Lead Manager to the Issue viz. Guinness Corporate Advisors Private Limited does not hold any Equity Shares of our Company.

21. Our Company has not revalued its assets since incorporation.

22. Our Company has not made any public issue since incorporation.

23. There will be only one denomination of the Equity Shares of our Company unless otherwise permitted by law, our Company shall comply with such disclosure, and accounting norms as may be specified by SEBI from time to time.

24. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, and rights issue or in any other manner during the period commencing from submission of this Draft Prospectus with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed.

25. Except as disclosed in the Draft Prospectus, our Company presently does not have any intention or proposal to alter its capital structure for a period of six (6) months from the date of opening of the Issue, by way of spilt/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise. However, during such period or a later date, it may issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.

26. At any given point of time, there shall be only one denomination for a class of Equity Shares of our Company.

27. Our Company does not have any ESOS/ESPS scheme for our employees and we do not intend to allot any shares to our employees under ESOS/ESPS scheme from the proposed Issue. As and when, options are granted to our employees under the ESOP scheme, our Company shall comply with the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Plan) Guidelines 1999.

28. An investor cannot make an application for more than the number of Equity Shares offered in this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

29. No payment, direct, indirect in the nature of discount, commission, and allowance, or otherwise shall be made either by us or by our Promoters to the persons who receive allotments, if any, in this Issue.

30. Our Company has Nine (9) members as on the date of filing of this Draft Prospectus.

## OBJECTS OF THE ISSUE

The objects of the Issue are to finance our business expansion plans and achieve the benefits of listing on the SME platform of BSE Ltd. We believe that listing will enhance our corporate image and brand name of our Company.

The objects of the Issue are as stated below:

1. To finance Long Term incremental working capital requirements
2. Interior and renovation of our Registered Office.
3. Brand Building
4. General corporate expenses
5. To meet the expenses of the Issue

The main objects of our Memorandum of Association permits us to undertake our existing activities and the activities for which the funds are being raised by us, through the present Issue. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The details of the proceeds of the Issue are summarized in the table below: -

|     |   | (Rs. In Lacs)  |
|-----|---|----------------|
| No. | Particulars   | Amount         |
| I   | To finance Long Term incremental working capital requirements | 1000.00        |
| II  | Renovation & Interior of our Registered Office                | 160.00         |
| III | Brand Building  | 150.00         |
| IV  | General Corporate purposes                                    | 250.00         |
| V   | Issue Expenses  | 70.98          |
|     | <b>TOTAL</b>  | <b>1630.98</b> |

## MEANS OF FINANCE

|                         |  | (Rs. In Lacs)  |
|-------------------------|--|----------------|
| Particulars             |  | Amount         |
| Initial Public Offering |  | 1630.98        |
| Internal Accruals       |  | -              |
| <b>Total</b>            |  | <b>1630.98</b> |

We propose to meet the entire requirement of funds for the Objects from the Net Proceeds of the Issue. Accordingly, the requirement under Regulation 4(2)(g) of the SEBI ICDR Regulations of firm arrangements of finance through verifiable means for the 75% of the stated means of finance excluding the Issue Proceeds is not applicable.

In the event of a shortfall in raising the requisite capital from the proceeds of the Issue, towards meeting the Objects of the Issue, the extent of the shortfall will be met by internal accruals and/or from fresh debt.

## DETAILS OF THE OBJECTS OF THE ISSUE

### I. TO FINANCE LONG TERM INCREMENTAL WORKING CAPITAL REQUIREMENTS

We are presently engaged in the business of engineering with focus in to power sector. Going forward, we plan to increase our volume of operations. We have been retained for preparation of two Hydro Power Projects in Lesotho, Africa for an estimated value of Rs. 125 Crs. Therefore, our anticipated growth would push up the increase in sales and thereby need of additional long term working capital on account of providing credit period sought by our clients and for payment to manpower's and procurement of materials.

In the usual course of our business we have availed working capital limits from ICICI Bank Limited. As on 31<sup>st</sup> March, 2014, Our Company's working capital facility consisted of drop line overdraft facility outstanding at Rs. 55.38 Lacs.

The working capital requirement of the company as per the latest audited financial statements i.e. 31<sup>st</sup> December, 2013 is Rs. 169.16 Lacs. The working capital of Fiscal 2015 has been assessed at Rs. 1218.53 Lacs. This will entail the incremental working capital requirement of Rs. 1049.37 Lacs in fiscal 2015. The funding pattern of the requirement for the working capital is as below:

(A) Issue Proceeds: We intend to utilize Rs. 1000.00 Lacs towards the total working capital requirements for Fiscal 2015.

(B) Internal Accruals: We intend to utilize Rs. 49.27 Lacs towards the total working capital requirements for Fiscal 2015.

We have estimated the working capital requirement, which is as under:

| (Rs. In Lacs)                    |              |                                |
|----------------------------------|--------------|--------------------------------|
| Particulars                      | Basis (Days) | Amount (Fiscal 2015) Estimated |
| Debtors                          | 120          | 550.00                         |
| Advances for Materials Etc.      |              | 500.00                         |
| Cash & Bank Balances             |              | 45.23                          |
| Other Current Assets             |              | 525.00                         |
| <b>Total (A)</b>                 |              | <b>1620.23</b>                 |
| <b>Less:</b>                     |              |                                |
| Expenses & Other Liabilities     |              | 146.46                         |
| Short Term Borrowings            |              | 255.24                         |
| <b>Total (B)</b>                 |              | <b>401.70</b>                  |
| <b>Net Working Capital (A-B)</b> |              | <b>1218.53</b>                 |

The funding pattern of the incremental working capital is tabled as below:

| (Rs. In Lacs)                                     |                  |             |
|---|------------------|-------------|
| Particulars                                       | As on 31.12.2013 | Fiscal 2015 |
| <b>Total Working Capital</b>                      | 169.16           | 1218.53     |
| <b>Incremental Working Capital</b>                | ---              | 1049.37     |
| <b>Funding Pattern :</b>                          |                  |             |
| Proceeds from the public Issue                    | ---              | 1000.00     |
| Proceeds from internal accruals already in system | 169.16           | 49.37       |

#### *Justification of Holding Level*

- Receivables (Sales):

The level of receivables as for subsequent financial year i.e. fiscal 2015 are estimated at 120 Days, which is a norm of industry.

- **Expenses Payable:**

Expenses payable and creditors majorly includes salary and other expenses payable which are generally spot payments or maximum 30 days of credit.

## II. RENOVATION AND INTERIOR OF OUR REGISTERED OFFICE

We operate from our registered office situated at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar IV, New Delhi-110024 which is owned by ourselves. Going forward, as we plan to expand our operations and to participate in tenders to undertake engineering contracts to vertically increase our operations. In order to gear up, we need to modernize and renovate our registered office. We have estimated an expenditure of Rs. 160.00 Lacs towards the Interior and renovation of our Registered Office. The break-up of the expenditure is set forth below:

| Sr. No. | Particulars  | Contractor / Supplier                               | Total Cost (Rs. Lacs) |
|---------|--|---|-----------------------|
| 1       | Civil work including excavation, foundation, RCC Work, plastering, flooring & tiles, woodwork, electrical work, sanitary, painting, finishing and POP Etc. | Maple Destinations & Dreambuild Pvt. Ltd, New Delhi | 130.00                |
| 2       | Furniture, Fixture, Storage, Modernization and interiors   | Vibha Interiors & Infracon India Pvt. Ltd., Gurgaon | 29.87                 |
|         | <b>Total</b>   |   | <b>159.87</b>         |
|         | <b>Rounded Off to</b>  |   | <b>160.00</b>         |

## III. BRAND BUILDING

We believe that continuous brand building is necessary for achieving widespread recognition of our services. Going forward, as we plan to establish our brand name and to create a visibility, our company intends to deploy Rs. 150.00 Lacs out of net issue proceeds, as detailed in following table:

| Sr. no. | Particulars                                | Amount (Rs. In Lacs) |
|---------|--|----------------------|
| 1       | Print Media                                | 50.00                |
| 2       | Participation in Trade Shows & Exhibitions | 50.00                |
| 3       | Conference and PR Meetings                 | 50.00                |
|         | <b>Total</b>                               | <b>150.00</b>        |

## IV. GENERAL CORPORATE PURPOSES

Our Company in accordance with the policies set up by our Board, will have flexibility in applying the remaining Net proceeds of this Issue aggregating 250.00 Lacs, for general corporate purpose towards, financing normal capital expenditure, strategic initiatives, expanding into new geographies, pre-operative expenses, funding routine working capital and strengthening our marketing capabilities.

### IV. TO MEET THE EXPENSES OF THE ISSUE

The total estimated expenses are Rs. 70.98 Lacs which is 4.35 % of Issue Size. The details of Issue expenses are tabulated below:

| No. | Particulars  | (Rs. In Lacs)<br>Amount (Rs. In Lacs) |
|-----|--|---------------------------------------|
| 1.  | Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 40.00                                 |

| No.          | Particulars  | Amount<br>(Rs. In Lacs) |
|--------------|--|-------------------------|
| 2.           | Printing & Stationery, Distribution, Postage, etc. | 10.00                   |
| 3.           | Advertisement & Marketing Expenses                 | 15.00                   |
| 4.           | Regulatory & other expenses                        | 5.00                    |
| 5.           | Contingencies                                      | 0.98                    |
| <b>Total</b> |  | <b>70.98</b>            |

#### Proposed year-wise deployment of funds:

The overall cost of the proposed Project and the proposed year wise break up of deployment of funds are as under:

| (Rs. In Lacs)   |                  |                |              |                |
|---|------------------|----------------|--------------|----------------|
| Particulars   | Already Incurred | FY 2014 - 15   | FY 2015 - 16 | TOTAL          |
| To finance Long Term incremental working capital requirements | -                | 1000.00        | -            | 1000.00        |
| Renovation & Interior of our Registered Office                | -                | 160.00         | -            | 160.00         |
| Brand Building  | -                | 75.00          | 75.00        | 150.00         |
| General Corporate purposes                                    | -                | 150.00         | 100.00       | 250.00         |
| Issue Expenses  | 1.35             | 69.63          | -            | 70.98          |
| <b>TOTAL</b>  | <b>1.35</b>      | <b>1454.64</b> | <b>175</b>   | <b>1630.98</b> |

#### Details of funds already deployed till date and sources of funds deployed

The funds deployed up to 31<sup>st</sup> March, 2014 pursuant to the object of this Issue on the Project as certified by the Auditors of our Company, viz. M/s VCG & Co., Chartered Accountants pursuant to their certificate dated 20<sup>th</sup> April, 2014 is given below:

| (Rs. in Lacs)          |             |
|------------------------|-------------|
| Deployment of Funds    | Amount      |
| Project related        | -           |
| Issue Related Expenses | 1.35        |
| <b>Total</b>           | <b>1.35</b> |

| (Rs. in Lacs)     |             |
|-------------------|-------------|
| Sources of Funds  | Amount      |
| Internal Accruals | 1.35        |
| Bank Finance      | -           |
| <b>Total</b>      | <b>1.35</b> |

#### APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

#### SHORTFALL OF FUNDS

Any shortfall in meeting the Project cost will be met by way of internal accruals.



## **INTERIM USE OF FUNDS**

The Company in accordance with compliance of section 27 of 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 as described above. The particular composition, timing and schedule of deployment of the Issue proceeds will be determined by us based upon the deployment of the projects. Pending utilization for the purposes described above, we intend to temporarily invest the funds from the Issue in interest bearing liquid instruments including deposits with banks and investments in mutual funds and other financial products, such as principal protected funds, derivative linked debt instruments, other fixed and variable return instruments, listed debt instruments and rated debentures.

## **MONITORING OF UTILIZATION OF FUNDS**

As the Net Proceeds of the Issue will be less than Rs. 50,000 Lacs, under the SEBI Regulations it is not mandatory for us to appoint a monitoring agency.

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

## BASIS FOR ISSUE PRICE

*Investors should read the following basis with the “Risk Factors” beginning on page 9 and the details about the “Business of our Company” and its “Financial Statements” included in this Draft Prospectus on page 63 & 107 respectively to get a more informed view before making any investment decisions.*

### QUALITATIVE FACTORS

Some of the qualitative factors which form the basis for computing the Issue Price are:

- **Integrated Service Provider**

We are an integrated player providing turn-key services under one umbrella from designing, construction, generation, transmission and distribution. We are also professionally competent to undertake projects from concept to commissioning. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

- **Strong management team and motivated and efficient work force**

Our Promoters have more than a decade years of experience in the Engineering and Power Sector. Our Company is managed by a team of experienced and professional personals with experience in different aspects of industry including mix of engineers in the field of civil, electrical, mechanical, hydro-mechanical. Our team works in the form of composite work group with exposure in all weather conditions in remote sites. The faith of the management in the staff and their dedicated performance has enabled us to build up capabilities to operate at different locations in the country.

- **Wide Geographical Reach**

We have undertaken and completed projects in Bangalore, Gujrat, Himachal Pradesh in India. We have also registered our presence in Africa with successful completion of T&D project in Zambia.

- **Strong Order Book**

We have strong order book, consisting of contract of mini hydro scheme namely Kanayatna in the state of Karnataka under Independent Power Producer route on long term basis; We have been retained for preparation of two Hydro Power Projects in Lesotho, Africa; We have also been awarded operation & maintenance contract for 35 years towards 2 no's of Damanganga Small Hydro Power Projects.

- **Strong relationships with our customers**

Our record of strong performance has helped us to build strong relationships over a number of years with our customers in India and Africa through our timely and quality delivery of services.

- **Extensive Array of Fixed Assets.**

We own various immovable properties as mentioned in page 68 of Draft Prospectus with a book value of Rs. 441.26 Lacs and an approximate Market Value of Rs. 5775 Lacs. We also possess high inventory of tools and plants to execute vivid capacity of projects.

## QUANTITATIVE FACTORS

Information presented in this section is derived from our restated financial statements certified by the Statutory Auditors of the Company.

### 1. Basic Earning Per Equity Share (EPS) (on Face value of Rs. 10 per share)

| Year                            | Earnings per Share (Rs.) | Weight |
|---------------------------------|--------------------------|--------|
| FY 2010-11                      | 3.49                     | 1      |
| FY 2011-12                      | 0.02                     | 2      |
| FY 2012-13                      | -                        | 3      |
| <b>Weighted Average</b>         | <b>0.59</b>              |        |
| Audited Period ended 31.12.2013 | 0.03                     |        |

- EPS Calculations have been done in accordance with Accounting Standard 20-“Earning per Share” issued by the Institute of Chartered Accountants of India.
- Basic earnings per share are calculated by dividing the net profit after tax by the weighted average number of Equity Shares outstanding during the period. Weighted Average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
- The weighted average number of Equity Shares outstanding during the period is adjusted for events of bonus issue.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

### 2. Price / Earnings Ratio (P/E) in relation to the Issue Price Rs. 41.00

- Based on fiscal year as on 31<sup>st</sup> March, 2013; at EPS of Rs. Nil as per Restated Financial Statements, the P/E ratio is N.A.
- Based on weighted average EPS of Rs. 0.59 as per Restated Financial Statements, the P/E ratio is 69.69
- Industry PE:

| Industry Engineering | P/E  |
|----------------------|------|
| Highest              | 96.1 |
| Lowest               | 1.0  |
| Industry Composite   | 21.3 |

\*Source: Capital Market Volume XXIX/04 dated April 14, 2014-April 27, 2014; Engineering

### 3. Return on Net Worth

| Year                            | RONW (%)       | Weight |
|---------------------------------|----------------|--------|
| FY 2010-11                      | 668.86%        | 1      |
| FY 2011-12                      | 7.99%          | 2      |
| FY 2012-13                      | (0.68)%        | 3      |
| <b>Weighted Average</b>         | <b>113.80%</b> |        |
| Audited Period ended 31.12.2013 | 17.93%         |        |

- Minimum return on post Issue Net Worth to maintain the Pre-issue EPS at 31<sup>st</sup> December, 2013 of Rs. 0.03 is 0.13 %

## 5. Net Asset Value per Equity Share

| Sr. No. | Particulars                           | (Rs.) |
|---------|---------------------------------------|-------|
| a)      | As on 31 <sup>st</sup> March, 2013    | 14.57 |
| b)      | As on 31 <sup>st</sup> December, 2013 | 14.60 |
| c)      | After Issue                           | 22.68 |
| d)      | Issue Price                           | 41.00 |

## 6. Peer Group Comparison of Accounting Ratios

We are currently engaged in the business of engineering operations and the peer group comparison of accounting ratio is as below:

| Name of Company          | Face Value (Rs.) | EPS (Rs.) | P/E Multiple | NAV (Rs.) | RONW (%) |
|--------------------------|------------------|-----------|--------------|-----------|----------|
| Tarini International Ltd | 10               | 0.59      | 69.69        | 14.60     | 17.93%   |
| <b>Peer Group-</b>       |                  |           |              |           |          |
| Shriram EPC              | 10               | -         | -            | 55.20     | -        |
| KEC Intl.                | 2                | 0.10      | -            | 38.00     | 0.50%    |
| Jyoti Structures         | 2                | 7.80      | 4.50         | 87.60     | 9.40%    |

*\*Source: Capital Market Volume XXIX/04 dated April 14, 2014-April 27, 2014; Engineering*

7. The face value of our shares is Rs.10/- per share and the Issue Price is of Rs. 41 per share is 4.10 times of the face value.
8. The Company in consultation with the Lead Manager believes that the Issue Price of Rs. 41.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment proposition.

## STATEMENT OF TAX BENEFITS

To,  
The Board of Directors  
Tarini International Limited  
D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar-IV,  
New Delhi-110024

Dear Sirs,

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

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

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

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

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

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

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

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

Thanking you,  
Yours faithfully,  
**For VCG & Co.**  
**Chartered Accountants**  
Firm Registration No.: 021837N  
Sd/-  
**(Vishal Chandra Gupta)**  
**Membership No. 93908**  
**Partner**  
Place: New Delhi  
Date: 20.04.2014

## ANNEXURE

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

#### **A) SPECIAL TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS**

##### **I. Special Benefits available to our Company**

There are no special tax benefits available to the Company.

##### **II. Special Benefits available to the Shareholders of our Company**

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

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

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

**Under the Income-Tax Act, 1961 (“the Act”):**

##### **I. Benefits available to the Company**

###### **1. Depreciation**

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

###### **2. Dividend Income**

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

###### **3. Income from Mutual Funds / Units**

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

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

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

Income received in respect of units from the specified company.

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

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

###### **4. Income from Long Term Capital Gain**

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

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

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

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

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

| Book Profit   | A.Y.-2013-14 | A.Y.-2014-15 |
|---|--------------|--------------|
| If book profit is less than or equal to Rs. 1 Crore | 19.055%      | 19.055%      |
| If book profit is more than Rs. 1 Crore             | 20.01%       | 20.01%       |

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

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

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

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

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

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

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

## 9. Preliminary Expenses

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

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

Under Section 115JAA (2A) of the Income Tax Act, 1961, tax credit shall be allowed in respect of any tax paid (MAT) under Section 115JB of the Income Tax Act, 1961 for any Assessment Year commencing on or after April 1, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Income Tax Act, 1961. Such MAT credit shall not be available for set-off beyond 10 years immediately succeeding the year in which the MAT credit initially arose.

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

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

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

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

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

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

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

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

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

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

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

8. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock



exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a Company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

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

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

#### **IV. Foreign Institutional Investors (FIIs)**

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

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

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

## Nature of income & Rate of tax (%)

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

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

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

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

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

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

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

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

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

## V. Venture Capital Companies/Funds

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.

## **VI. Mutual Funds**

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

### **Under the Wealth Tax Act, 1957**

#### **Benefits to shareholders of the Company**

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

#### **Tax Treaty Benefits**

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

#### **Notes:**

- The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;
- The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India as amended from time to time. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;
- This Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders.

## SECTION IV

### ABOUT OUR COMPANY

#### INDUSTRY OVERVIEW

*(The information in this chapter has been extracted from publicly available documents prepared by various sources etc. This data has not been prepared or independently verified by us or the Lead Manager or any of their or our respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the section titled “Risk Factors” on page 9 of this Draft Prospectus. Accordingly, investment decisions should not be based on such information)*

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

##### B. Global Economy

The global economy grew by approximately 2.9% in 2013, its slowest rate since 2009. However, prospects for 2014 look brighter with robust growth forecast in large developed economies such as Germany, Japan, the United Kingdom and the United States. Because of their scale, a recovery in these economies is likely to boost global growth to 3.6% in 2014, accelerating to 4.0% in 2015. Having contracted marginally in 2013, the eurozone is expected to return to growth, although the outlook remains tricky with debt levels continuing to rise, especially in troubled southern Europe. Growth in developing economies as a whole slowed in 2013, but they are still expected to expand faster than developed economy peers in 2014. The economies of developing Asia, led by China, India and Indonesia, are expected to grow by 6.5% in 2014. 4. Strong growth is also forecast in Sub-Saharan Africa and the Middle East, and North Africa is expected to rebound after a tough 2013 complicated by the fallout from the Arab Spring. (Sources: Grant Thornton International Business Report)



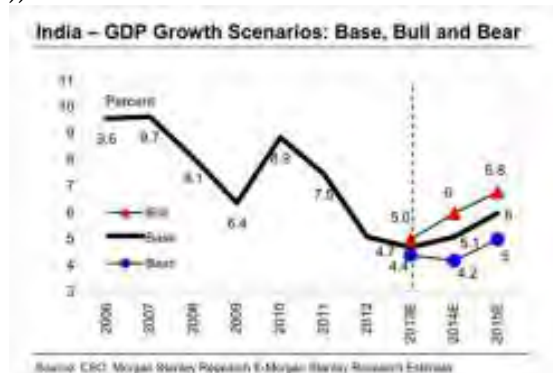
##### Business growth prospects

Global business optimism remained fairly consistent in 2013, averaging net 28% across the year. However the contrast with the previous year is striking: 2012 average optimism stood at 12% and just 4% of business leaders expressed optimism in the economic outlook for 2013, compared to 27% for 2014. Interestingly, while G7 business leaders grew more confident as 2013 progressed (up 44 percentage points), optimism in the BRIC economies has slowly been eroded (down 17 pp). Globally, the most optimistic regions are Southeast Asia (45%) and the Nordics (39%)

##### B. Indian Economy

India's growth is expected to recover from 4.4 per cent in 2013 to 5.4 per cent in 2014, supported by slightly stronger global growth, improving export competitiveness and implementation of recently approved investment projects. A pick-up in exports in recent months and measures to curb gold imports have contributed to lowering the current account deficit. Policy measures to bolster capital flows have further helped reduce external vulnerabilities. Overall growth is expected to firm up on policies supporting investment and a confidence boost from recent policy actions, but will remain below trend. Consumer price inflation is expected to remain an important challenge, but should continue to move onto a downward trajectory. The outlook also projected India's growth rate to increase to 6.4 per cent in 2015. In 2012, India's growth rate stood at 4.7 per cent. For India, real GDP growth is projected to strengthen to 5.4 per cent in 2014 and 6.4 per cent in 2015, assuming that government efforts to revive investment growth succeed and export growth strengthens after the recent rupee depreciation. In India, further tightening of the monetary stance might be needed for a durable reduction in inflation and inflation expectations. Continued fiscal consolidation will be essential to lower macroeconomic imbalances.

Policymakers in India must also concentrate on structural reforms to support investment, which has slowed markedly. Priorities include market-based pricing of natural resources to boost investment, addressing delays in the implementation of infrastructure projects, improving policy frameworks in the power and mining sectors, reforming the extensive network of subsidies, and securing passage of the new goods and services tax to underpin medium term fiscal consolidation. (Sources: The latest edition of the World Economic Outlook released by the International Monetary Fund (IMF))



## Overview of Consultancy Services in India

Consultancy is a practice of giving expert advice within a particular field by professionals or experts who advice in a particular area and has wide knowledge, well experienced, problem solving skill and is expertise of the subject matter.

- **Construction Consulting**

Construction consulting is a specialized form of business consultation that focuses on all forms of construction, most notably building construction. When companies, especially large ones, need to build new installations and factories, they need conceptual planning, phasing, sequencing, and construction services.

The primary goal of any build is to end up with high-quality product while remaining within budget and on schedule. In today's construction market, this is a nearly impossible task without the professionals specialized in accomplishing it. The specific services provided by these professionals includes, but are not limited to, project planning, risk management, construction management, schedule delay analysis, construction cost estimates, construction claims, expert testimony, and litigation support.

- **Engineering Consulting -**

A city might need a new bridge across a river, for which design and building plans would be required, a new factory with multiple automated assembly lines might need to be constructed, an engine might need to be designed for a new aircraft, or a helipad might need to be built atop a 100-storey building. Engineering Consultants would be employed for such assignments.

## The Indian Infrastructure Opportunity

The Indian economy is based on planning through successive five year plans that set out targets for economic development in various sectors, including the infrastructure sector. The XIth Five Year Plan ("FYP") aims at a sustainable GDP growth rate of 9.00%, but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both public and private sector, is being developed for the XIth FYP. Infrastructure spending targets for the XIth FYP were revised from approximately 4.60% to approximately 7.60% of GDP representing an increase of over 140.00% compared to the Xth FYP.

The programme strengthens and consolidates recent infrastructure initiatives, such as the Bharat Nirman for building rural infrastructure, as well as sectoral initiatives, such as the National Highways Development Programme (NHDP), the Airport Financing Plan, the National Maritime Development Programme (NMDP) and the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). Given the scale of infrastructure spending, the Government of India is encouraging private sector participation through Public Private Partnership (PPP) projects. The Government of India has also set up the Ministry of New and Renewable Energy (MNRE) as the nodal agency for all matters relating to new and renewable energy. (Source: MNRE - [www.mnre.gov.in](http://www.mnre.gov.in))



## Overview of the Indian Power Sector

The power sector in India is slowly moving from a regulated return framework to a market driven pricing mechanism. This has provided a major boost for private entrepreneurs to enter the power sector and set up projects. Currently significant traction has been achieved in the generation space, while the transmission and the distribution segment is slowly opening to the private sector. (Source: Ministry of Power).

### HYDROPOWER

Hydropower is a renewable energy resource because it uses the Earth's water cycle to generate electricity. Water evaporates from the Earth's surface, forms clouds, precipitates back to earth, and flows toward the ocean. The movement of water as it flows downstream creates kinetic energy that can be converted into electricity. 2700 TWh is generated every year. Hydropower supplies at least 50% of electricity production in 66 countries and at least 90% in 24 countries. Out of the total power generation installed capacity in India of 1,76,990 MW (June, 2011), hydro power contributes about 21.5% i.e. 38,106 MW. A capacity addition of 78,700 MW is envisaged from different conventional sources during 2007-2012 (the 11th Plan), which includes 15,627 MW from large hydro projects. In addition to this, a capacity addition of 1400 MW was envisaged from small hydro up to 25 MW station capacity. The total hydroelectric power potential in the country is assessed at about 150,000 MW, equivalent to 84,000 MW at 60% load factor. The potential of small hydro power projects is estimated at about 15,000 MW.

### Potential in India

India is blessed with immense amount of hydro-electric potential and ranks 5th in terms of exploitable hydro-potential on global scenario. As per assessment made by CEA, India is endowed with economically exploitable hydro-power potential to the tune of 148700 MW of installed capacity. The basin wise assessed potential is as under:-

| Basin/Rivers Probable                    | Installed Capacity (MW) |
|--|-------------------------|
| Indus Basin                              | 33,832                  |
| Ganga Basin                              | 20,711                  |
| Central Indian River system              | 4,152                   |
| Western Flowing Rivers of southern India | 9,430                   |
| Eastern Flowing Rivers of southern India | 14,511                  |
| Brahmaputra Basin                        | 66,065                  |
| Total                                    | 1,48,701                |

In addition, 56 number of pumped storage projects have also been identified with probable installed capacity of 94 000 MW. In addition to this, hydro-potential from small, mini & micro schemes has been estimated as 6 782 MW from 1 512 sites. Thus, in totality India is endowed with hydro-potential of about 2 50 000 MW.

### Advantages of Hydro power:

- Renewable source of energy
- Relatively environment friendly
- Ability for instantaneous starting, stopping and load variation thereby ideally suited for peaking operation
- Long useful life span well over 50 years
- No fuel cost during the life of the station
- Emerges to be the most economical source of power in long run
- Because of Hydro projects there is development & up gradation of infrastructure and communication systems in the remote locations.
- Storage projects provide flood moderation, irrigation, drinking water supply, recreation facilities etc. and thus help in the maximum utilization of our scarce water resources.

### Disadvantages of Hydro Power:

- Ecosystem damage and loss of land
- Siltation
- Flow shortage
- Methane emissions (from reservoirs)
- Relocation
- Failure hazard

**Small Hydro Power (SHP):**

It is recognized that small hydro power projects can play a significant role in meeting energy requirements in remote and hilly areas where extension of grid is uneconomical. Small hydro can contribute in capacity addition of hydropower in relatively short time frame.

**Small Hydro Power Programme:**

|  |                 |
|--|-----------------|
| Potential                                | About 20,000 MW |
| Identified Potential                     | 19749 MW        |
| Installed Capacity                       | 3632 MW (18%)   |
| 2007-2012 Target                         | 1400 MW         |
| 11 <sup>th</sup> Plan Achievement so far | 1419 MW         |
| Average Capacity addition per year       | 300 MW          |

**Measures to accelerate Hydro Power Development:**

- The States should be encouraged for renovation and refurbishment of old and less efficient Hydro plants which will bring better efficiency and best utilization of resources
- Hydro Projects irrespective of size should be treated as renewable projects and should be given incentives
- Government should encourage and support private players
- Lack of long term finance for hydro projects should be resolved
- Upfront Payment and additional free energy to State Government should be recognized as a part of project cost.

**Way forward:**

Recent grid disturbances have shown importance of peaking power where Hydro Power is ideally suited. Also in wake of issues of fuel supply with thermal power plants, intermittent power supply from wind and solar power tariffs on the higher side, Hydro Power is a reliable and good quality power at affordable cost. Government of India is vigorously promoting large scale development of hydro power in India through changes in policies, all driven to involve greater private entrepreneurs. The major issues plaguing the hydro power sector have been identified and policy changes to mend these barriers are now required.

**Barriers:**

The energy of running water has been exploited for very many years. However, traditional approaches have suffered disadvantages due to environmental factors. For example:

- Building a dam across a river floods the land that would otherwise be available for use, alters the landscape, affects the local community that would have lived and worked on the flooded land, alters the character of the river, and prevents the free movement of fish;
- Diverting a river affects the nature of the countryside and does not lend itself to use on a large scale.
- Permanent complete or partial blockage of a river for energy conversion is adversely affected by variations in flow.
- Building large-scale hydro power plants can be polluting and damaging to surrounding ecosystems. Changing the course of waterways can also have a detrimental effect on human communities, agriculture and ecosystems further downstream.
- Hydro projects can also be unreliable during prolonged droughts and dry seasons when rivers dry up or reduce in volume.



## OUR BUSINESS

*In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Tarini International Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page 9 and "Industry Overview" on page 59.*

### OVERVIEW

Our Company was originally incorporated at Delhi as "Tarini International Private Limited" on 20<sup>th</sup> January, 1999 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company was subsequently converted in to a Public Limited Company and consequently the name was changed to "Tarini International Limited " vide fresh certificate of incorporation dated 8<sup>th</sup> July, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

We have been evolved as an engineering arm to provide financial and technical consultancy related to Hydro Power generation, Transmission and Distribution and Infrastructure. Our current projects are well geographically based in India and sub African Continent.

Over a period of time, we have been developed as an integrated player providing turn-key services under one umbrella from designing, construction, generation, transmission and distribution. We are also professionally competent to undertake projects from concept to commissioning. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

We are well equipped with state of art tools and equipment and boasts of having a fleet of professionals capable of drawing up complete Detailed Project Report at the shortest period of time including detailed survey, geo-technical/hydrological observations, land acquisition procedure and layouts ready for implementation.

We provide solutions to our clients depending on their requirements inter alia including feasibility studies, detailed project reports, techno economic feasibility reports, financial syndication, lender's engineer services, basic and detailed engineering, bid process management, project management, cluster development, technical/financial restructuring, energy audits, corporate debt restructuring, due diligence, qualitative and market research, and Consultation services etc.

### OUR PRODUCTS AND SERVICES

#### A. Turnkey Projects in T & D

Our Company takes up Turnkey Projects in Transmission and Distribution by way of competitive bidding and or through negotiations. Our would like to now focus on African continent as it has abundance of natural resources leading to extensive mining activities involving continuous need of power. The region being power deficient, there are tremendous amount of opportunities for impending power infrastructure works.

#### B. Project refurbishment

Our Company undertake preparation of detailed technical reports for the nonoperational projects to be refurbished covering technical aspects, cost estimations, engineering, designing and execution.

#### C. Project Developer:

Our company further intends to develop its own, self-identified 5 MW Kanyatana mini small hydro project in Karnataka under IPP and shall soon be taking up the execution of the same. The project is scheduled to be completed in 2 years' time and is propose to generate approx. 35 million KWH annually.

#### D. Project Consultancy

Our Company provides technical consultancy services and pick up assignments for preparation of the Feasibility Reports / Detailed Project Reports for prospective Projects(s). The company provides technical consultancy along with framing of the Detailed Project Reports (DPRs) and detailed designing and engineering for small hydro

projects with various capacities from 3.5 to 100 MW, domestically. The company has been quite successful in its endeavors as the DPRs submitted to the stringent competent Authorities such as HPSEB, Central Design Organization of Narmada water resources Gujarat, Karnataka Renewable Energy Development Limited (KREDL) Karnataka and Gujarat Irrigation Dept. - Gujarat have extended appreciations with rave reviews and timely approvals.

### **OUR COMPETITIVE STRENGTHS**

We derive our strengths from following factors:

- **Integrated Service Provider**

We are an integrated player providing turn-key services under one umbrella from designing, construction, generation, transmission and distribution. We are also professionally competent to undertake projects from concept to commissioning. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

- **Strong management team and motivated and efficient work force**

Our Promoters have more than a decade years of experience in the Engineering and Power Sector. Our Company is managed by a team of experienced and professional personals with experience in different aspects of industry including mix of engineers in the field of civil, electrical, mechanical, hydro-mechanical. Our team works in the form of composite work group with exposure in all weather conditions in remote sites. The faith of the management in the staff and their dedicated performance has enabled us to build up capabilities to operate at different locations in the country.

- **Wide Geographical Reach**

We have undertaken and completed projects in Bangalore, Gujrat and Himachal Pradesh in India. We have also registered our presence in Africa with successful completion of T&D project in Zambia.

- **Strong Order Book**

We have strong order book, consisting of contract of mini hydro scheme namely Kanayatna in the state of Karnataka under Independent Power Producer route on long term basis; We have been retained for preparation of two Hydro Power Projects in Lesotho, Africa; We have also been awarded operation & maintenance contract for 35 years towards 2 no's of Damanganga Small Hydro Power Projects.

- **Strong relationships with our customers**

Our record of strong performance has helped us to build strong relationships over a number of years with our customers in India and Africa through our timely and quality delivery of services.

### **ORDER BOOK:**

We have been awarded with following orders /assignments:

- Mini hydro scheme namely Kanayatna in the state of Karnataka, India under Independent Power Producer (IPP) route on long term basis. The Agreement has already been signed with Karnataka Renewable Energy Development Agency (KREDA) Govt. of Karnataka and the Detailed Project Report (DPR) has been drawn up and submitted for approval to the same. The Project shall be taken for construction activities immediately upon obtaining statutory clearances applied with various Govt. Agencies. The total value of Project is Rs. 80 Crs.
- We have been retained for preparation of Detailed Project Reports of 2 Nos. Hydro Power Projects (70 MW Oxbow & 15 MW Quithing) in Lesotho, Africa. The Project Reports are in advance stage of completion. TIL shall further carry out detailed designing along with detailed Engineering, Procurement, Commissioning and Maintenance (EPCCM) of the Projects. The total value of Project is Rs. 125 Crs.
- Operation & Maintenance (O&M) Contract for 35 years towards two Damanganga Small Hydro Power Projects (SHP I & II) with total capacity of 5.60 MW in Gujarat. The total value of Project is Rs. 35 Crs.

The other consultancy assignments have been awarded are as under:-

- A. **Clientele:-** B. Soilmec Ltd.
  - i. **Project:-** 3 MW Durgadali HEP Bangalore
  - ii. **Assignment:-**Facilitation for obtaining Statutory Clearances from the Govt. Authorities with stipulated time in the Agreement along with Detailed Design & Engineering
- B. **Clientele:-** Venture Energy and Tech Ltd.
  - i. **Project:-** 15 MW Saikothi HEP in Distt Chamba, Himachal Pradesh
  - ii. **Assignment:-** Detailed Design & Engineering.
- C. **Clientele:-** Tarini Infrastructure Ltd.
  - i. **Project:-** 4.5 MW Sabarmati HEP in Gujarat
  - ii. **Assignment:-** Detailed Design & Engineering
- D. **Clientele:-** West Mountain Power Ltd.
  - i. **Project:-** 10.5 MW Kumaradhara HEP Bangalore
  - ii. **Assignment:-** Detailed Design & Engineering

#### **TECHNOLOGY & PROCESS:**

We have over the years, grown into a complete “In House” outfit capable of providing turnkey solutions in the Infrastructure based Projects with specialization in the development of Small and Medium Hydro Power Projects, High Voltage Electricity Transmission and Distribution (T&D) including concept, design, engineering, erection, commissioning and provisioning of Technical Consultancy services in related areas.

We further intend to improve its efficiency skills, adopting current technology available in the market, upgrading our inventory of equipment, focusing on the safety measures at the Project sites and by way of sponsoring its personnel to attend the higher courses offering modern techniques and study.

#### **Hydro Technology:**

Engineering for a small scale hydro project implementation includes determining technology and the designs that are well matched for the head, flow and other characteristics of the water source - dam based or the Run of the River (ROR) scheme and requires skillful execution of a variety of interrelated services and disciplines.

Selection of the right hydro mechanical equipment largely factors to the efficiency of a hydro plant. Similarly, detailed study of the hydrology (rain fall data of the region) play a pivotal role in finalizing the hydro equipment.

The Company has adopted state of the art technology in executing Daman Ganga Small Hydro Projects with capacity of 3 MW (SHP I) and 2.56 MW (SHP II) in Distt. Valsad, Gujarat.

The SHP I showcase marvelous civil / structural engineering as the construction of the Power House required some of the major challenges due to space constraints (sandwiched between Dam structures) and water pooling during monsoon.

Our structural engineers ensured that the design of the Power House satisfy the crucial water tight criteria under submergence conditions, conforming to safety norms and taking into account massive loads conditions (likely to be created by vibration from the generators and the turbines) as well as safety of the existing Dam Structure.

Our team is well versed with the latest software such as **Safi 3D** (a robust and reliable structural software designed with the latest technological innovations) and **Adina** (a Program used for the stress analysis of solids (2D and 3D) and structures in statics and dynamics) as well as working on **AutoCAD 3 D Max**.

#### **Transmission & Distribution (T&D)**

We have on our roll, a specialized man power referred as “Gang” required to carry out erection of Transmission & Distribution (T&D) works. Thus, least dependency on out sourcing labor and without depending on engagement of sub-contractors ensuring smooth flow and timely completion of works marking a clear edge over other competitors in the specialized field.

The company has arrangements for designing, manufacturing and proto type testing of special galvanized **Transmission Towers** (High / Low voltage) confirming to design requirements. The towers are usually steel lattices and the insulators are either glass or porcelain discs or composite insulators using silicone rubber attached to long rods whose lengths are dependent on the line voltage and environmental conditions.

The **ACSR (Aluminum Conductor Steel Reinforced) Conductors** or in general term - **Overhead Transmission Line** is used for power evacuation consist of a solid or stranded steel core surrounded by strands of aluminum. The higher strength ACSR conductors are used for stringing of extra-long spans involving railway tracks, river crossing or busy intersections.

The company adheres to strict safety norms based on the guidelines laid by the Industrial Safety law. It is mandatory to wear crash helmets and safety shoes while at Site to ensure full safety. While working on the live wires, a tag is placed on the switch that turns the equipment on and off so that anyone approaching it knows the status while maintenance is being done. Fire extinguishers are placed within reach to ensure that it can be reached quickly in the event of a fire.

The company possesses strong inventory of construction equipment and tools and tackles required for T&D Projects.

The Company has a well-established back up of reputed vendors like M/s ABB, M/s Delton, M/s Crompton Greaves, M/s Hindustan Cable M/s Kirloskar to name few, all leaders in their respective fields for outsourcing of equipment / materials.

The Company has the privilege of gaining tremendous knowledge and sharing modern technology with Spanish giants - M/s Isolux and M/s Cobra on larger platform.

#### ***Business Strategy:***

Our strategy is to build upon our competitive strengths and business opportunities to become one of the vital Engineering companies foraying in to hydro power, infrastructure, transmission & distribution. We intend to achieve this by implementing the following two pronged strategies:

➤ **Picking up Turnkey Projects in T & D by way of competitive bidding and or through negotiations:**

We would like to focus on African continent as it has abundance of natural resources leading to extensive mining activities involving continuous need of power. The region being power deficient, there are tremendous amount of opportunities for impending power infrastructure works.

We have bid for various T & D Projects which are under review and a few under active consideration with the concerned Government Agencies / State Power Companies in Africa, as mentioned below:

- a) Copper Belt Energy (CEC) - Zambia
- b) Zimbabwe Electrical Supply Authority (ZESA) - Zimbabwe
- c) Electric Company of Ghana (ECG) - Ghana
- d) Power Holding Company of Nigeria (PHCN) - Nigeria
- e) Zambia Electricity Supply Company (ZESCO) - Zambia
- f) Lesotho Electrical Company (LEC) - Lesotho
- g) Tanzania Electricity Supply Company (TANESCO) - Tanzania

In the domestic sector, the company has been pitching for contracts independently as well as taking up sub contracts/ back to back contract in as many as geographical locations as possible.

➤ **By utilizing our experience by way of providing technical consultancy services and picking up assignments for preparation of the Feasibility Reports / Detailed Project Reports for prospective Projects(s).**

#### **COLLABORATIONS**

The Company has so far not entered into any technical or financial collaboration agreement.

## **UTILITIES**

### **Power**

For our projects, requirement of power is met with electricity supply provided by our clients.

### **Manpower**

As on 31st December, 2013, we employed approximately 76 persons.

### **Competition**

We operate in highly competitive businesses. Our contracts are entered into primarily through a competitive bidding process and certain contracts are entered into on the basis of negotiations with the client. 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 compete against various multinational and national companies as well as regional organized and unorganized entities. In selecting contractors for projects, clients generally limit the tender to contractors they have pre-qualified based on technical and financial criteria, such as experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Our ability to meet the qualification criteria in our various business areas is critical to being considered for any project. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. Our competitors may be larger and may have better access to financial resources. Some of our competitors may be better known in regional markets in which we compete. Our inability to compete successfully in the businesses in which we operate could materially and adversely affect our business prospects and results of operations.

### **Marketing Arrangement**

Our track record of timely completion of projects itself provides us the repetitive orders from our existing clientele base. Further we have our dedicated team who keeps track of new contracts being awarded in the industry and follow up for the procurement of the engineering and consultancy operations by showcasing our growth in the industry. We keep constant touch with the power generation entities and infrastructure companies all over India through our team of representatives headed by projects managers.

## **EXPORT POSSIBILITY AND OBLIGATION**

Our Company doesn't have any export obligations as on date.

## **SWOT**

### **Strengths**

- Experienced Management Team
- Specific knowledge, capabilities, organizational skills and other qualifications of the professional consultant
- More focus on strategy and operations projects

### **Weaknesses**

- Low advertising and visibility
- Declining customer-base or new competition within the target market.

### **Opportunities**

- Getting into more diverse areas of business and evolving new concept there rather than sticking into only strategy
- Strong professional and skilled management team that can be quickly tapped into growing a client base.

## Threats

- Stiff competition from existing industry players
- Fluctuations in currencies affects international projects
- Changes in government policies
- Rising cost of skilled manpower

## Our Properties

Our Registered Office is located at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar-IV, New Delhi-110024.

| Sr. No. | Location  | Title (Leased /Owned)   | Agreement Valid from | Agreement Valid till |
|---------|---|-------------------------|----------------------|----------------------|
| 1.      | Plot no. 236, Block-E, East of Kailash, New Delhi   | Owned                   | 26/07/2003           | -                    |
| 2.      | Plot no. 33, Block-F, East of Kailash, New Delhi  | Owned                   | 22/08/2005           | -                    |
| 3.      | D-2, Amar Colony, Lajpat Nagar-IV, New Delhi (G+ 1 <sup>st</sup> & 2 <sup>nd</sup> Floor) | Owned                   | 15/01/2008           | -                    |
| 4       | Mustatil no. 119, kila no. 13,14,17, 18/1,18/2,23/2, 24 village Dera Mandi, New Delhi     | Owned & yet Leased out. | 02/12/2009           | -                    |
| 5.      | D-2, Amar Colony, Lajpat Nagar-IV, New Delhi (3 <sup>rd</sup> Floor)                      | Owned                   | 30/04/2012           | -                    |

### **Note 1: Interest in Property by our Promoters and Promoter Group**

We have leased out Premises at Mustatil no. 119, kila no. 13,14, 17, 18/1,18/2,23/2, 24 village Dera Mandi, New Delhi to one of our Promoter Group entity i.e. Tarini Wilderness Innovations Private Limited by way of lease agreement dated 7<sup>th</sup> April, 2014 for a tenure of 90 Years commencing from April, 2014 for an annual lease rental of Rs. 40,000.

### **Note 2: Purchase of Property**

We have not entered into any agreement to buy/sell any property with the promoters or Director or a proposed director who had any interest direct or indirect during the preceding two years.

## Intellectual Property

We have applied for registration of our logo to the Registrar of Trademarks.

## Insurance Policies

We have obtained following insurance policies:

| Sr. No. | Particular of Properties | Sum Insured (Rs.) | Type of Policy                          | Policy No.           |
|---------|--------------------------|-------------------|---|----------------------|
| 1.      | Dwelling                 | 11500000/-        | Standard Fire and Special Perils Policy | 31200011130100000421 |
| 2.      | Two Wheeler              | 5000/-            | Two Wheeler Package Policy              | 31200031130100000742 |
| 3.      | Four Wheeler             | 250000/-          | Private Car Package Policy              | 31200031130100000735 |
| 4.      | Two Wheeler              | 20750/-           | Two Wheeler Package Policy              | 31200031130100000684 |

## KEY INDUSTRY REGULATIONS AND POLICIES

*The following description is a summary of the relevant regulations and policies as prescribed by the Government of India, State Government and the respective bye laws framed by the local bodies, and others incorporated under the laws of India.*

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

### Law Relating to Power Industry

#### The Electricity Act, 2003 (“Electricity Act”)

The Electricity Act was enacted by the Gol to consolidate the laws relating to generation, transmission, distribution, trading and use of electricity and the development of the electricity industry, promoting competition therein, protecting interest of consumers, rationalization of the electricity tariff, and ensuring transparent policies regarding subsidies. The Electricity Act repealed the Indian Electricity Act, 1910 (which governed the transmission, supply and use of electricity), the Electricity (Supply) Act, 1948 (which constituted statutory bodies at the central, regional and state levels to govern generation, transmission and distribution of electricity) and the Electricity Regulatory Commissions Act, 1998 (which constituted the Central and State Electricity Regulatory Commissions). The provisions of the Electricity Act came into force w.e.f. June 10, 2003 and apply to the whole of India excluding the State of Jammu and Kashmir, which has its own State legislation. In addition, it was notified that State enactments be applicable in the respective States to the extent such enactments are not inconsistent with the provisions of the Electricity Act. The Gol amended certain provisions of the Electricity Act by enacting the Electricity (Amendment) Act on January 27, 2004 and June 15, 2007.

#### National Electricity Policy

The National Electricity Policy, as amended (the “NEP”), was notified by the Central Government on February 12, 2005, pursuant to Section 3 of the Electricity Act.

The main objectives of the NEP are as follows:

- providing access to electricity for all households in next five years;
- meeting the power demand fully by 2012, overcoming energy and peaking shortages and creating an adequate spinning reserve;
- providing a supply of reliable and quality power at specified standards in an efficient manner and at reasonable rates;
- increasing per capita availability of electricity to over 1,000 units by 2012;
- establishing the minimum lifeline consumption of 1 unit/household/day by 2012;
- creating a financially and commercially viable electricity sector; and
- Protecting consumers’ interests.

#### The National Hydro Power Policy, 2008

The National Hydro Power Policy was notified by the Gol, setting out the following objectives: (a) inducing private investment in hydropower development; (b) harnessing the balance hydroelectric potential; (c) improving resettlement and rehabilitation; and (d) facilitating financial viability. The salient features of this policy are set forth below:

- (a) The existing dispensation available to the public sector regarding exemption from tariff based bidding up to January 2011 is extended to private sector hydroelectric projects;
- (b) State governments would be required to follow a transparent procedure for awarding potential sites to the private sector;
- (c) The concerned private developer would be required to following the existing procedure, including getting the DPR prepared, obtaining concurrence of the CEA/State government, obtaining environment, forest and other statutory clearance and then approach the appropriate regulator. It would be obligatory for the developers to go

through an International Competitive Bidding process for award of contract for supply of equipment and construction of the project either through a turnkey contract or through a few well defined packages;

(d) Tariff of the project would be decided by the appropriate Regulatory commission;

(e) Special incentive for merchant sales of up to 40% of the saleable energy is envisaged for the project(s) meeting the time lines;

(f) An additional 1% free power from the project would be provided and earmarked for Local Area Development Fund, aimed at providing a regular stream of revenue for income generation and welfare schemes, creation of additional infrastructure and common facilities on a sustained and continued basis over the life of the project. It is further recommended that the host State government would also provide a matching 1% from their share of 12% free power towards this corpus fund. This fund could be operated by a standing committee headed by an officer of the State government not lower than a district magistrate;

(g) For 10 years from the date of commissioning of the project, 100 units of electricity per month would be provided by the project developer to each project affected family through the relevant distribution company;

(h) In the interest of speedy implementation of hydroelectric projects, it is proposed that the Resettlement and Rehabilitation package should be more liberal than the National Resettlement and Rehabilitation Policy, 2007.

## **Environment 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 frame work for Central government 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, micro-organisms and property.

### **The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "Water Act")**

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines or imprisonment or both.

The Central Pollution Control Board has powers, inter alia, to specify and modify standards for streams and wells, while the State Pollution Control Boards have powers, inter alia, to inspect any sewage or trade effluents, and to review plans, specifications or other data relating to plants set up for treatment of water, to evolve efficient methods of disposal of sewage and trade effluents on land, to advise the State Government with respect to the suitability of any premises or location for carrying on any industry likely to pollute a stream or a well, to specify standards for treatment of sewage and trade effluents, to specify effluent standards to be complied with by persons while causing discharge of sewage, to obtain information from any industry and to take emergency measures in case of pollution of any stream or well.

A central water laboratory and a state water laboratory have been established under the Water Act.

## **Intellectual Property Laws:**

### **Copyright Act, 1957**

The Copyright Act, 1957 governs the law relating to copyright in India and defines infringement and provides remedies for the same. Copyright means the exclusive right to do or authorize others to do certain acts in relation to original (1) literary, dramatic or musical works, not being a computer programme, (2) computer programme, (3) artistic work, (4) cinematograph film and (5) sound recording. The object of copyrights is to protect the author



of a copyrighted work from any unlawful reproduction or exploitation. Copyright subsists during the life of the author/creator of the work and 60 years thereafter in case the author is a natural person. In all other cases, copyright subsists for 60 years from the date of publication of the work concerned.

### **Trade Marks Act, 1999**

The Indian law on trademark is enshrined in the Trade Marks Act of 1999. Under the existing Act, a trademark is a mark used in relation to goods and/or services so as to indicate a connection between the goods or services being provided and the proprietor or user of the mark. A 'Mark' may consist of a word or invented word, signature, device, letter, numeral, brand, heading, label, name written in a particular style, the shape of goods other than those for which a mark is proposed to be used, or any combination thereof or a combination of colours and so forth. The trademark once it is applied for is advertised in the trademarks journal, oppositions, if any, are invited and after satisfactory adjudication of the same, is given a certificate of registration. The right to use a mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fees.

### **Labour Laws:**

#### ***Employees Provident Fund and Miscellaneous Provisions Act, 1952***

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities.

#### ***Payment of Gratuity Act, 1972***

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees employed in factories, shops and other establishments who have put in a continuous service of five years, in the event of their superannuation, retirement, resignation, death or disablement due to accidents or diseases. The rule of "five year continuous service" is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Presently, an employer is obliged for a maximum gratuity payout of Rs. 350,000 for an employee.

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

Pursuant to the Payment of Bonus Act, 1965, as amended, an employee in a factory or in any establishment where 20 or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus. Contravention of the provisions of the Payment of Bonus Act, 1965 by a Company is punishable with imprisonment or a fine, against persons in charge of, and responsible to the Company for the conduct of the business of the Company at the time of contravention.

### **Tax Related Legislations**

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

The Income-tax Act, 1961 ("IT Act") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every Company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, and Minimum Alternative Tax and like. Every such Company is also required to file its returns by 30<sup>th</sup> September of each assessment year.

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

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

### **Service Tax**

Chapter V of the Finance Act 1994 (as amended), and Chapter V-A of the Finance Act 2003 requires that where provision of certain listed services, whole taxable services exceeds Rs. 10,00,000, a service tax with respect to the same must be paid. Every person who is liable to pay service tax must register himself for the same.

### **Central Sales Tax Act (CST)**

The main object of this act is to formulate principles for determining (a) when a sale or purchase takes place in the course of trade or commerce (b) When a sale or purchase takes place outside a State (c) When a sale or purchase takes place in the course of imports into or export from India, to provide for levy, collection and distribution of taxes on sales of goods in the course of trade or commerce, to declare certain goods to be of special importance trade or commerce and specify the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. CST Act imposes the tax on interstate sales and states the principles and restrictions as per the powers conferred by Constitution.

### **Value Added Tax (“VAT”)**

VAT is a system of multi-point levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

### **State laws governing entry tax**

Entry Tax provides for the levy and collection of tax on the entry of goods into the local areas of the state for consumption, use or sale therein and matters incidental thereto and connected therewith. It is levied at such rate as may be specified by the State Government and different rates may be specified for different goods. The tax leviable under this Act shall be paid by every dealer in scheduled goods or any other person who brings or causes to be brought into a local area such scheduled goods whether on his own account or on account of his principal or customer or takes delivery or is entitled to take delivery of such goods on such entry.

### **General**

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

The Competition Act 2002 (the “Competition Act”) aims to prevent anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The Competition Act regulates anti-competitive agreements, abuse of dominant position and combinations. The Competition Act, although enacted in 2002, is being brought into force in a phased manner. Provisions relating to anti-competitive agreements and abuse of dominant position were brought into force with effect from May 20, 2009 and thereafter the Competition Commission of India (the “Competition Commission”) became operational from May 20, 2009. Sections 5 and 6 (dealing with combinations, mergers and acquisitions) are already notified by the Gol on June 01, 2011. The Competition Act also provides that the Competition Commission has the jurisdiction to inquire into and pass orders in relation to an anti-competitive agreement, abuse of dominant position or a combination, which

even though entered into, arising or taking place outside India or signed between one or more non-Indian parties, but causes an appreciable adverse effect in the relevant market in India. Recently, the Lok Sabha has passed a bill to transfer the pending monopolies and restrictive trade practices cases under the Consumer Protection Act, 1986 to the Competition Appellate Tribunal. Once this bill is notified the Competition Appellate Tribunal will take up the pending cases of unfair trade practices under the Consumer Protection Act, 1986. This bill will replace the ordinance which was introduced on October 14, 2009 to make the Monopolies and Restrictive Trade Practice Commission nonfunctional.

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

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

### ***Registrations under the applicable Shops & Commercial Establishments Acts of the respective States in which Our Company has an established place of business/ office ("Shops Act")***

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.

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

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

### ***The Companies Act, 2013 (to the extent notified)***

The Companies Act, 2013 has been published on August 29, 2013. Section 1 of the said Act was notified on August 30, 2013, while 98 more sections were notified as on September 12, 2013, section 135 and rules thereunder on 27/02/2014. The Ministry of Company Affairs has further notified 183 sections of the Act and Rules thereunder to be made effective from 01.04.2014.

### ***Regulation of Foreign Investment in India***

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations promulgated there under. The RBI, in exercise of its powers under FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("FEMA Regulations") which prohibit, restrict and regulate, transfer or issue of securities, to a person resident outside India. Pursuant to the FEMA Regulations, no prior consent or approval is required from the RBI for foreign direct investment under the "automatic route" within the specified sectoral caps prescribed for various industrial sectors. In respect of all industries not specified under the automatic route, and in respect of investments in excess of the specified sectoral limits under the automatic route, approval for such investment may be required from the FIPB and/or the RBI. Further, FIIs may purchase shares and convertible debentures of an Indian company under the portfolio investment scheme through registered brokers on recognized stock exchanges in India. Regulation 1 (4) of Schedule II of the FEMA Regulations provides that the total holding by each FII or SEBI approved sub-account of an FII shall not exceed 10% of the total paid-up equity capital of an Indian company or 10% of the paid-up value of each series of convertible debentures issued by an Indian company and the total holdings of all FIIs and sub accounts of FIIs added together shall not exceed 24% of the paid-up equity capital or paid-up value of each series of convertible debentures. However, this limit of 24% may be increased up to the

statutory ceiling as applicable, by the Indian company concerned passing a resolution by its board of directors followed by the passing of a special resolution to the same effect by its shareholders.

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

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

### ***Registration Act, 1908***

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

## **OUR HISTORY AND CORPORATE STRUCTURE**

### **HISTORY & BACKGROUND**

Our Company was originally incorporated at Delhi as “Tarini International Private Limited” on 20<sup>th</sup> January, 1999 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Tarini International Limited ” vide fresh certificate of incorporation dated 8<sup>th</sup> July, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

Our Company is registered under the Companies Act, 1956 with registration no. U74899DL1999PLC097993.

Our Company has been promoted by Mr. Vakamulla Chandrashekhar and Mrs. Vakamulla Anu Naidu with the intention to establish ourselves as niche player in engineering with particular focus in power sector for providing turn-key services under one umbrella from designing, construction, generation, transmission and distribution. We are also professionally competent to undertake projects from concept to commissioning. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration. The company is well equipped with state of art construction equipment and boasts of having a fleet of professionals capable of drawing up complete detailed project report at the shortest period of time including detailed survey, geo-technical/hydrological observations, land acquisition procedure and layouts ready for implementation.

The company has entered into agreement with Karnataka Renewable Energy Development Limited (KREDL) Bangalore, Karnataka for construction of 5 MW Kanyatana Small Hydro Project (SHP) in Karnataka.

The Registered Office of our Company is situated at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar-IV, New Delhi-110024;

### **CHANGES IN THE REGISTERED OFFICE OF OUR COMPANY SINCE INCEPTION**

The company is having their registered office situated at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar-IV, New Delhi-110024, since inception and the company has not shifted their registered office since then.

### **MAIN OBJECTS OF OUR COMPANY**

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

- To provide in India and Abroad, Industrial Consultancy services on turnkey basis for new and old projects, Technology transfer from abroad, assistance in project formation and restructuring of sick units and PSU.
- To do specialized civil construction works of Tunneling and Drilling and to provide services regarding procurement of Heavy Industrial and engineering equipment from India and abroad, for Telecommunication Infrastructure, Power, Agro processing steel and allied Industries.
- To provide consultancy and arranging of finance for projects through joint ventures, collaboration, ECB assistance, private placement of equity, term loans from Institutions/International Banks/Global Bodies or through Debt-financing.
- To provide consultancy in developing of software for overseas companies Banks, industries and Trading companies in India and abroad.
- To export and import materials, commodities, goods and articles whether raw, semi-manufactured or manufactured to all parts of the world.

- To carry on the business of farming, horticulture, floriculture, sericulture, dairies, and to cultivate, grow, produce or deal in any agricultural, vegetable or fruit products or organic products and to carry on all or any of the businesses of farmers, dairyman, milk contractors, dairy farmers, millers, purveyors and vendors of milk products, condensed milk and powdered milk, cream, cheese, butter, poultry, fruits, and vegetables and to acquire land and farms to own and manage by purchase, lease, concession, grant, license or otherwise both in India and abroad and to do research and development activities.”

## CHANGES IN THE MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

| DATE                             | AMENDMENT   |
|----------------------------------|---|
| 19 <sup>th</sup> January, 2007   | Increase in authorized capital of the Company from Rs. 5 Lacs divided into 5,000 Equity Shares of Rs. 10 each to Rs. 150 Lacs divided into 15,00,000 Equity shares of Rs. 10 each.            |
| 17 <sup>th</sup> June, 2008      | Increase in authorized capital of the Company from Rs. 150 Lacs divided into 15,00,000 Equity Shares of Rs. 10 each to Rs. 250 Lacs divided into 25,00,000 Equity shares of Rs. 10 each.      |
| 30 <sup>th</sup> September, 2011 | Increase in authorized capital of the Company from Rs. 250 Lacs divided into 25,00,000 Equity Shares of Rs. 10 each to Rs. 1300 Lacs divided into 1,30,00,000 Equity shares of Rs. 10 each.   |
| 21 <sup>st</sup> March, 2014     | Increase in authorized capital of the Company from Rs. 1300 Lacs divided into 1,30,00,000 Equity Shares of Rs. 10 each to Rs. 1350 Lacs divided into 135,00,000 Equity shares of Rs. 10 each. |

## MAJOR EVENTS AND MILESTONES

| YEAR          | PARTICULARS  |
|---------------|--|
| January, 1999 | Incorporation of the Company in the name and style of “Tarini International Private Limited” |
| June, 2011    | Conversion to Public Limited Company   |

## HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of the Draft Prospectus.

## SUBSIDIARIES OF OUR COMPANY

There are two (2) subsidiaries of our Company as on the date of filing of the Draft Prospectus.

### 1. Tarini Sugars & Distilleries Limited

Tarini Sugars & Distilleries Limited Company was originally incorporated at Delhi as “Tarini Sugars & Distilleries Limited” on 7<sup>th</sup> July, 2006 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The registered office of the company is situated at F -33, East of Kailash, New Delhi-110065. The CIN of the Company is U01542DL2006PLC150649.

|                      |   |
|----------------------|---|
| Nature of Activities | Manufacturing & Trading of sugar, ethanol cogen power |
|----------------------|---|

### Board of Directors:

| Name                           | Designation |
|--------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar  | Director    |
| Mrs. Vakamulla Anu Naidu       | Director    |
| Mr. Vellore Subramaniam Suresh | Director    |

## Financial Performance

The brief financials of M/s. Tarini Sugars & Distilleries Limited for the last three (3) years based on audited financial statements are as under:

(Rs. in Lacs except per share data)

| Particulars            | FY 2013 | FY 2012 | FY 2011 |
|------------------------|---------|---------|---------|
| Equity Share Capital   | 83.00   | 83.00   | 24.10   |
| Reserves               | -       | -       | -       |
| Net Worth              | 80.99   | 80.99   | 22.09   |
| Pre-Operative Expenses | 77.23   | 74.37   | 5.82    |

## Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Tarini Sugars & Distilleries Limited is as follows:

| Sr. No. | Name of Shareholder                 | No. of shares |
|---------|-------------------------------------|---------------|
| 1       | Mr. Vakamulla Chandrashekhar        | 145500        |
| 2       | M/s. Tarini International Limited   | 535900        |
| 3       | Mr. Vakamulla Yuvaraj               | 100           |
| 4       | Mrs. Vakamulla Anu Naidu            | 36000         |
| 5       | Mr. Vellore Subramaniam Suresh      | 57375         |
| 6       | Mr. Ramaswamy Damodaran             | 18000         |
| 7       | Mr. Vellore Subramaniyan Saravanana | 37125         |
| TOTAL   |                                     | 830000        |

M/s. Tarini Sugars & Distilleries Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

## 2. Venture Infrastructure Limited

Venture Infrastructure Limited was originally incorporated at Delhi as "Venture Infrastructure Limited" on 6<sup>th</sup> August, 2006 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The registered office of the company is situated at D-2, 1st Floor, Amar Colony, Lajpat Nagar IV, New Delhi-110024. The CIN of the Company is U45202DL2003PLC121659.

|                      |  |
|----------------------|--|
| Nature of Activities | Transmission & Distribution of Electricity |
|----------------------|--|

## Board of Directors:

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |
| Mr. Naresh Kumar              | Director    |

## Financial Performance

The brief financials of M/s. Venture Infrastructure Limited for the last three (3) years based on audited financial statements are as under:

(Rs. in Lacs except per share data)

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 84.50   | 84.50   | 16.50   |
| Reserves             | (82.95) | (55.60) | (37.36) |
| Net Worth            | (25.80) | 10.65   | (38.42) |
| Sales & Other Income | -       | -       | 20.72   |
| Profit After Tax     | (27.35) | (18.25) | (17.52) |

**Shareholding Pattern:**

As on date of filing, the shareholding pattern of M/s. Venture Infrastructure Limited is as follows:

| Sr. No.      | Name of Shareholder                          | No. of shares |
|--------------|--|---------------|
| 1            | Mr. Vakamulla Chandrashekhar                 | 40650         |
| 2            | Mr. Bobby Malia                              | 100           |
| 3            | Mr. Naresh Kumar Saini                       | 100           |
| 4            | Mr. Dev Kumar Pathak                         | 100           |
| 5            | Mr. Jagarnath Gupta                          | 100           |
| 6            | Mr. Alok Charaya                             | 100           |
| 7            | Mr. R. V. Panchapakesan                      | 100           |
| 8            | M/s. Aban Ventures (P) Ltd.                  | 41250         |
| 9            | M/s. Cobra Instalaciones Y Services (P) Ltd. | 82500         |
| 10           | M/s. Tarini International Limited            | 680000        |
| <b>TOTAL</b> |  | <b>845000</b> |

M/s. Venture Infrastructure Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

**SHAREHOLDERS AGREEMENTS**

Our Company has not entered into any shareholders agreement as on date of filing of the Draft Prospectus.

**OTHER AGREEMENTS**

Our Company has not entered into any specific or special agreements except that have been entered into in ordinary course of business as on the date of filing of the Draft Prospectus.

**COLLABORATION**

Our Company has not entered into any collaboration with any third party as per regulation (VIII) B (1) (c) of part A Schedule VIII of SEBI (ICDR) Regulations, 2009.

**STRATEGIC PARTNER**

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

**FINANCIAL PARTNER**

Our Company does not have any financial partner as on the date of filing of the Draft Prospectus.

**DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS**

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

**NUMBER OF SHAREHOLDERS**

Our Company has Nine (9) shareholders on date of the Draft Prospectus.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

Under our Articles of Association, our Company is required to have not less than three (3) Directors and not more than twelve (12) Directors. Our Company currently has four (4) Directors on Board. The following table sets forth current details regarding our Board of Directors:

| Name, Father's name, Address, Occupation, Nationality, tenure & DIN   | Age    | Status of Directorship in our Company | Other Directorships   |
|---|--------|---------------------------------------|---|
| <p>1.Mr. Vakamulla Chandrashekhar</p> <p>S/o Mr. V. Anjaneyulu</p> <p>Address:F-33, East of Kailash, 2nd Floor, New Delhi 110065, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Tenure: Three Years from 01.10.2011 till 30.09.2014</p> <p>DIN: 00073657</p>            | 46 Yrs | Managing Director                     | <ul style="list-style-type: none"> <li>➤ Venture Energy And Technologies Limited</li> <li>➤ B. Soilmec India Private Limited</li> <li>➤ Venture Infrastructure Limited</li> <li>➤ Tarini Infrastructure Limited</li> <li>➤ Tarini Humanitarian Demining &amp; Rehabilitation Works</li> <li>➤ Tarini Sugars And Distilleries Limited</li> <li>➤ Tarini Overseas Mining And Operations Limited</li> <li>➤ West Mountain Power Limited</li> <li>➤ Tarini Wilderness Innovations Private Limited</li> <li>➤ Tarini Lifesciences Limited</li> </ul> |
| <p>2. Mrs. Vakamulla Anu Naidu</p> <p>D/o Mr. Panna Lal Sakarwal</p> <p>Address:F-33, East of Kailash, 2nd Floor, New Delhi 110065, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Tenure: Two &amp; half Years from 01.04.2012 till 30.09.2014</p> <p>DIN: 00073661</p> | 43Yrs  | Whole Time Director                   | <ul style="list-style-type: none"> <li>➤ Tarini Infrastructure Limited</li> <li>➤ Tarini Sugars And Distilleries Limited</li> <li>➤ Venture Energy And Technologies Limited</li> <li>➤ Venture Infrastructure Limited</li> <li>➤ B. Soilmec India Private Limited</li> <li>➤ Tarini Overseas Mining And Operations Limited</li> <li>➤ Tarini Humanitarian Demining &amp; Rehabilitation Works</li> <li>➤ Tarini Wilderness Innovations Private Limited</li> </ul>   |

| Name, Father's name, Address, Occupation, Nationality, tenure & DIN  | Age       | Status of Directorship in our Company | Other Directorships            |
|--|-----------|---------------------------------------|--------------------------------|
|  |           |                                       | ➤ Tarini Life sciences Limited |
| 3.Mr. Simhachalam Gedela<br>S/o Mr. Surayya<br>14-168 , P.O. Old Gajuwaka,<br>Pantulugari Meda Visakhapatnam,<br>Andhra Pradesh India,<br><br>Occupation: Professional<br><br>Nationality: Indian<br><br>Tenure: Retire by Rotation<br><br>DIN: 05302995   | 56<br>Yrs | Independent Director                  | ➤ NIL                          |
| 4. Mr. Ponnu Swami Sethu Seshan<br>S/o Mr. Subbarayan Ponnuswami Pillai<br><br>Flat No.1, Plot No.768, 9th Street, Opp To<br>Syndicate Bank Colony, Anna Nagar, West Extn,<br>Chennai, Tamil Nadu, India<br><br>Occupation: Business<br><br>Nationality: Indian<br><br>Tenure: Retire by rotation<br><br>DIN: 03512750 | 69<br>Yrs | Independent Director                  | ➤ NIL                          |

**Note:**

As on the date of the Draft Prospectus:

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

## DETAILS OF DIRECTORS

**Mr. Vakamulla Chandrashekhar**, aged 46 years, is the Promoter and Managing Director of the Company. He is an Economics graduate from the Delhi University. He joined as a CEO - Northern Region, GER Group in 1996 and was instrumental in rolling of 3 small hydro projects in Himachal Pradesh. During his stint with the Group, he exposed himself with the toughest of Project Sites and learnt the tricks and trades of hydro energy.

He established 'Tarini International Ltd.' with aim of rendering consultancy services on Small Hydro Projects (SHPs), preparation of detailed project reports along with complete design and drawings for project implementation. Further he excelled in Transmission & Distribution (T&D) Projects, primarily focusing African region as main hub. With his intuitive approach and multifaceted persona, he transformed "Tarini" into a full-fledged EPCC Outfit picking up T&D and Hydro Projects on turnkey basis from concept to commission, all under one roof. He also played a pivotal role in mater minding the first ever pilot small hydro projects as an Independent Power Producer (IPP) in Gujarat.

He went ahead and with his shear genius, conceptualized a wind mill Project for the Company's captive use, a pioneer scheme under renewable energy and an initiative towards greener Delhi.

Apart from well over 17 years of rich experience in the Power sector as a first generation Entrepreneur, Mr. Chandrashekhar is also an avid Wild -lifer and has been conferred with eminent honorary post of Wild Life Warden by the Govt. of NCT.

Currently, he looks after the overall business and development of our Company. He is responsible for implementation of all the projects undertaken by our Company. He also looks after the financial management of our Company. He has been on the Board of our Company since January, 1999.

**Mrs. Vakamulla Anu Naidu** aged 43 years, is the Promoter and Whole Time Director of our Company. She completed her graduation in the field of Geography Hons., from Miranda House, University of Delhi and accomplished her Masters from the prestigious Jawaharlal Nehru University.

She has been involved in Human Resources Development and has played a vital role of a good mentor by way of actively involving herself and interacting with staff during Training & Development as well as social gatherings organized by her from time to time and on the eve of festivals.

She personally visits the Project Sites and keenly take interest in Resettlement & Rehabilitation (R&R) of the Project Affected Families (PFA), wherever applicable. She keeps herself engrossed with welfare of the employees and bringing out the Company's HR Policies beneficial for overall development. She has been on the Board of our Company since January, 1999.

**Mr. Simhachalam Gedela**, aged 56 years, is the Independent Director of our Company. He did his MBBS, MS General Surgery and looks after hospital at Viaashkpatham. As an Independent Director of our Company with corporate acumen he brings value addition to our Company. He has been on the Board of our Company since July, 2012.

**Mr. Ponnu Swami Sethu Seshan**, aged 51 years is an Independent Director of our Company. He did his graduation in mathematics from University of Madras. He retired as Assistant General Manager in 2004 from Indian Overseas Bank. Presently he is consultant to various institutes and organizations, also advisor to Aegon Religare Insurance Company Ltd. He has been on the Board of our Company since August, 2011. Due to his stint with Indian Overseas Bank and due to his finance acumen, he brings value addition to the company.

## CONFIRMATIONS

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

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

## NATURE OF FAMILY RELATIONSHIP AMONG DIRECTORS

Mr. Vakamulla Chandrashekhar and Mrs. Vakamulla Anu Naidu are husband and wife.

## BORROWING POWERS OF THE DIRECTORS

Pursuant to a special resolution passed at Extra Ordinary General Meeting of our Company held on 30<sup>th</sup> September, 2011 consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180 (1)(c) of the Companies Act, 2013 (previously Section 293 (1)(d) of the Companies Act, 1956) for borrowing from time to time any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company (apart from temporary loans obtained from our Company's bankers in the ordinary course of business) may exceed in the aggregate, the paid-up capital of our Company and its free reserves, provided however, the total amount so borrowed in excess of the aggregate of the paid-up capital of our Company and its free reserves shall not at any time exceed Rs. 200 Crores.

## TERMS OF APPOINTMENT AND COMPENSATION OF OUR DIRECTORS

### 1. Mr. Vakamulla Chandrashekhar

|  |  |
|--|--|
| <b>Name</b>  | Mr. Vakamulla Chandrashekhar   |
| <b>Designation</b>   | Managing Director  |
| <b>Period</b>  | 3 years from 01.10.2011  |
| <b>Date of Appointment</b>                                 | 1 <sup>st</sup> October, 2011  |
| <b>Remuneration</b>  | <b>a) Remuneration</b><br>Rs. 2,00,000/- p.m. (Rupees Two Lacs Only) with such annual increments / increases and benefits as may be decided by the Board of Directors from time to time. |
| <b>Remuneration paid in FY 31<sup>st</sup> March, 2013</b> | Rs. 12,00,000  |

### 2. Mrs. Vakamulla Anu Naidu

|  |   |
|--|---|
| <b>Name</b>  | Mrs. Vakamulla Anu Naidu  |
| <b>Designation</b>   | Whole Time Director   |
| <b>Period</b>  | Two & Half years from 01.04.2012  |
| <b>Date of Appointment</b>                                 | 1 <sup>st</sup> April, 2012   |
| <b>Remuneration</b>  | <b>a) Remuneration</b><br>Rs. 1,00,000/- p.m. (Rupees One Lac Only) with such annual increments / increases and benefits as may be decided by the Board of Directors from time to time. |
| <b>Remuneration paid in FY 31<sup>st</sup> March, 2013</b> | Rs. 6,00,000  |

There is no definitive and /or service agreement that has been entered into between our Company and the directors in relation to their appointment.

## NON - EXECUTIVE DIRECTORS

Currently, non-executive Directors are not being paid sitting fees

## CORPORATE GOVERNANCE

Our Company stands committed to good corporate governance practices based on the principles such as accountability, transparency in dealings with our stakeholders, emphasis on communication and transparent reporting. We have 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. The corporate governance framework is based on an effective

independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and the Listing Agreement in accordance with best practices in corporate governance. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

Currently our Board has four (4) Directors. We have one (1) Managing director, one (1) Whole Time director and two (2) independent directors. The constitution of our Board is in compliance with the requirements of Clause 52 of the Listing Agreement.

**The following committees have been formed in compliance with the corporate governance norms:**

- A) Audit Committee
- B) Shareholders/Investors Grievance Committee
- C) Remuneration Committee

#### **AUDIT COMMITTEE**

Our Company has reconstituted an audit committee ("**Audit Committee**"), as per the provisions of Section 292A of the Companies Act, 1956, Section 177 of Companies Act, 2013 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 5<sup>th</sup> July, 2012.

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 (3) directors. Mr. Ponnu Swami Sethu Seshan is the Chairman of the Audit Committee.

| No. | Name of the Director         | Status   | Nature of Directorship |
|-----|------------------------------|----------|------------------------|
| 1.  | Mr. Ponnu Swami Sethu Seshan | Chairman | Independent Director   |
| 2.  | Mr. Simhachalam Gedela       | Member   | Independent Director   |
| 3.  | Mr. Vakamulla Chandrashekhar | Member   | Managing Director      |

#### **Role of Audit Committee**

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

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. Oversight of 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 clause (2AA) of section 217 of the Companies Act, 1956 or Section 134 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 quarterly financial statements before submission to the board for approval
  10. Reviewing, with the management, the statement of uses / application of funds raised through an issue (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 & background, etc. of the candidate.
  19. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
  20. Mandatorily reviews the following information:
    - Management discussion and analysis of financial condition and results of operations;
    - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - Management letters / letters of internal control weaknesses issued by the statutory auditors;

- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

21. Review the Financial Statements of its Subsidiary company, if any.
22. Review the composition of the Board of Directors of its Subsidiary company, if any.
23. Review the use/application of funds raised through an issue (public issues, right issues, preferential issues etc.) on a quarterly basis as a part of the quarterly declaration of financial results. Further, review on annual basis statements prepared by the Company for funds utilized for purposes other than those stated in the offer document.

In addition, to carry out such other functions/powers as may be delegated by the Board to the Committee from time to time.

#### SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Our Company has reconstituted a shareholder / investors grievance committee ("**Shareholders / Investors Grievance Committee**") to redress the complaints of the shareholders. The Shareholders/Investors Grievance Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 9<sup>th</sup> April, 2014. The committee currently comprises of three (3) Directors. Ponnu Swami Sethu Seshan is the Chairman of the Shareholders/ Investors Grievance committee.

| No. | Name of the Director         | Status   | Nature of Directorship |
|-----|------------------------------|----------|------------------------|
| 1.  | Mr. Ponnu Swami Sethu Seshan | Chairman | Independent Director   |
| 2.  | Mr. Simhachalam Gedela       | Member   | Independent Director   |
| 3.  | Mr. Vakamulla Chandrashekhar | Member   | Managing Director      |

#### Role of shareholders/investors grievance committee

The Shareholders / Investors Grievance Committee of our Board look into:

- The redressal of investors complaints viz. non-receipt of annual report, dividend payments etc.
- Matters related to share transfer, issue of duplicate share certificate, dematerializations.
- Also delegates powers to the executives of our Company to process transfers etc.

The status on various complaints received / replied is reported to the Board of Directors as an Agenda item.

#### 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 9<sup>th</sup> April, 2014. The committee currently comprises of three (3) Directors Ponnu Swami Sethu Seshan is the Chairman of the remuneration committee.

| No. | Name of the Director         | Status   | Nature of Directorship |
|-----|------------------------------|----------|------------------------|
| 1.  | Mr. Ponnu Swami Sethu Seshan | Chairman | Independent Director   |
| 2.  | Mr. Simhachalam Gedela       | Member   | Independent Director   |
| 3.  | Mr. Vakamulla Chandrashekhar | Member   | Managing Director      |

The terms of reference of the remuneration committee are as follows:

- The remuneration committee recommends to the board the compensation terms of the executive directors.
- 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.

- Considering approving and recommending to the Board the changes in designation and increase in salary of the executive directors.
- Ensuring the remuneration policy is good enough to attract, retain and motivate directors.
- Bringing about objectivity in deeming 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 our Company's shares on the Stock Exchange. Our Company Secretary and Compliance Officer, Mr. Amit Arora 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.

#### **SHAREHOLDING DETAILS OF THE DIRECTORS IN OUR COMPANY**

As per the Articles of Association of our Company, a Director is not required to hold any qualification shares. The following table details the shareholding of our Directors as on the date of this Draft Prospectus:

| <b>Name of the Director</b>  | <b>No. of Equity Shares</b> | <b>Pre-Issue percentage Shareholding</b> |
|------------------------------|-----------------------------|--|
| Mr. Vakamulla Chandrashekhar | 7018281                     | 77.80                                    |
| Mrs. Vakamulla Anu Naidu     | 2001565                     | 22.19                                    |

#### **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. All the Directors may also be deemed to be interested in the Equity Shares of our Company, if any, held by them, their relatives or by the companies or firms or trusts in which they are interested as directors / members / partners or that may be subscribed for and allotted to them, out of the present Issue and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any other company in which they have direct /indirect interest or any partnership firm in which they are partners.

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

#### **PROPERTY INTEREST**

Our Company has not entered into any contract, agreements or arrangement during the preceding two (2) years from the date of this Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

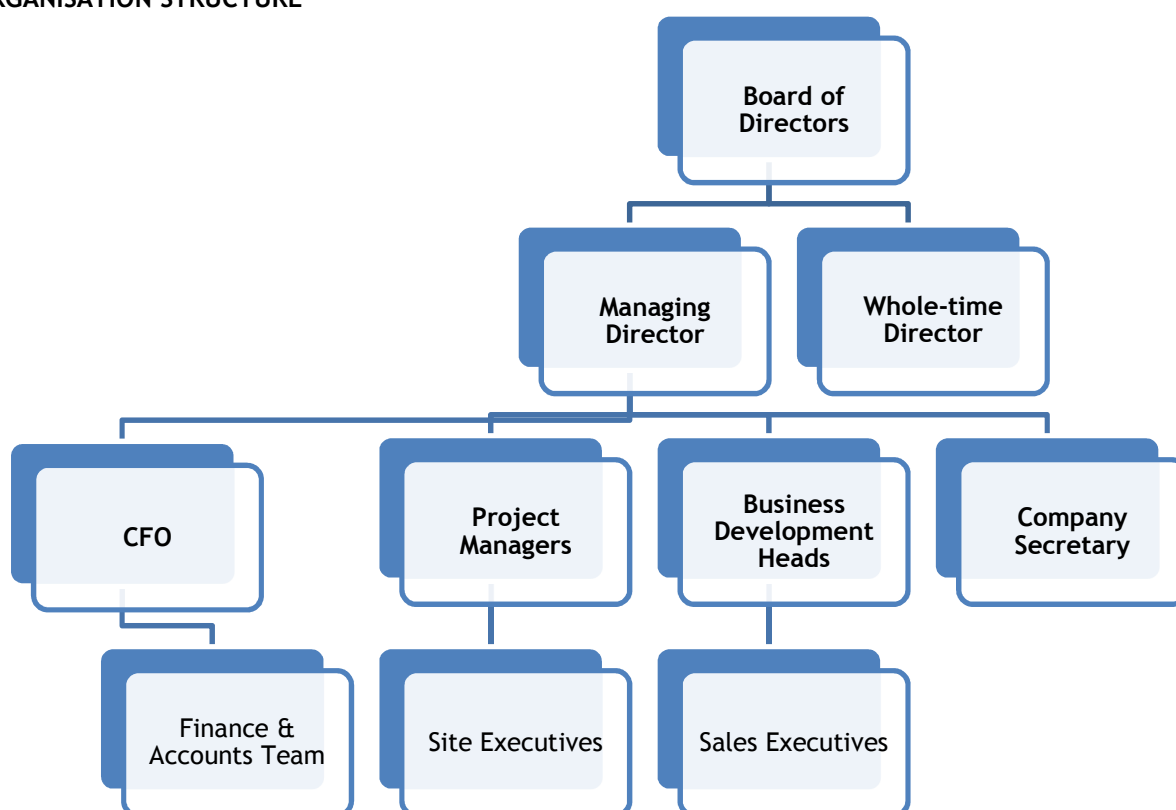


## CHANGES IN OUR BOARD OF DIRECTORS DURING THE LAST THREE (3) YEARS

The changes in the Directors during last three (3) years are as follows:

| Name                           | Date of appointment | Date of cessation | Reason                           |
|--------------------------------|---------------------|-------------------|----------------------------------|
| Mr. Ponnu Swami Sethu Seshan   | 19/08/2011          | -                 | Appointment                      |
| Mr. Trichy Venugopal Manoharan | 19/08/2011          | -                 | Appointment                      |
| Mr. Abhilash Chand Jain        | -                   | 29/11/2011        | Resignation due to preoccupation |
| Mr. Trichy Venugopal Manoharan | -                   | 15/03/2012        | Resignation due to preoccupation |
| Mr. Simhachalam Gedela         | 05/07/2012          | -                 | Appointment                      |

## ORGANISATION STRUCTURE



## KEY MANAGERIAL PERSONNEL

Our Company is managed by its Board of Directors, assisted by qualified professionals, in the respective field of administration / finance / distribution / marketing and corporate laws.

The following key personnel assist the management of our Company:

| Name                         | Date of Joining | Designation       | Functional Responsibilities   | Qualification      |
|------------------------------|-----------------|-------------------|---|--------------------|
| Mr. Vakamulla Chandrashekhar | 20.01.1999      | Managing Director | He looks after the overall business and development and responsible for implementation of all projects undertaken | Economics Graduate |

| Name                        | Date of Joining | Designation                            | Functional Responsibilities  | Qualification                           |
|-----------------------------|-----------------|--|--|---|
|                             |                 |  | by the company.  |   |
| Mrs. Vakamulla Anu Naidu    | 20.01.1999      | Whole Time Director                    | She looks after the human resources & administrative department  | Geography Hons, BA M.A. Geography - JNU |
| Mr. Abhilash Chand Jain     | 01.10.2005      | CFO                                    | Head Finance & Accounts  | FCA ,ICWA                               |
| Mr. Vakamulla Bhaskar Naidu | 28.10.2013      | Project Head                           | Heads technical as well as Administrative matters etc. of Damanganga Hydro project, Gujarat                                  | BSC, Zoo, Madras Christian College      |
| Mr. Amit Arora              | 01.11.2011      | Company Secretary & Compliance Officer | Drafting of agreements, drafting of resolutions, preparation of minutes & compliance of the provisions of the Companies Act. | B Com, ACS, MBA (Fin)                   |

#### BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

1. **Mr. Vakamulla Chandrashekhar**, aged 46 years is the Promoter and Managing Director of our Company. He is an Economics graduate from the Delhi University. Currently, he looks after the overall business and development of our Company. He is responsible for implementation of all the projects undertaken by our Company. He is also assist and looks after the financial management of our Company.

2. **Mrs. Vakamulla Anu Naidu**, aged 43 years is the Promoter and whole time director of our Company. She completed her graduation in the field of Geography hons. from Miranda House, University of Delhi and accomplished her Masters from the prestigious Jawaharlal Nehru University, Delhi. She looks after the human resources & administrative department of our Company and addresses the employee's issues in most effectively.

3. **Mr. Abhilash Chand Jain** aged 71 years is the CFO of our Company. He is Qualified Chartered Accountant and also Cost Accountant from CMA. He is associated with our Company since 2005. He heads the finance and accounts department of our company.

4. **Mr. Vakamulla Bhaskar Naidu** aged 41 years is the Project Head of our Company. He is a science graduate. He joined as a Trainee with Hindustan Unilever Ltd, Bangalore in the year 1999 and calibrated to the post of Asst. Manager in 2001. In the year 2002, joined HSBC Dubai as Sr. Manager and worked till the year 2009. Later he joined Real Value Promoters, a leading Real Estate Company in Chennai. Since October 2013 he joined Tarini and is currently posted at our Damanganga Hydro Projects in Gujarat as Project Head and a team of 30 odd Operation & Maintenance personnel working under him including Civil, Electrical and Mechanical Engineers.

5. **Mr. Amit Arora** is Company Secretary & Compliance Officer of our Company. He is an associate member of Institute of Companies Secretaries of India. He is associated with our Company since 2011 and is responsible for drafting of resolutions, preparation and updating of various statutory registers, and compliance with the provisions of Companies Act. His scope of work and responsibilities includes vetting of agreements, preparation of minutes.

#### FAMILY RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Mr. Vakamulla Chandrashekhar and Mrs. Vakamulla Anu Naidu are husband and wife. Further Mr. Vakamulla Chandrashekhar and Mr. Vakamulla Bhaskar Naidu are brothers. Except that none of the key managerial persons is having family relation with each other.

#### ALL OF KEY MANAGERIAL PERSONNEL ARE PERMANENT EMPLOYEE OF OUR COMPANY

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

As on date, none of the key managerial personnel are holding any Equity Shares of our Company except Mr. Vakamulla Chandrashekhar, Mrs. Vakamulla Anu Naidu, Mr. Vakamulla Bhaskar Naidu and Mr. Abhilash Chand Jain who hold below mentioned Shares:

| Name of the Director         | No. of Equity Shares | Pre-Issue percentage Shareholding |
|------------------------------|----------------------|-----------------------------------|
| Mr. Vakamulla Chandrashekhar | 7018281              | 77.80                             |
| Mrs. Vakamulla Anu Naidu     | 2001565              | 22.19                             |
| Mr. Abhilash Chand Jain      | 22                   | -                                 |
| Mr. V. Bhaskar Naidu         | 22                   | -                                 |

## BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGERIAL PERSONNEL

There is no profit sharing plan for the Key Managerial Personnel. Our Company makes bonus payments to the employees based on their performances, which is as per their terms of appointment.

## LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against Key Managerial Personnel as on 31<sup>st</sup> December, 2013.

## CHANGES IN KEY MANAGERIAL PERSONNEL OF OUR COMPANY DURING THE LAST THREE (3) YEARS

There are no changes in the Key Managerial Personnel of the Issuer during the last three (3) years except Mr. Vakamulla Bhaskar Naidu who joined the company on 28.10.2013.

## EMPLOYEES STOCK OPTION SCHEME

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of this Draft Prospectus.

## PAYMENT OR BENEFIT TO OUR OFFICERS

Except for the payment of normal remuneration for the services rendered in their capacity as employees of our Company, no other amount or benefit has been paid or given within the two (2) preceding years or intended to be paid or given to any of them.


## OUR PROMOTERS

The Promoters of our Company are:

1. Mr. Vakamulla Chandrashekhar
2. Mrs. Vakamulla Anu Naidu

### DETAILS OF OUR PROMOTERS ARE AS UNDER

#### 1. Mr. Vakamulla Chandrashekhar

|  |  |
|--|--|
|  | <p><b>Mr. Vakamulla Chandrashekhar</b>, aged 46 years, is the Promoter and Managing Director of the Company. He is an Economics graduate from Delhi University. He joined as a CEO - Northern Region, GER Group in 1996 and was instrumental in rolling of 3 small hydro projects in Himachal Pradesh. During his stint with the Group, he exposed himself with the toughest of Project Sites and learnt the tricks and trades of hydro energy.</p> <p>He established 'Tarini International Ltd.' with aim of rendering consultancy services on Small Hydro Projects (SHPs), preparation of detailed project reports along with complete design and drawings for project implementation. Further he excelled in Transmission &amp; Distribution (T&amp;D) Projects, primarily focusing African region as main hub.</p> <p>With his intuitive approach and multifaceted persona, he transformed "Tarini" into a full-fledged EPCC Outfit picking up T&amp;D and Hydro Projects on turnkey basis from concept to commission, all under one roof. He also played a pivotal role in mater minding the first ever pilot small hydro projects as an Independent Power Producer (IPP) in Gujarat.</p> <p>He went ahead and with his shear genius, conceptualized a wind mill Project for the Company's captive use, a pioneer scheme under renewable energy and an initiative towards greener Delhi.</p> <p>Apart from well over 17 years of rich experience in the Power sector as a first generation Entrepreneur, Mr. Chandrashekhar is also an avid Wild - lifer and has been conferred with eminent honorary post of Wild Life Warden by the Govt. of NCT.</p> <p>Currently, he looks after the overall business and development of our Company. He is responsible for implementation of all the projects undertaken by our Company. He also looks after the financial management of our Company. He has been on the Board of our Company since January, 1999.</p> <p>For further details relating to Mr. Vakamulla Chandrashekhar, including address and other directorships, see the section titled "Our Management" on page 79 of Draft Prospectus.</p> |
|--|--|

#### Identification

|                                 |   |
|---------------------------------|---|
| <b>Name</b>                     | <b>Mr. Vakamulla Chandrashekhar</b>                                   |
| <b>Permanent Account Number</b> | AOBPS6042M  |
| <b>Passport No.</b>             | G8024528  |
| <b>Voter ID</b>                 | NEC0215871  |
| <b>Driving License</b>          | P03032006490171   |
| <b>Bank Account Details</b>     | 4105155000000175<br>Karur Vysya Bank Ltd., east of Kailash, New Delhi |

## 2. Mrs. Vakamulla Anu Naidu

|   |   |
|---|---|
|  | <p><b>Mrs. Vakamulla Anu Naidu</b> aged 43 years, is the Promoter and Whole Time Director of our Company. She completed her graduation in the field of Geography Hons., from Miranda House, University of Delhi and accomplished her Masters from the prestigious Jawaharlal Nehru University.</p> <p>She has been involved in Human Resources Development and has played a vital role of a good mentor by way of actively involving herself and interacting with staff during Training &amp; Development as well as social gatherings organized by her from time to time and on the eve of festivals. She personally visits the Project Sites and keenly take interest in Resettlement &amp; Rehabilitation (R&amp;R) of the Project Affected Families (PFA), wherever applicable.</p> <p>She keeps herself engrossed with welfare of the employees and bringing out the Company's HR Policies beneficial for overall development. She has been on the Board of our Company since January, 1999.</p> |
|---|---|

### Identification

|                          |   |
|--------------------------|---|
| Name                     | Mrs. Vakamulla Anu Naidu  |
| Permanent Account Number | ADPPN6394L  |
| Passport No.             | F3201567  |
| Voter ID                 | NEC0215889  |
| Driving License          | P09122003311345   |
| Bank Account Details     | 4105172000000211<br>Karur Vysya Bank Ltd., east of Kailash, New Delhi |

### OTHER UNDERTAKINGS AND CONFIRMATIONS

Our Company undertakes that the details of Permanent Account Number, bank account number and passport number of the Promoters will be submitted to the SME platform of BSE Exchange, where the securities of our Company are proposed to be listed at the time of submission of Draft Prospectus.

### COMMON PURSUITS OF OUR PROMOTERS

Our Promoters do not have any common pursuits and not engaged in the business similar to those carried out by our Company.

### INTEREST OF THE PROMOTERS

#### Interest in the promotion of our Company

Our Promoters may be deemed to be interested in the promotion of the Issuer to the extent of the Equity Shares held by themselves as well as their relative and also 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 whom either of them is interested as a director, member or partner. In addition, our Promoters, being Managing Director and Whole Time Director, may be deemed to be interested to the extent of fees, if any, payable for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses, if any, payable under our Articles of Association and to the extent of remuneration, if any, paid for services rendered as an officer or employee of our Company as stated in section titled "*Our Management*" on page 79 of this Draft prospectus.

### **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 since incorporation.

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

As on the date of this Draft Prospectus, our Promoters together hold 88,89,646 Equity Shares of our Company and is therefore interested to the extent of their shareholding and the dividend declared, if any, by our Company. Except to the extent of shareholding of the Promoters in our Company and benefits as provided in the section titled '*Terms of appointment and compensation of our Directors*' on page 82, our Promoters does not hold any other interest in our Company.

Also see "Our Management-Interest of Directors" on page 86 of Draft Prospectus.

### **PAYMENT AMOUNTS OR BENEFIT TO OUR PROMOTERS DURING THE LAST TWO YEARS**

No payment has been made or benefit given to our Promoters in the two years preceding the date of the Draft Prospectus except as mentioned / referred to in this chapter and in the section titled 'Our Management', 'Financial Information' and 'Capital Structure' on page nos. 79, 107 and 34 respectively of this Draft Prospectus. Further as on the date of the Draft Prospectus, there is no bonus or profit sharing plan for our Promoters.

### **CONFIRMATIONS**

For details on litigations and disputes pending against the Promoters and defaults made by them, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 127 of the Promoters. Our Promoters have not been declared a willful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by our Promoters in the past or are pending against them.

### **RELATED PARTY TRANSACTIONS**

Except as disclosed in the section titled "*Related Party Transactions*" beginning on page 105, our Company has not entered into any related party transactions with our Promoters.

## OUR PROMOTER GROUP / GROUP COMPANIES / ENTITIES

### PROMOTER GROUP INDIVIDUALS

The following natural persons (being the immediate relative of our Promoter) form part of our Promoter Group:

#### Relatives of Promoters:

| Relationship | Mr. Vakamulla Chandrashekhar  | Mrs. Vakamulla Anu Naidu                   |
|--------------|---|--|
| Spouse       | Mrs. Vakamulla Anu Naidu  | Mr. Vakamulla Chandrashekhar               |
| Father       | Mr. V. Anjaneyulu   | Mr. Panna Lal Sakarwal                     |
| Mother       | Ms. V Rajeshwari  | Ms. Laxmi Sakarwal                         |
| Brother      | Col. V Hariharan, Lt. Col. V. RaghuRama Naidu, Vakamulla Bhaskar Naidu, Adv. V. Adinaryana Rao, V. Yuvraj | Mr. Hemant Sakarwal, Mr. Himanshu Sakarwal |
| Sister       | Mrs. V. Ramalakshmi   | -  |
| Son          | -   | -  |
| Daughter     | Ms. Vakamulla Tarini Naidu  | Ms. Vakamulla Tarini Naidu                 |

### PROMOTER GROUP COMPANIES AND ENTITIES

As specified in clause 2 (zb) of the SEBI Regulation, the companies that form part of our Promoter Group are as follows:

#### LISTED COMPANIES WITHIN OUR PROMOTER GROUP

There is no listed Company in our Promoter Group

#### UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

The following unlisted companies are within our promoter group:

1. Tarini Sugars & Distilleries Limited
2. Venture Infrastructure Limited
3. Venture Energy and Technologies Limited
4. B. Soilmec India Private Limited
5. Tarini Infrastructure Limited
6. Tarini Humanitarian Demining and Rehabilitation Works
7. Tarini Wilderness Innovations Private Limited
8. Tarini Lifesciences Limited
9. Tarini Overseas Mining & Operations Limited
10. Tarini Hydro Power Lesotho Limited

#### DETAILS OF UNLISTED COMPANIES WITHIN OUR PROMOTER GROUP

##### 1. TARINI SUGARS & DISTILLERIES LIMITED

Tarini Sugars & Distilleries Limited was originally incorporated at Delhi as “Tarini Sugars & Distilleries Limited” on 7<sup>th</sup> July, 2006 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The registered office of the company is situated at F -33, East of Kailash, New Delhi-110065. The CIN of the Company is U01542DL2006PLC150649.

|                      |   |
|----------------------|---|
| Nature of Activities | Manufacturing & Trading of sugar, ethanol cogen power |
|----------------------|---|

**Board of Directors:**

| Name                            | Designation |
|---------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar   | Director    |
| Mrs. Vakamulla Anu Naidu        | Director    |
| Mr. Vellore Subramaniyan Suresh | Director    |

**Financial Performance**

The brief financials of M/s. Tarini Sugars & Distilleries Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars            | FY 2013 | FY 2012 | FY 2011 |
|------------------------|---------|---------|---------|
| Equity Share Capital   | 83.00   | 83.00   | 24.10   |
| Reserves               | -       | -       | -       |
| Net Worth              | 80.99   | 80.99   | 22.09   |
| Pre-Operative Expenses | 77.23   | 74.37   | 5.82    |

**Shareholding Pattern:**

As on date of filing, the shareholding pattern of M/s. Tarini Sugars & Distilleries Limited is as follows:

| Sr. No. | Name of Shareholder                 | No. of shares |
|---------|-------------------------------------|---------------|
| 1       | Mr. Vakamulla Chandrashekhar        | 145500        |
| 2       | M/s. Tarini International Limited   | 535900        |
| 3       | Mr. Vakamulla Yuvaraj               | 100           |
| 4       | Mrs. Vakamulla Anu Naidu            | 36000         |
| 5       | Mr. Vellore Subramanion Suresh      | 57375         |
| 6       | Mr. Ramaswamy Damodaran             | 18000         |
| 7       | Mr. Vellore Subramaniyan Saravanana | 37125         |
| TOTAL   |                                     | <b>830000</b> |

M/s. Tarini Sugars & Distilleries Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

**2. VENTURE INFRASTRUCTURE LIMITED**

Venture Infrastructure Limited was originally incorporated at Delhi as "Venture Infrastructure Limited" on 6<sup>th</sup> August, 2006 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The registered office of the company is situated at D-2, 1st Floor, Amar Colony, Lajpat Nagar IV, New Delhi-110024. The CIN of the Company is U45202DL2003PLC121659.

|                      |  |
|----------------------|--|
| Nature of Activities | Transmission & Distribution of Electricity |
|----------------------|--|

**Board of Directors:**

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |
| Mr. Naresh Kumar              | Director    |



## Financial Performance

The brief financials of M/s. Venture Infrastructure Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 84.50   | 84.50   | 16.50   |
| Reserves             | (82.95) | (55.60) | (37.36) |
| Net Worth            | (25.80) | 10.65   | (38.42) |
| Sales & Other Income | -       | -       | 20.72   |
| Profit After Tax     | (27.35) | (18.25) | (17.52) |

## Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Venture Infrastructure Limited is as follows:

| Sr. No.      | Name of Shareholder                          | No. of shares |
|--------------|--|---------------|
| 1            | Mr. Vakamulla Chandrashekhar                 | 40650         |
| 2            | Mr. Bobby Malia                              | 100           |
| 3            | Mr. Naresh Kumar Saini                       | 100           |
| 4            | Mr. Dev Kumar Pathak                         | 100           |
| 5            | Mr. Jagarnath Gupta                          | 100           |
| 6            | Mr. Alok Charaya                             | 100           |
| 7            | Mr. R. V. Panchapakesan                      | 100           |
| 8            | M/s. Aban Ventures (P) Ltd.                  | 41250         |
| 9            | M/s. Cobra Instalaciones Y Services (P) Ltd. | 82500         |
| 10           | M/s. Tarini International Limited            | 680000        |
| <b>TOTAL</b> |  | <b>845000</b> |

M/s. Venture Infrastructure Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

## 3. M/S. VENTURE ENERGY AND TECHNOLOGIES LIMITED

|                       |  |
|-----------------------|--|
| Date of Incorporation | 15 <sup>th</sup> March, 2002   |
| CIN                   | U40108DL2002PLC114585  |
| Registered Office     | D-2, 1 <sup>st</sup> Floor, Amar Colony Lajpat Nagar-IV New Delhi 110024 |
| Nature of Activities  | Hydro Power Generation & Transmission                                    |

## Board of Directors:

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |
| Mr. Dev Kumar Pathak          | Director    |
| Mr. Krishna Kumar Nittala     | Director    |

## Financial Performance

The brief financials of M/s. Venture Energy And Technologies Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 159.41  | 159.41  | 159.41  |
| Reserves             | -       | -       | -       |

| Particulars           | FY 2013 | FY 2012 | FY 2011 |
|-----------------------|---------|---------|---------|
| Net Worth             | 157.59  | 157.59  | 157.59  |
| Preoperative Expenses | 246.66  | 211.37  | 179.98  |

#### Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Venture Energy And Technologies Limited is as follows:

| Sr. No.      | Name of Shareholder          | No. of shares  |
|--------------|------------------------------|----------------|
| 1            | Mr. Vakamulla Chandrashekhar | 733910         |
| 2            | Mr. Krishna Kumar Nittala    | 350100         |
| 3            | Mr. Reji Abraham             | 410010         |
| 4            | Mr. Bobby Malia              | 20             |
| 5            | Mr. Naresh Kumar Saini       | 20             |
| 6            | Mr. Dev Kumar Pathak         | 20             |
| 7            | Asian Techs Limited          | 100000         |
| <b>TOTAL</b> |                              | <b>1594080</b> |

M/s. Venture Energy And Technologies Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

#### 4. M/S. B. SOILMEC INDIA PRIVATE LIMITED

|                       |   |
|-----------------------|---|
| Date of Incorporation | 13 <sup>th</sup> December, 2002   |
| CIN                   | U29199DL2002PTC118230   |
| Registered Office     | D-2, 1 <sup>st</sup> Floor, Amar Colony Lajpat Nagar-IV New Delhi 110024    |
| Nature of Activities  | Job work relating to fabrication drilling, rigging and foundation equipment |

#### Board of Directors:

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |

#### Financial Performance

The brief financials of M/s. B. Soilmec India Private Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 39.00   | 1.00    | 1.00    |
| Reserves             | (41.55) | (36.54) | (33.66) |
| Net Worth            | (7.57)  | (38.42) | (34.61) |
| Sales & Other Income | 0.03    | -       | 9.00    |
| Profit After Tax     | (5.01)  | (2.88)  | (1.94)  |

#### Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. B. Soilmec India Private Limited is as follows:

| Sr. No.      | Name of Shareholder               | No. of shares |
|--------------|-----------------------------------|---------------|
| 1            | Mr. Vakamulla Chandrashekhar      | 19500         |
| 2            | Mr. Krishna Kumar Nittala         | 4500          |
| 3            | Mr. Bobby Malia                   | 1000          |
| 4            | M/s Tarini Infrastructure Limited | 335000        |
| 5            | M/s Tarini International Limited  | 30000         |
| <b>TOTAL</b> |                                   | <b>390000</b> |

M/s. B. Soilmec India Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

#### 5. M/S. TARINI INFRASTRUCTURE LIMITED

|                       |  |
|-----------------------|--|
| Date of Incorporation | 8 <sup>th</sup> November, 2004   |
| CIN                   | U45201DL2004PLC130447  |
| Registered Office     | D-2, 1 <sup>st</sup> Floor, Amar Colony Lajpat Nagar-IV New Delhi 110024 |
| Nature of Activities  | Hydro Power Generation & Transmission                                    |

#### Board of Directors:

| Name                            | Designation |
|---------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar   | Director    |
| Mrs. Vakamulla Anu Naidu        | Director    |
| Mr. Vellore Subramaniyan Suresh | Director    |
| Mr. Tarunkumar Jayantilal Barot | Director    |

#### Financial Performance

The brief financials of M/s. Tarini Infrastructure Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 2599.00 | 2599.00 | 2599.00 |
| Reserves             | 11.40   | 6.87    | 2.58    |
| Net Worth            | 2610.40 | 2605.87 | 2601.58 |
| Sales & Other Income | 751.21  | 671.10  | 546.02  |
| Profit After Tax     | 4.53    | 4.29    | 2.58    |

#### Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Tarini Infrastructure Limited is as follows:

| Sr. No. | Name of Shareholder              | No. of shares |
|---------|----------------------------------|---------------|
| 1       | Mr. Vakamulla Chandrashekhar     | 3033400       |
| 2       | M/s Tarini International Limited | 8436000       |
| 3       | Mrs. Vakamulla Anu Naidu         | 703660        |
| 4       | Ms. Ramalakshmi                  | 10000         |
| 5       | Mr. V. Hariharan                 | 5000          |
| 6       | Mr. Vellore Subramanion Suresh   | 7994903       |
| 7       | Real Value Promoters             | 1928700       |
| 8       | Mr. Naresh Kumar Saini           | 2910          |
| 9       | Mr. Dev Kumar Pathak             | 410           |
| 10      | Mr. Prabhdeep Malia              | 3910          |
| 11      | Mr. Jagarnath Gupta              | 2410          |
| 12      | Mr. N. Paneer Selvam             | 5000          |
| 13      | Ms. Harita Pandey                | 50000         |
| 14      | Mr. Abhilash Chand Jain          | 5000          |
| 15      | Mr. Parveen Kumar Sanghi         | 5000          |
| 16      | Mr. Dharmapal Reddy              | 2500          |
| 17      | Mr. K.N.S. Prasad                | 20000         |
| 18      | Mr. Shailendra Sharma            | 100           |
| 19      | Ms. Lalita                       | 10000         |
| 20      | Mr. A.Mathew                     | 30000         |
| 21      | Ms. Kirandeep Kour Malia         | 1000          |

| Sr. No. | Name of Shareholder               | No. of shares |
|---------|-----------------------------------|---------------|
| 22      | Mr. R.L. Suresh Chander           | 500           |
| 23      | Mr. Tarunkumar Jayantibhai Barot  | 108000        |
| 24      | Mr. Pradipsinh Dasharathsinh Raol | 2000          |
| 25      | Mr. Tukaram Ganpatrao Renge Patil | 80000         |
| 26      | Ms. Pallavikaen Rajanikant Barot  | 108000        |
| 27      | Mr. Rajanikant Jayantibhai Barot  | 108000        |
| 28      | Ms. FalgunubenTarunkumar Barot    | 108000        |
| 29      | Ms. Hansaben Jayantibhai Barot    | 109000        |
| 30      | Ms. Reshma Krishkumar Menon       | 40000         |
| 31      | Ms. Swati Sanjay Kinjawadekar     | 40000         |
| 32      | Ms. Aradhana Rajiv Kumar Rai      | 40000         |
| 33      | Ms. Manju Kumar Rao               | 75000         |
| 34      | Ms. Rajeshwari Nahak              | 20000         |
| 35      | Mr. Remedio C. Rocha              | 20000         |
| 36      | Mr. S.Suresh                      | 5000          |
| 37      | Ms. Sudha Suresh                  | 10000         |
| 38      | Ms. Leela Jacob                   | 15000         |
| 39      | Mr. Dharmesh P. Rana              | 2300          |
| 40      | Ms. Varalaxmi Shrinivas Jakkul    | 60000         |
| 41      | Ms. Sajini Ratnakumar             | 10000         |
| 42      | Mr. T.Kumar                       | 150500        |
| 43      | Ms. Bindu Bipin                   | 44000         |
| 44      | Ms. Anjana Pisharody Vinod        | 20000         |
| 45      | Mr. Philip Castelino              | 45000         |
| 46      | Mr. Krishna Kumar                 | 10000         |
| 47      | Ms. Beena Arun Ashan              | 10000         |
| 48      | Ms. Rehana Kazim Khairaz          | 5000          |
| 49      | Mr. Pradeep R.Rao                 | 10000         |
| 50      | Mr. Gangadharan Vijayan           | 6000          |
| 51      | Mr. V.K. Muralidharan             | 15000         |
| 52      | Mr. Jamna Prasad Sharma           | 5000          |
| 53      | Mr. Vijay Bhalchandra Mhatre      | 1500          |
| 54      | Mr. M. Thiagarajan                | 30000         |
| 55      | Mr. Arun T                        | 50000         |
| 56      | Mr. Shriprakash Rao               | 5000          |
| 57      | Mr. Ketan Bhanuchandra Mehta      | 5000          |
| 58      | Ms. Alpa Chirag Shah              | 5000          |
| 59      | Mr. Indervir Singh Juneja         | 50000         |
| 60      | Mr. Rajvir Singh Juneja           | 50000         |
| 61      | Mr. Rajendra Prasad Agarwal       | 2000          |
| 62      | Mr. Rakesh Kumar                  | 1524          |
| 63      | Mr. Alok Charya                   | 8000          |
| 64      | Mr. Sanjay Sood                   | 1100          |
| 65      | Mr. Mullakudi Swaminathan Sridhar | 1500          |
| 66      | Mr. Sanjay Gadhok                 | 20000         |
| 67      | Mr. Amit Pal Singh                | 10000         |
| 68      | Mr. R.V.Panchapakesan             | 2000          |
| 69      | Mr. Laurent Aurovici Sercomanens  | 100           |
| 70      | Mr. Janardhan Y.Gujaran           | 20000         |
| 71      | Ms. Anita Anant Dhumal            | 10000         |
| 72      | Ms. Shubhlakshmi Y. Gujuran       | 15000         |
| 73      | Ms. Meera Kodnani                 | 2500          |
| 74      | Ms. Auroritam Bailey              | 100           |
| 75      | Mr. Shrinivas Chinnayya Jakkul    | 40000         |
| 76      | Ms. Anbumani Kumar                | 20000         |
| 77      | Mr. Stany Picardo                 | 20000         |

| Sr. No.      | Name of Shareholder                                 | No. of shares   |
|--------------|---|-----------------|
| 78           | Ms. Aruna P. Rao                                    | 5000            |
| 79           | Mr. Sanjeev Kumar                                   | 1500            |
| 80           | Ms. Suguna. Anbazhagan                              | 10000           |
| 81           | Ms. Jyoti Chandra                                   | 2500            |
| 82           | Ms. Sourya Judicael Refuveille                      | 100             |
| 83           | Ms. T. Premalatha                                   | 20000           |
| 84           | Mr. U.Senthil Kumar                                 | 5000            |
| 85           | Ms. Purnima Gupta                                   | 7000            |
| 86           | Mr. Deepak Gupta                                    | 10000           |
| 87           | Mr. Neeraj Gupta                                    | 13000           |
| 88           | Mr. Chandaluri Harikrishna                          | 2000            |
| 89           | Ms. Monika Aggarwal                                 | 10000           |
| 90           | Mr. Jitesh Kumar Aggarwal                           | 10000           |
| 91           | Mr. Desai Sureshchandra Ramanbhai                   | 5000            |
| 92           | Mr. Desai Apurva Bipinbhai                          | 5000            |
| 93           | Mr. Desai Bipinchandra Uttamlal                     | 5000            |
| 94           | Dr. Mehta Anil Ranchhodji                           | 5000            |
| 95           | Mr. Asad Idrishbhai Vohra                           | 5000            |
| 96           | Ms. Desai Kavita Bipinchandra                       | 5000            |
| 97           | Ms. Desai Shivani Apurva                            | 8000            |
| 98           | Mr. Bijay Kumar P                                   | 2000            |
| 99           | Mr. Vijay Krishna Yalagandala                       | 1000            |
| 100          | Mr. Krishna Mohan. Chebrolu                         | 2500            |
| 101          | Mr. Uma Maheswara Rao. Tavva                        | 2500            |
| 102          | Mr. Perisetla Muneeswaraiiah                        | 500             |
| 103          | Ms. B.V.V. Satya Bhavani                            | 500             |
| 104          | Mr. Nooka Ramakrishna Raju                          | 2000            |
| 105          | Dr. Rajendrasinh Suryasinhji Rathod                 | 20000           |
| 106          | Mr. Kailash Pathak                                  | 50000           |
| 107          | Mr. Gyan Prakash Joshi                              | 20000           |
| 108          | Ms. R. Manipriya                                    | 20000           |
| 109          | Mr. S. Ravikumar                                    | 20000           |
| 110          | Ms. Gadamsetty Sasikala                             | 3000            |
| 111          | Mr. P.V.L. Narayana Rao                             | 1000            |
| 112          | Mr. Mohan Raj                                       | 100             |
| 113          | Mr. Vikramaditya Singh                              | 300000          |
| 114          | Ms. Aprajita Kumari                                 | 340000          |
| 115          | Mr. Ganga Dutt Joshi                                | 35000           |
| 116          | Ms. K Dhanalakshmi                                  | 500             |
| 117          | Mr. Khalil Anwary                                   | 98273           |
| 118          | Ms. V. Tarini Naidu U/G/O. Mrs. Vakamulla Anu Naidu | 985500          |
| 119          | Mr. Ravi Kumar                                      | 50000           |
| <b>TOTAL</b> |   | <b>25990000</b> |

M/s. Tarini Infrastructure Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

#### 6. M/S. TARINI HUMANITARIAN DEMINING AND REHABILITATION WORKS

|                       |   |
|-----------------------|---|
| Date of Incorporation | 1 <sup>st</sup> March, 2005   |
| CIN                   | U74999DL2005PLC133493   |
| Registered Office     | D-2, 1 <sup>st</sup> Floor, Amar Colony Lajpat Nagar-IV New Delhi 110024              |
| Nature of Activities  | Humanitarian Demining Activities (Registered under Section 25 of Companies Act, 1956. |

**Board of Directors:**

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |
| Mr. Prabhdeep Singh Malia     | Director    |

**Financial Performance**

The brief financials of M/s. Tarini Humanitarian Demining and Rehabilitation Works for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 0.10    | 0.10    | 0.10    |
| Reserves             | 1.02    | (5.42)  | (4.82)  |
| Net Worth            | 1.13    | (5.91)  | (7.18)  |
| Sales & Other Income | 2.88    | 1.00    | 1.00    |

**Shareholding Pattern:**

As on date of filing, the shareholding pattern of M/s. Tarini Humanitarian Demining and Rehabilitation Works is as follows:

| Sr. No. | Name of Shareholder                      | No. of shares |
|---------|--|---------------|
| 1       | Mr. Vakamulla Chandrashekhar             | 500           |
| 2       | Mrs. Vakamulla Anu Naidu                 | 100           |
| 3       | Mr. Adinarayana Rao                      | 400           |
| 4       | Major General Trichy Venugopal Manoharam | 10            |
| 5       | Lt. Col. Satish Kumar Nangia             | 10            |
| 6       | Rama Nangia                              | 10            |
| 7       | Lt. Col. Manindra Nath Mahapatra         | 10            |
| TOTAL   |  | 1040          |

M/s. Tarini Humanitarian Demining and Rehabilitation Works is a non-profit making Company incorporated under section 25 and is not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

**7. M/S. TARINI WILDERNESS INNOVATIONS PRIVATE LIMITED**

|                       |  |
|-----------------------|--|
| Date of Incorporation | 31 <sup>st</sup> May, 2011   |
| CIN                   | U74900DL2011PTC220067  |
| Registered Office     | D-2, 1 <sup>st</sup> Floor, Amar Colony Lajpat Nagar-IV New Delhi 110024 |
| Nature of Activities  | Trading of FMCG products   |

**Board of Directors:**

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandra Shekhar | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |

## Financial Performance

The brief financials of M/s. Tarini Wilderness Innovations Private Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars          | FY 2013 | FY 2012 | FY 2011 |
|----------------------|---------|---------|---------|
| Equity Share Capital | 1.00    | 1.00    | -       |
| Reserves             | (1.98)  | (1.42)  | -       |
| Net Worth            | (1.54)  | (1.84)  | -       |
| Sales & Other Income | -       | -       | -       |
| Profit After Tax     | (0.56)  | (1.42)  | -       |

## Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Tarini Wilderness Innovations Private Limited is as follows:

| Sr. No.      | Name of Shareholder          | No. of shares |
|--------------|------------------------------|---------------|
| 1            | Mr. Vakamulla Chandrashekhar | 5000          |
| 2            | Mrs. Vakamulla Anu Naidu     | 5000          |
| <b>TOTAL</b> |                              | <b>10000</b>  |

M/s. Tarini Wilderness Innovations Private Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

## 8. M/S. TARINI LIFESCIENCES LIMITED

|                       |  |
|-----------------------|--|
| Date of Incorporation | 23 <sup>rd</sup> March, 2012   |
| CIN                   | U85100DL2012PLC233368  |
| Registered Office     | D-2, 1 <sup>st</sup> Floor, Amar Colony Lajpat Nagar-IV New Delhi 110024 |
| Nature of Activities  | Drugs and Pharmaceutical product manufacturing, research & development   |

## Board of Directors:

| Name                          | Designation |
|-------------------------------|-------------|
| Mr. Vakamulla Chandrashekhar  | Director    |
| Mrs. Vakamulla Anu Naidu      | Director    |
| Mr. Anilbhai Ranchhodji Mehta | Director    |

## Financial Performance

The brief financials of M/s. Tarini Lifesciences Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars           | FY 2013 | FY 2012 | FY 2011 |
|-----------------------|---------|---------|---------|
| Equity Share Capital  | 5.00    | N.A.    | N.A.    |
| Reserves              | -       | N.A.    | N.A.    |
| Net Worth             | 4.62    | N.A.    | N.A.    |
| Preoperative Expenses | 1.31    | N.A.    | N.A.    |

## Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Tarini Lifesciences Limited is as follows:

| Sr. No.      | Name of Shareholder            | No. of shares |
|--------------|--------------------------------|---------------|
| 1            | Mr. Vakamulla Chandrashekhar   | 16700         |
| 2            | Mrs. Vakamulla Anu Naidu       | 16470         |
| 3            | Mr. Anil Bhai Ranchhodji Mehta | 100           |
| 4            | Mr. Dev Kumar Pathak           | 10            |
| 5            | Mr. Prabhdeep Singh Malia      | 10            |
| 6            | Mr. Naresh Kumar Saini         | 10            |
| 7            | M/s. Tarini International Ltd  | 16700         |
| <b>TOTAL</b> |                                | <b>50000</b>  |

M/s. Tarini Lifesciences Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.

#### 9. M/S. TARINI OVERSEAS MINING & OPERATIONS LIMITED

|                       |  |
|-----------------------|--|
| Date of Incorporation | 18 <sup>th</sup> September, 2007                   |
| CIN                   | U14220DL2007PLC168329                              |
| Registered Office     | D-2, Amar Colony Lajpat Nagar-IV New Delhi -110024 |
| Nature of Activities  | Mining Activities                                  |

#### Board of Directors:

| Name                            | Designation |
|---------------------------------|-------------|
| Mr. Vakamulla Chandrashekhar    | Director    |
| Mrs. Vakamulla Anu Naidu        | Director    |
| Mr. Vellore Subramaniyan Suresh | Director    |

#### Financial Performance

The brief financials of M/s. Tarini Overseas Mining and Operations Limited for the last three (3) years based on audited financial statements are as under:

*(Rs. in Lacs except per share data)*

| Particulars           | FY 2013 | FY 2012 | FY 2011 |
|-----------------------|---------|---------|---------|
| Equity Share Capital  | 5.57    | 5.57    | 5.57    |
| Reserves              | (1.91)  | (1.91)  | (1.91)  |
| Net Worth             | 3.66    | 3.66    | 3.66    |
| Preoperative Expenses | 2.16    | 1.76    | 1.44    |

#### Shareholding Pattern:

As on date of filing, the shareholding pattern of M/s. Tarini Overseas Mining and Operations Limited is as follows:

| Sr. No.      | Name of Shareholder                 | No. of shares |
|--------------|-------------------------------------|---------------|
| 1            | Mr. Vakamulla Chandrashekhar        | 30000         |
| 2            | Mr. Vellore Subramanion Suresh      | 10000         |
| 3            | Mr. Vellore Subramaniyan Saravanana | 100           |
| 4            | Mr. Ramaswamy Damodaran             | 100           |
| 5            | Mrs. Vakamulla Anu Naidu            | 500           |
| 6            | M/s Tarini International Ltd.       | 14900         |
| 7            | Mr. Prabhdeep Singh Malia           | 100           |
| <b>TOTAL</b> |                                     | <b>55700</b>  |

M/s. Tarini Overseas Mining and Operations Limited is an unlisted Company and is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up.



## 10. M/S. TARINI HYDRO POWER LESOTHO LIMITED

M/s. Tarini Hydro Power Lesotho Limited has been incorporated vide certificate issued by in the Kingdom of Lesotho. The main objects of Tarini Hydro Power Lesotho Limited is generate electricity, business of drilling, transport, testing & locating, water sources and boreholes etc.

However the Tarini Hydro Power Lesotho Limited did not commence any operations yet.

### Board of Directors:

| Name                         | Designation |
|------------------------------|-------------|
| Mr. Vakamulla Chandrashekhar | Director    |
| Mr. Khalil Anwary            | Director    |

### COMMON PURSUITS

There are no common pursuits between our Company and Promoters Group Companies.

### LITIGATION/ DEFAULTS

For details relating to legal proceedings involving the Promoters and Members of the Promoter Group, see the section titled “Outstanding Litigation and Material Developments” beginning on page 127 of this Draft Prospectus.

### DISASSOCIATION WITH COMPANIES/FIRMS BY THE PROMOTERS OF OUR COMPANY DURING THE PRECEDING THREE (3) YEARS

Our Promoters have not disassociated with any of entity during the preceding three (3) years.

### INTEREST OF PROMOTER GROUP COMPANIES

Our Promoter Group companies are interested parties to the extent of their shareholding in the Company, if any dividend and distributions which may be made by the Company in future and to the extent of the related party transactions disclosed in the section titled “*Related Party Transactions*” beginning on page 105 of the Draft Prospectus.

### RELATED BUSINESS TRANSACTION WITHIN THE GROUP AND SIGNIFICANCE ON FINANCIAL PERFORMANCE

There is no business transactions between our Company and the Promoter Group Companies except as stated on page 105 under section titled as “*Related Party Transactions*”.

### SALE OR PURCHASE BETWEEN OUR COMPANY AND OUR PROMOTER GROUP COMPANIES

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

### SICK COMPANIES

There are no Companies in our group listed above which have been declared as a sick company under the SICA. There are no winding up proceedings against any of Promoter Group Companies. The Promoter Group Companies do not have negative net worth. Further, no application has been made by any of them to RoC to strike off their names.

### INTEREST OF GROUP COMPANIES IN OUR COMPANY -

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before the date of this Draft Prospectus.

## **CONFIRMATION**

Our Promoters and persons forming part of Promoter Group have confirmed that they have not been declared as willful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past and no proceedings pertaining to such penalties are pending against them. Additionally, none of the Promoters and persons forming part of Promoter Group has been restrained from accessing the capital markets for any reasons by SEBI or any other authorities. None of the Promoter or Group Companies has a negative net worth as of the date of the respective last audited financial statements.

## RELATED PARTY TRANSACTIONS

For details on Related Party Transactions of our Company, please refer to Annexure 15 of restated financial statement under the section titled “*Financial Information*” on page 121 of the Draft Prospectus.

## **DIVIDEND POLICY**

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

There are no dividends declared by our Company since incorporation.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

## SECTION V - FINANCIAL INFORMATION

### Financial Information of Our Company

#### Auditors' Report

To,  
The Board of Directors  
Tarini International Limited  
D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar-IV,  
New Delhi-110024

Dear Sirs,

We have examined the Financial Information of **Tarini International Limited** (the Company') 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') notified on August 26, 2009, the Guidance Note on Reports in Company Prospectuses (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 Financial Information has been approved by its Board of Directors and Audit Committee of Board of Directors.

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. 41 Per Share.

The Company has been incorporated on 20<sup>th</sup> January, 1999. In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts of Tarini International Limited, we, M/s. Ramanand & Associates, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

Audit for the financial year ended 31<sup>st</sup> March, 2009 was conducted by M/s. Dinesh Kumar Gupta & Associates, and Audit for the financial year ended 2010, 2011, 2012, 2013 and Nine Months Ended 31<sup>st</sup> December, 2013 was conducted by M/s. VCG & Co., Chartered Accountants and accordingly reliance has been placed on the financial information examined by them for the said years. The financial report included for these years is based solely on the report submitted by them.

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and as at 31<sup>st</sup> December, 2013 which have been approved by the Board of Directors.

#### A. Financial Information as per Audited Financial Statements:

We have examined:

- a. the attached Statement of Assets and Liabilities, as Restated as at year ended March 31, 2009, 2010, 2011, 2012, 2013 and as of period ended December 31, 2013 (Annexure 1);
- b. the attached Statement of Profits and Losses, as Restated for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 (Annexure 2);
- c. the attached Statement of Cash Flows, as Restated for the year ended March 31, 2009 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 (Annexure 3);
- 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 / regroupings. (Annexure 4);

(Collectively hereinafter referred as "Restated Financial Statements")

The Restated Financial Statements have been extracted from audited Financial Statements of the Company for the year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended 31<sup>st</sup> December, 2013 which have been approved by the Board of Directors.

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 as on period ended 31<sup>st</sup> December, 2013 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 for the period ended 31<sup>st</sup> December, 2013 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 for the period ended 31<sup>st</sup> December, 2013 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; and
- There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements or Auditor's qualification requiring adjustments.
- Adjustments in Financial Statements has been made in accordance with the correct accounting policies
- There was no change in accounting policies, which needs to be adjusted in the "Restated Financial Statements".
- 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".

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

We have also examined the following Financial Information relating to the Company, which is based on the Restated Financial Statements and approved by the Board of Directors of the Company and annexed to this report, is proposed to be included in the Offer Document:

1. Statement of Details of Reserves & Surplus as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 5** to this report.
2. Statement of Accounting Ratios for the year ended on March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 6** to this report.
3. Capitalization Statement as at December 31, 2013 as set out in **Annexure 7** to this report.
4. Statement of Tax Shelters for the year ended on March 31, 2009, 2010, 2011, 2012 and 2013 as set out in **Annexure 8** to this report.
5. Statement of Short Term Borrowings as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 9** to this report.
6. Statement of Long Term Borrowings as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 10** to this report.
7. Statement of Details of Trade Receivables as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 11** to this report.
8. Statement of Details of Short Term Loans and Advances as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 12** to this report.

9. Statement of Details of Non-Current Investments as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 13** to this report
10. Statement of Details of Other Income for the year / period ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 14** to this report
11. Statement of Details of Related Party Transactions as at March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 as set out in **Annexure 15** to this report.

In our opinion, the "Restated Financial Statements" and "Other Financial Information" mentioned above contained in Annexure 1 to 15 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 Prospectuses (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 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 for any other purpose without our prior written consent.

**For Ramanand & Associates.**  
**Chartered Accountants**  
Firm Registration No.-117776W  
**Sd/-**  
**Ramanand Gupta**  
**Partner**  
**Membership No. 103975**

Place: Mumbai  
Date: 19<sup>th</sup> April, 2014

## ANNEXURE-01

## STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

(Rs. In Lacs)

| Particulars                         | 31.12.13        | 31.03.13        | 31.03.12        | 31.03.11        | 31.03.10        | 31.03.09      |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Equity &amp; Liabilities</b>     |                 |                 |                 |                 |                 |               |
| <b>Shareholders' Funds</b>          |                 |                 |                 |                 |                 |               |
| Share Capital                       | 902.00          | 902.00          | 902.00          | 83.27           | 83.27           | 83.27         |
| Reserve & Surplus                   | 419.98          | 417.62          | 417.72          | 351.50          | 322.43          | 153.76        |
| <b>Total (A)</b>                    | <b>1,321.98</b> | <b>1,319.62</b> | <b>1,319.72</b> | <b>434.77</b>   | <b>405.70</b>   | <b>237.03</b> |
| <b>Non-Current Liabilities</b>      |                 |                 |                 |                 |                 |               |
| Share Application Money             | -               | -               | -               | 140.00          | -               | -             |
| Long Term Borrowings                | 201.82          | 231.21          | 258.37          | 166.24          | 385.72          | 60.71         |
| Other Long Term Liabilities         | 5.00            | 5.00            | -               | -               | -               | -             |
| Deferred Tax Liabilities / (Assets) | 9.34            | 7.42            | 4.28            | 3.60            | (1.32)          | -             |
| Long Term Provisions                | 5.50            | 5.04            | 3.59            | 3.59            | -               | -             |
| <b>Total (B)</b>                    | <b>221.66</b>   | <b>248.67</b>   | <b>266.24</b>   | <b>313.43</b>   | <b>384.40</b>   | <b>60.71</b>  |
| <b>Current Liabilities</b>          |                 |                 |                 |                 |                 |               |
| Short Term Borrowings               | 492.59          | 320.18          | 131.63          | 717.52          | 232.06          | 35.69         |
| Other Current Liabilities           | 102.76          | 145.62          | 113.18          | 250.27          | 395.90          | 383.32        |
| Short Term Provisions               | -               | -               | 1.32            | 10.89           | 129.49          | 39.92         |
| <b>Total (C)</b>                    | <b>595.35</b>   | <b>465.80</b>   | <b>246.13</b>   | <b>978.68</b>   | <b>757.45</b>   | <b>458.93</b> |
| <b>Total (D=A+B+C)</b>              | <b>2,138.99</b> | <b>2,034.09</b> | <b>1,832.09</b> | <b>1,726.88</b> | <b>1,547.55</b> | <b>756.67</b> |
| <b>Assets</b>                       |                 |                 |                 |                 |                 |               |
| <b>Fixed Assets:</b>                |                 |                 |                 |                 |                 |               |
| Tangible Assets                     | 540.13          | 549.91          | 451.98          | 442.80          | 425.60          | 75.98         |
| Intangible Assets                   | 0.19            | 0.41            | 0.70            | 0.99            | 1.29            | -             |
| Capital Work in Progress            | 47.04           | 40.38           | 16.69           | -               | -               | -             |
| Non-Current Investments             | 1,271.75        | 1,271.75        | 1,271.75        | 1,148.50        | 516.61          | 400.06        |
| Long Term Loans & Advances          | 2.50            | 2.67            | 2.67            | 0.17            | -               | -             |
| Other Non-Current Assets            | 5.45            | 5.46            | 5.46            | -               | -               | 0.91          |
| <b>Total (E)</b>                    | <b>1,867.06</b> | <b>1,870.58</b> | <b>1,749.25</b> | <b>1,592.46</b> | <b>943.50</b>   | <b>476.95</b> |
| <b>Current Assets</b>               |                 |                 |                 |                 |                 |               |
| Trade Receivables                   | 60.95           | -               | -               | -               | -               | -             |
| Cash & Bank Balances                | 24.76           | 14.39           | 9.91            | 2.92            | 1.56            | 12.22         |
| Short Term Loans & Advances         | 186.21          | 149.13          | 72.94           | 131.51          | 602.49          | 267.50        |
| <b>Total (F)</b>                    | <b>271.92</b>   | <b>163.52</b>   | <b>82.85</b>    | <b>134.43</b>   | <b>604.05</b>   | <b>279.72</b> |
| <b>Total (G=E+F)</b>                | <b>2,138.98</b> | <b>2,034.10</b> | <b>1,832.10</b> | <b>1,726.89</b> | <b>1,547.55</b> | <b>756.67</b> |



## ANNEXURE-02

## STATEMENT OF PROFIT AND LOSS, AS RESTATED

(Rs. In Lacs)

| Particulars  | 31.12.13     | 31.03.13      | 31.03.12      | 31.03.11      | 31.03.10      | 31.03.09      |
|--|--------------|---------------|---------------|---------------|---------------|---------------|
| <b>Income</b>  |              |               |               |               |               |               |
| Sales  | 70.00        | 76.70         | 122.16        | 292.84        | 298.48        | 218.19        |
| Other Income   | 9.90         | 44.88         | 9.42          | 5.54          | 69.19         | -             |
| <b>Total</b>   | <b>79.90</b> | <b>121.58</b> | <b>131.58</b> | <b>298.38</b> | <b>367.67</b> | <b>218.19</b> |
|  |              |               |               |               |               |               |
| <b>Expenditure</b>   |              |               |               |               |               |               |
| Employees Benefit Expenses                                   | 22.00        | 37.46         | 33.37         | 97.85         | 14.82         | 11.57         |
| Administrative, Selling & Other Expenses                     | 13.90        | 29.90         | 35.15         | 70.10         | 70.83         | 80.08         |
| <b>Total</b>   | <b>35.90</b> | <b>67.36</b>  | <b>68.52</b>  | <b>167.95</b> | <b>85.65</b>  | <b>91.65</b>  |
| <b>Profit before Depreciation, Interest and Tax</b>          | <b>44.00</b> | <b>54.22</b>  | <b>63.06</b>  | <b>130.43</b> | <b>282.02</b> | <b>126.54</b> |
| Depreciation & Amortization Expenses                         | 10.00        | 6.69          | 6.13          | 5.16          | 5.12          | 5.89          |
| <b>Profit before Interest &amp; Tax</b>                      | <b>34.00</b> | <b>47.53</b>  | <b>56.93</b>  | <b>125.27</b> | <b>276.90</b> | <b>120.65</b> |
| Finance Cost   | 29.72        | 44.49         | 53.88         | 73.45         | 19.23         | 6.48          |
| <b>Net Profit before Tax</b>                                 | <b>4.28</b>  | <b>3.04</b>   | <b>3.05</b>   | <b>51.82</b>  | <b>257.67</b> | <b>114.17</b> |
| <b>Less: Provision for Taxes:</b>                            |              |               |               | -             | -             | -             |
| Current Tax  | -            | -             | 1.32          | 18.92         | 90.33         | 39.15         |
| Fringe Benefit Expenses                                      | -            | -             | -             | -             | -             | 0.77          |
| Deferred Tax   | 1.92         | 3.13          | 0.68          | 3.82          | (1.32)        | (0.69)        |
| <b>Net Profit After Tax &amp; Before Extraordinary Items</b> | <b>2.36</b>  | <b>(0.09)</b> | <b>1.05</b>   | <b>29.08</b>  | <b>168.66</b> | <b>74.94</b>  |
| Extra Ordinary Items (Net of Tax)                            | -            | -             | -             | -             | -             | -             |
| <b>Net Profit</b>  | <b>2.36</b>  | <b>(0.09)</b> | <b>1.05</b>   | <b>29.08</b>  | <b>168.66</b> | <b>74.94</b>  |

**ANNEXURE-03**

**STATEMENT OF CASH FLOW, AS RESTATED**

(Rs. In Lacs)

| Particulars   | 31.12.13       | 31.03.13        | 31.03.12        | 31.03.11        | 31.03.10        | 31.03.09        |
|---|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                      |                |                 |                 |                 |                 |                 |
| Net profit after taxes  | 2.36           | (0.09)          | 1.05            | 29.08           | 168.66          | 74.94           |
| <b>Adjustment for:</b>  |                |                 |                 |                 |                 |                 |
| Add: Depreciation & Amortization Expenses                       | 10.00          | 6.69            | 6.13            | 5.16            | 5.12            | 5.89            |
| Add: Depreciation Adjustments                                   | -              | -               | -               | -               | -               | 6.99            |
| Add: Interest & Finance Charges                                 | 29.72          | 44.49           | 53.88           | 73.45           | 19.23           | 6.48            |
| <b>Operating Profit before Working capital changes</b>          | <b>42.08</b>   | <b>51.09</b>    | <b>61.06</b>    | <b>107.69</b>   | <b>193.01</b>   | <b>94.30</b>    |
| <b>Adjustments for:</b>   |                |                 |                 |                 |                 |                 |
| Decrease (Increase) in Trade Receivables                        | (60.95)        | -               | -               | -               | -               | -               |
| Decrease (Increase) in Short Term Loans & Advances              | (37.08)        | (76.19)         | 58.57           | 470.98          | (334.99)        | (43.60)         |
| Increase (Decrease) in Short Term Borrowings                    | 172.41         | 188.55          | (585.89)        | 485.46          | 196.37          | (10.25)         |
| Increase (Decrease) in Other Current Liabilities                | (42.86)        | 32.44           | (137.09)        | (145.63)        | 12.58           | 228.89          |
| Increase (Decrease) in Short Term Provisions                    | -              | (1.32)          | (9.57)          | (118.60)        | 89.57           | 4.16            |
| Increase (Decrease) in deferred Tax Liabilities                 | 1.92           | 3.14            | 0.68            | 4.92            | (1.32)          | -               |
| <b>Net Changes in Working Capital</b>                           | <b>33.44</b>   | <b>146.62</b>   | <b>(673.30)</b> | <b>697.13</b>   | <b>(37.79)</b>  | <b>179.20</b>   |
| <b>Net Cash Flow from Operating Activities (A)</b>              | <b>75.52</b>   | <b>197.71</b>   | <b>(612.24)</b> | <b>804.82</b>   | <b>155.22</b>   | <b>273.50</b>   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                      |                |                 |                 |                 |                 |                 |
| Sale /(Purchase) of Fixed Assets                                | (6.66)         | (128.02)        | (31.71)         | (22.06)         | (356.03)        | (15.51)         |
| Sale /(Purchase) of Non-Current Investments                     | -              | -               | (123.25)        | (631.89)        | (116.55)        | (258.00)        |
| <b>Net Cash Flow from Investing Activities (B)</b>              | <b>(6.66)</b>  | <b>(128.02)</b> | <b>(154.96)</b> | <b>(653.95)</b> | <b>(472.58)</b> | <b>(273.51)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                      |                |                 |                 |                 |                 |                 |
| Issue of share capital  | -              | -               | 883.89          | -               | -               | -               |
| Proceeds / (Refund) from Share Application Money                | -              | -               | (140.00)        | 140.00          | -               | -               |
| Interest & Finance Charges                                      | (29.72)        | (44.49)         | (53.88)         | (73.45)         | (19.23)         | (6.48)          |
| Increase / (Repayment) of Long Term Borrowings                  | (29.39)        | (27.16)         | 92.13           | (219.48)        | 325.01          | 4.83            |
| Increase / (Decrease) of Other Long Term Liabilities            | -              | 5.00            | -               | -               | -               | -               |
| Increase / (Decrease) of Long Term Provisions                   | 0.46           | 1.45            | -               | 3.59            | -               | -               |
| Decrease (Increase) in Long Term Loans & Advances               | 0.17           | -               | (2.50)          | (0.17)          | -               | -               |
| Decrease (Increase) in Other Non-Current Assets                 | 0.01           | -               | (5.46)          | -               | 0.91            | (0.32)          |
| <b>Net Cash Flow from Financing Activities (C)</b>              | <b>(58.47)</b> | <b>(65.20)</b>  | <b>774.18</b>   | <b>(149.51)</b> | <b>306.69</b>   | <b>(1.97)</b>   |
| <b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents</b> | <b>10.39</b>   | <b>4.49</b>     | <b>6.98</b>     | <b>1.36</b>     | <b>(10.67)</b>  | <b>(1.98)</b>   |
| Cash and cash equivalents at the beginning of the year / Period | 14.39          | 9.91            | 2.92            | 1.56            | 12.22           | 14.20           |
| <b>Cash and cash equivalents at the end of the year/ Period</b> | <b>24.78</b>   | <b>14.40</b>    | <b>9.90</b>     | <b>2.92</b>     | <b>1.55</b>     | <b>12.22</b>    |

## **SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNT FOR PREPARATION OF RESTATED FINANCIAL STATEMENT**

### **A. SIGNIFICANT ACCOUNTING POLICIES:**

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

The Restated Financial Statements have been prepared under Historical Cost conventions and on accrual basis in accordance with the Generally Accepted Accounting Principles ('GAAP') applicable in India, Companies (Accounting Standard) Rules, 2006 notified by Ministry of Company Affairs and Accounting Standards issued by the Institute of Chartered Accountants of India as applicable and relevant provisions of the Companies Act, 1956 and Companies Act, 2013 (to the extent notified), as adopted consistently by the Company.

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

The preparation of Financial Statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affects the reported amounts of assets and liabilities on the date of the Financial Statements and the reported amounts of revenue and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized.

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

Fixed Assets are capitalized at cost inclusive of erection expenses & other incidental expenses in connection with the acquisition of assets, net of VAT, if any, less accumulated depreciation. Financing costs relating to acquisition of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use.

#### **4. Depreciation / Amortization**

Depreciation on fixed assets is provided on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. In respect of additions made or asset sold / discarded during the year pro-rata Depreciation has been provided.

#### **5. Revenue Recognition**

Revenue has been recognized on the basis of Accounting Standard - 9 (Revenue Recognition) notified by the Companies (Accounting Standards) Rules, 2006.

#### **6. Investment**

Investments that are readily realizable and intended to be held for not more than a year are classified as "Current Investments". All other Investments are classified as Long Term Investments. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis. Long Term investments are valued at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in nature.

#### **7. Borrowing Costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

#### **8. Taxation**

Tax expenses for the year comprise of current tax and deferred tax. Current tax is measured after taking into consideration the deductions and exemptions admissible under the provision of Income Tax Act, 1961.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that are measured at relevant enacted tax rates and in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. At each Balance Sheet date the Company reassesses unrecognized deferred tax assets, to the extent they become reasonably certain or virtually certain of realization, as the case may be. No Tax whether current or deferred has been charged on exempted incomes.

#### **9. Leases**

**Finance Lease**

Leases which effectively transfer to the Company all risks and benefits incidental to ownership of the leased item are classified as Finance Lease. Lease rentals are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

**Operating Lease**

Lease where the lesser effectively retains substantially all risks and benefits of the asset are classified as Operating lease. Operating lease payments are recognized as an expense in the Profit & Loss account on a Straight Line Basis over the Lease term.

**10. Impairment of Assets**

As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss". Impairment loss, if any, is provided to the extent, the carrying amount of assets exceeds their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life.

**11. Foreign Exchange Transactions**Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

Conversion:

All Loans and deferred credits repayable in foreign currency and outstanding at the close of year are expressed in Indian Currency at the date prevailing at the balance sheet date.

Exchange Difference:

Exchange difference arising on the settlement of monetary items or on reporting of such monetary items at rates different from those at which they are initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

**12. Earnings per Share**

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

**13. Contingent Liabilities & Provisions**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

## B. CHANGES IN ACCOUNTING POLICIES IN THE YEARS/PERIODS COVERED IN THE RESTATED FINANCIALS

There is no change in significant accounting policies during the reporting period except the change in method of depreciation from fiscal year 2009-10 from written down value method to straight line method and also as and when Accounting Standards issued by the Institute of Chartered Accountants of India / Companies (Accounting Standard) Rules, 2006 were made applicable on the relevant dates.

## C. NOTES ON RESTATED FINANCIAL STATEMENTS

### NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

#### **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 years and its impact on the profit & losses of the company.

(Rs. In Lacs)

| Particulars   | 31.12.13 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 |
|---|----------|----------|----------|----------|----------|----------|
| Profit after tax before appropriation (as per Audited accounts) | 2.36     | (0.09)   | 1.05     | 29.08    | 175.66   | 74.94    |
| <b>Material Adjustments</b>                                     |          |          |          |          |          |          |
| Depreciation due to change in method                            | -        | -        | -        | -        | (6.99)   | -        |
| Profit after Tax as per Restated Profit & Loss Account          | 2.36     | (0.09)   | 1.05     | 29.08    | 168.66   | 74.94    |

## 2. Other Notes

### 1. General

The Company was incorporated during the year 1996 and restated financial statements has been prepared for the fiscal year ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013.

### 2. Segment Reporting

Based on the guidelines of Accounting Standards on segment reporting(AS-17) issued by The Institute of Chartered Accountants of India, the Company was engaged in one business segment in context of accounting standards 17 on Segment Reporting issued by ICAI . The company is not operating in any of the geographical segment.

### 3. Earnings per Share

The details of Earnings per Share as per AS-20 are provided in Annexure 6.

### 4. Related Party Transactions:

The details of Related Party Transactions as per Accounting Standard -18 are provided in Annexure 15.

### 5. The details of earning / Expenditure in Foreign Currency is tabled as below:

| Particulars                        | 31.12.13 | 31.03.13 | 31.03.12     | 31.03.11     | 31.03.10     | 31.03.09                      |
|------------------------------------|----------|----------|--------------|--------------|--------------|-------------------------------|
| Earnings in Foreign Currency (USD) | -        | -        | USD 1,65,000 | USD 4,84,000 | USD 4,51,000 | USD 7,58,991<br>EURO 1,41,800 |
| Earnings in Foreign Currency (USD) | -        | -        | USD 2000     | -            | -            | -                             |

6. The figures in the Restated Financial Statements and Other Financial Information are stated in Lacs and rounded off to two decimals and minor rounding off difference is ignored.

7. The Company has two subsidiaries namely Tarini Sugars & Distilleries Limited & Venture Infrastructure Limited, however both subsidiaries did not commence any operations hence consolidated financials have not been drawn.

#### ANNEXURE- 05

##### STATEMENT OF DETAILS OF RESERVES & SURPLUS, AS RESTATED

(Rs. In Lacs)

| Particulars                         | 31.12.13 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 |
|-------------------------------------|----------|----------|----------|----------|----------|----------|
| Securities Premium                  | 65.16    | 65.16    | -        | -        | -        | -        |
| Add: Issue of Equity Shares         | -        | -        | 230.44   | -        | -        | -        |
| Less: Utilized for Bonus Issue      | -        | -        | (165.28) | -        | -        | -        |
| Net Securities Premium (A)          | 65.16    | 65.16    | 65.16    | -        | -        | -        |
| Profit / (Loss) Brought Forward     | 345.47   | 345.56   | 344.51   | 315.43   | 146.77   | 71.83    |
| Add: Profit / (Loss) for the Year   | 2.36     | (0.09)   | 1.05     | 29.08    | 168.66   | 74.94    |
| Less: Utilized for Bonus Issue      | -        | -        | -        | -        | -        | -        |
| Profit / (Loss) Carried Forward (B) | 347.83   | 345.47   | 345.56   | 344.51   | 315.43   | 146.77   |
| Reserves & Surplus (A+B)            | 412.99   | 410.63   | 410.72   | 344.51   | 315.43   | 146.77   |

#### ANNEXURE- 06

##### STATEMENT OF ACCOUNTING RATIOS

(Rs. In Lacs)

| Particulars  | 31.12.13  | 31.03.13  | 31.03.12  | 31.03.11 | 31.03.10 | 31.03.09 |
|--|-----------|-----------|-----------|----------|----------|----------|
| Net worth ( A )  | 1,316.53  | 1,314.16  | 1,314.26  | 434.77   | 405.70   | 236.12   |
| Net Profit after Tax ( B )                                     | 2.36      | (0.09)    | 1.05      | 29.08    | 168.66   | 74.94    |
| No. of Shares outstanding at the end [F.V Rs.10] ( C )         | 90,20,000 | 90,20,000 | 90,20,000 | 8,32,700 | 8,32,700 | 8,32,700 |
| Weighted average number of shares outstanding [F.V Rs.10]( D ) | 90,20,000 | 90,20,000 | 50,33,973 | 8,32,700 | 8,32,700 | 8,32,700 |
| Earnings per Share (EPS) ( B / D ) (Rs.)                       | 0.03      | (0.00)    | 0.02      | 3.49     | 20.25    | 9.00     |
| Return on Net worth ( B / A )                                  | 17.93%    | (0.68)%   | 7.99%     | 668.86%  | 4157.26% | 3173.81% |
| Net Assets Value per Share ( A / D )                           | 14.60     | 14.57     | 26.11     | 52.21    | 48.72    | 28.36    |

#### Definitions of key ratios:

**I. Earnings per share (Rs.):** Net Profit attributable to equity shareholders / weighted average number of equity shares outstanding as at the end of the year / period. Earnings per share are calculated in accordance with Accounting Standard 20 "Earnings per Share" issued by the Institute of Chartered Accountants of India.

**II. Return on Net Worth (%):** Net Profit after tax / Net worth as at the end of the year / period.

**III. Net Asset Value (Rs.):** Net Worth at the end of the year / Number of equity shares outstanding at the end of the year / period.

**IV. Net Profit,** as appearing in the Statement of restated profits and losses, and Net Worth as appearing in the restated statement of Assets & Liabilities has been considered for the purpose of computing the above ratios.

# ANNEXURE- 07

## CAPITALIZATION STATEMENT

(Rs. In Lacs)

| Particulars                                  | Pre-issue as at 31.12.2013 | Post Issue * |
|--|----------------------------|--------------|
| <b>Borrowing</b>                             |                            |              |
| Short - Term Debt                            | 492.59                     |              |
| Long - Term Debt                             | 201.82                     |              |
| <b>Total Debt</b>                            | <b>694.41</b>              |              |
| <b>Shareholders' Funds</b>                   |                            |              |
| Share Capital                                |                            |              |
| - Equity                                     | 902.00                     |              |
| Less: Calls - in - arrears                   | -                          |              |
| - Preference                                 | -                          |              |
| Reserves & Surplus                           | 419.98                     |              |
| <b>Total Shareholders' Funds</b>             | <b>1,321.98</b>            |              |
| <b>Long - Term Debt / Shareholders Fund</b>  | <b>0.15</b>                |              |
| <b>Short - Term Debt / Shareholders Fund</b> | <b>0.37</b>                |              |

\* The Post Issue Capitalization will be determined only after the completion of the allotment of equity shares in the IPO.

# ANNEXURE- 08

## STATEMENT OF TAX SHELTERS

(Rs. In Lacs)

| Particulars   | 31.03.13    | 31.03.12      | 31.03.11      | 31.03.10       | 31.03.09      |
|---|-------------|---------------|---------------|----------------|---------------|
| Profit before tax as per Restated P/L                     | 3.04        | 3.05          | 51.82         | 257.67         | 114.17        |
| Applicable Corporate Tax Rate                             | 30.90%      | 30.90%        | 30.90%        | 33.99%         | 33.99%        |
| Tax at Notional Rate                                      | 0.94        | 0.94          | 16.01         | 87.58          | 38.81         |
| <b>Adjustments</b>  |             |               |               |                |               |
| Difference between Tax Depreciation and Book Depreciation | 9.76        | 3.79          | 3.33          | (3.27)         | -             |
| Exempted Income and Its Expenses                          | (4.03)      | (2.68)        | 5.50          | -              | -             |
| Disallowance  | (2.39)      | (2.33)        | (18.33)       | (1.73)         | -             |
| Items Chargeable at special rates                         | -           | -             | -             | -              | -             |
| Other Items   | -           | -             | 1.73          | (5.00)         | (2.02)        |
| Deductions  |             |               |               |                | 1.00          |
| Set off of Business Losses / Unabsorbed Depreciation      | -           | -             | -             | -              | -             |
| <b>Net Adjustments</b>                                    | <b>3.34</b> | <b>(1.22)</b> | <b>(7.77)</b> | <b>(10.00)</b> | <b>(1.02)</b> |
| Tax Saving thereon  | 1.03        | (0.38)        | (2.40)        | (3.40)         | (0.35)        |
| Tax Saving to the extent of Tax at Notional Rate          | 0.94        | (0.38)        | (2.40)        | (3.40)         | (0.35)        |
| Tax Payable [A]   | -           | 1.32          | 18.41         | 90.98          | 39.15         |
| Tax Payable on items chargeable at special rates [B]      | -           | -             | -             | -              | -             |

| Particulars               | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 |
|---------------------------|----------|----------|----------|----------|----------|
| Total Tax Payable [C=A+B] | -        | 1.32     | 18.41    | 90.98    | 39.15    |
| Tax Rebates [D]           | -        | -        | -        | -        | -        |
| Net Tax Payable [E=C-D]   | -        | 1.32     | 18.41    | 90.98    | 39.15    |

#### ANNEXURE- 09

##### STATEMENT OF DETAILS OF SHORT TERM BORROWINGS

(Rs. In Lacs)

| Particulars                                 | 31.12.13      | 31.03.13      | 31.03.12      | 31.03.11      | 31.03.10      | 31.03.09     |
|---|---------------|---------------|---------------|---------------|---------------|--------------|
| <b>Unsecured Loans*</b>                     |               |               |               |               |               |              |
| From Promoter/Group Companies and Directors | 492.59        | 320.18        | 126.63        | 527.52        | 196.94        | -            |
| From Others                                 |               |               | 5.00          |               | 35.12         | 35.69        |
| <b>Secured:</b>                             |               |               |               |               |               |              |
| From Others                                 | -             | -             | -             | 190.00        | -             | -            |
| <b>Total</b>                                | <b>492.59</b> | <b>320.18</b> | <b>131.63</b> | <b>717.52</b> | <b>232.06</b> | <b>35.69</b> |

\* Unsecured Loans, repayable on demand

#### ANNEXURE- 10

##### STATEMENT OF DETAILS OF LONG TERM BORROWINGS

(Rs. In Lacs)

| Particulars                           | 31.12.13      | 31.03.13      | 31.03.12      | 31.03.11      | 31.03.10      | 31.03.09     |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| <b>Secured:</b>                       |               |               |               |               |               |              |
| Term Loan from Banks                  | 230.64        | 276.98        | 323.70        | 197.39        | 195.72        | 60.71        |
| Term Loan from Others                 | 39.41         | 45.22         | -             | -             | 190.00        | -            |
| <b>Unsecured:</b>                     |               |               |               |               |               |              |
| Loans & Advances from Related Parties | -             | -             | -             | -             | -             | -            |
| Loans & Advances from Others          | -             | -             | 5.00          | 26.54         | -             | -            |
| <b>Less:</b>                          |               |               |               |               |               |              |
| Current Maturities of Long Term Debt  | 68.24         | 90.99         | 70.33         | 57.69         | -             |              |
| <b>Total</b>                          | <b>201.81</b> | <b>231.21</b> | <b>258.37</b> | <b>166.24</b> | <b>385.72</b> | <b>60.71</b> |

##### Terms of Secured Loans as on 31.12.2013:

Secured by Hypothecation over Book Debts, Loans & Advances and Secured by way of equitable mortgage of immovable property and further secured by the personal guarantee

Secured by charge over specific immovable fixed assets financed through the Loan



**ANNEXURE- 11**

**STATEMENT OF DETAILS OF TRADE RECIEVABLES**

(Rs. In Lacs)

| Particulars  | 31.12.13     | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 |
|--|--------------|----------|----------|----------|----------|----------|
| (A) Unsecured, Considered good outstanding for a period less than six months |              |          |          |          |          |          |
| Others   | 60.95        | -        | -        | -        | -        | -        |
| Amount due from Promoter/Group Companies and Directors                       | -            | -        | -        | -        | -        | -        |
| (B)Unsecured, Considered good outstanding for a period more than six months  |              |          |          |          |          |          |
| Others   | -            | -        | -        | -        | -        | -        |
| Amount due from Promoter/Group Companies and Directors                       | -            | -        | -        | -        | -        | -        |
| <b>Total</b>   | <b>60.95</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b> |

**ANNEXURE- 12**

**STATEMENT OF DETAILS OF SHORT TERM LOANS & ADVANCES**

(Rs. In Lacs)

| Particulars                          | 31.12.13      | 31.03.13      | 31.03.12     | 31.03.11      | 31.03.10      | 31.03.09      |
|--------------------------------------|---------------|---------------|--------------|---------------|---------------|---------------|
| Capital Advances                     | 21.00         | 21.00         | -            | -             |               |               |
| Security Deposits                    | -             | -             | -            | -             | 0.17          | 0.17          |
| Prepaid Expenses                     | -             | -             | -            | -             | 0.76          | 0.35          |
| Advances                             | 135.41        | 107.12        | 55.82        | 130.58        | 544.96        | 226.33        |
| Advance Income                       | -             | -             | -            | -             | 56.60         |               |
| Advance Tax / MAT Credit Entitlement | 29.80         | 20.97         | 17.12        | -             | -             | 40.65         |
| Excise / Service Tax Receivable      | -             | 0.04          | -            | 0.93          | -             |               |
| <b>Total</b>                         | <b>186.21</b> | <b>149.13</b> | <b>72.94</b> | <b>131.51</b> | <b>602.49</b> | <b>267.50</b> |

**ANNEXURE-13**

**STATEMENT OF DETAILS OF NON CURRENT INVESTMENTS**

(Qty in Lac Shares and Amount Rs. In Lacs)

| Particulars                         | 31.12.13 |        | 31.03.13 |        | 31.03.12 |        | 31.03.11 |        | 31.03.10 |        | 31.03.09 |        |
|-------------------------------------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|----------|--------|
| <u>Unquoted Shares:</u>             | QTY      | AMT    | QTY      | AMT    | QTY      | AMT    | QTY      | AMT    | QTY      | AMT    | QTY      | AMT    |
| Tarini Infrastruct ure Limited      | 84.36    | 843.60 | 84.36    | 843.60 | 84.36    | 843.60 | 84.36    | 843.60 | 51.36    | 513.60 | 39.71    | 397.05 |
| Tarini Sugar & Distilleries Limited | 5.359    | 53.59  | 5.359    | 53.59  | 5.359    | 53.59  | 100      | 0.01   | 100      | 0.01   | 100      | 0.01   |
| Tarini Lifescience s Limited        | 0.167    | 1.67   | 0.167    | 1.67   | 0.167    | 1.67   | -        | -      | -        | -      | -        | -      |
| Venture Infrastruct ure Limited     | 6.80     | 68.00  | 6.80     | 68.00  | 6.80     | 68.00  | -        | -      | -        | -      | -        | -      |
| B Soilmec (I) Pvt. Ltd.             | 0.30     | 3.00   | 0.30     | 3.00   | -        | -      | -        | -      | -        | -      | -        | -      |
|                                     |          |        |          |        |          |        |          |        |          |        |          |        |
| <b>Share Applicatio n Money:</b>    |          |        |          |        |          |        |          |        |          |        |          |        |
| B Soilmec (I) Pvt. Ltd.             | -        | -      | -        | -      | ---      | 3.00   | ---      | 3.00   | ---      | 3.00   | ---      | 3.00   |
| Tarini Infrastruct ure Limited      | ---      | 205.39 | ---      | 205.39 | ---      | 205.39 | ---      | 205.39 | -        | -      | -        | -      |
| Venture Infrastruct ure Limited     | ---      | 96.50  | ---      | 96.50  | ---      | 96.50  | ---      | 96.50  | -        | -      | -        | -      |

**Annexure-14**

**STATEMENT OF DETAILS OF OTHER INCOME**

(Rs. In Lacs)

| Particulars                       | 31.12.13    | 31.03.13     | 31.03.12    | 31.03.11    | 31.03.10     | 31.03.09 |
|-----------------------------------|-------------|--------------|-------------|-------------|--------------|----------|
| Interest Income                   | 0.15        | 0.68         | 0.28        | -           | 50.14        | -        |
| Interest on Income Tax Refund     | -           | -            | -           | 0.04        | -            | -        |
| Insurance Refund                  | 0.43        | -            | -           | -           | -            | -        |
| Rental Income                     | 3.00        | 6.00         | 1.80        | -           | -            | -        |
| Agriculture Income                | 6.32        | 8.20         | 6.90        | 5.50        | -            | -        |
| Gain on Exchange rate fluctuation | -           | -            | 0.44        | -           | 19.05        | -        |
| Guarantee Commission              | -           | 30.00        | -           | -           | -            | -        |
| <b>Total</b>                      | <b>9.90</b> | <b>44.88</b> | <b>9.42</b> | <b>5.54</b> | <b>69.19</b> | <b>-</b> |

**ANNEXURE-15**

**STATEMENT OF DETAILS OF RELATED PARTY TRANSACTIONS**

(Rs. In Lacs)

| Particulars  | 31.12.13 | 31.03.13 | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 |
|--|----------|----------|----------|----------|----------|----------|
| <b>REVENUE ITEMS :</b>   |          |          |          |          |          |          |
| <b>Remuneration to Promoters &amp; Directors:</b>                    |          |          |          |          |          |          |
| Mr. Vakamulla Chandrashekhar   | 4.50     | 12.00    | 12.00    | 48.00    | 24.00    | 24.00    |
| Mrs. Vakamulla Anu Naidu   | 9.00     | 6.00     | 6.00     | 24.00    | 12.00    | 12.00    |
| Consultancy Fee Received From Tarini Infrastructure Limited          | -        | -        | -        | 50.00    | -        | -        |
| Consultancy Fee Received From Tarini Sugars and Distilleries Limited | -        | -        | 49.63    | -        | -        | -        |
| Maintenance Income From Tarini Infrastructure Limited                | 70.00    | 61.50    | -        | -        | -        | -        |
| Guarantee Commission From Tarini Infrastructure Limited              | -        | 30.00    | -        | -        | -        | -        |
| Rental Income Received From Tarini Infrastructure Limited            | 3.00     | 6.00     | -        | -        | -        | -        |
| Consultancy taken from B Soilmec India Pvt. Ltd.                     | -        | -        | -        | 9.00     | -        | -        |
|  |          |          |          |          |          |          |
| <b>NON-REVENUE ITEMS :</b>   |          |          |          |          |          |          |
| <b>Loans &amp; Advances Due From:</b>                                |          |          |          |          |          |          |
| Tarini Humanitarian Demining & Rehabilitation Work                   | 1.59     | -        | 8.28     | -        | 4.08     | 3.05     |
| Tarini Infrastructure Limited  | -        | -        | 18.23    | 117.61   | 328.72   | 65.80    |
| Tarini Overseas Mining & Operations Limited                          | -        | -        | -        | -        | 0.50     | 0.32     |
| Venture Energy & Technologies Limited                                | 70.89    | 61.91    | -        | -        | 102.66   | 82.34    |
| Venture Infrastructure Limited                                       | 25.46    | 15.96    | 8.06     | 54.61    | 54.62    | 37.41    |
| B. Soilmec India Private Limited                                     | 0.75     | -        | -        | -        | 17.92    | 41.70    |
| Mr. Vakamulla Chandrashekhar   | -        | -        | -        | -        | -        | 5.70     |
| Tarini Wilderness and Innovations Private Limited                    | 1.18     | 1.20     | 1.20     | -        | -        | -        |
| Tarini Lifesciences Limited  | 0.88     | -        | -        | -        | -        | -        |
|  |          |          |          |          |          |          |
| <b>Loans &amp; Advances Payable To:</b>                              |          |          |          |          |          |          |
| Mr. Vakamulla Chandrashekhar   | 80.16    | 33.85    | 1.77     | 335.25   | 191.15   | -        |
| Mrs. Vakamulla Anu Naidu   | 33.75    | 29.40    | 0.20     | 202.01   | 5.78     | -        |
| Tarini Sugars and Distilleries Limited                               | 77.06    | 135.77   | 105.82   | -        | 13.58    | 14.03    |
| Tarini Overseas Mining & Operations Limited                          | 1.60     | 1.60     | 3.91     | -        | -        | -        |
| B. Soilmec India Private Limited                                     | -        | -        | 6.39     | 10.48    | -        | -        |
| Venture Energy & Technologies Limited                                | -        | -        | 8.54     | (0.32)   | -        | -        |
| Tarini Infrastructure Limited  | 300.03   | 114.44   | -        | -        | -        | -        |
| Frontier Offshore Drilling India Private Limited                     | -        | -        | -        | -        | 21.55    | 21.65    |

## 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 audited restated financial statements prepared in accordance with paragraph B of Part II of Schedule II to the Companies Act and SEBI (ICDR) Regulations, including the schedules, annexure and notes thereto and the reports thereon of each of the financial years ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended December 31, 2013 in the chapter titled "Financial Information" on page 107 of the Draft Prospectus. The following discussion relates to our Company and, unless otherwise stated, is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Accounting Standards and other applicable provisions of the Companies Act and the SEBI (ICDR) Regulations. Our fiscal year ends on March 31 of each year so accordingly all references to a particular financial year are to the twelve months ended March 31 of that year.*

### INDUSTRY OVERVIEW

#### Overview of Consultancy Services in India

Consultancy is a practice of giving expert advice within a particular field by professionals or experts who advice in a particular area and has wide knowledge, well experienced, problem solving skill and is expertise of the subject matter.

- **Construction Consulting**

Construction consulting is a specialized form of business consultation that focuses on all forms of construction, most notably building construction. When companies, especially large ones, need to build new installations and factories, they need conceptual planning, phasing, sequencing, and construction services.

- **Engineering Consulting -**

A city might need a new bridge across a river, for which design and building plans would be required, a new factory with multiple automated assembly lines might need to be constructed, an engine might need to be designed for a new aircraft, or a helipad might need to be built atop a 100-storey building. Engineering Consultants would be employed for such assignments.

#### The Indian Infrastructure Opportunity

The Indian economy is based on planning through successive five year plans that set out targets for economic development in various sectors, including the infrastructure sector. The XIth Five Year Plan ("FYP") aims at a sustainable GDP growth rate of 9.00%, but there is general consensus that infrastructure inadequacies would constitute a significant constraint in realizing this development potential. To overcome this constraint, an ambitious programme of infrastructure investment, involving both public and private sector, is being developed for the XIth FYP. Infrastructure spending targets for the XIth FYP were revised from approximately 4.60% to approximately 7.60% of GDP representing an increase of over 140.00% compared to the Xth FYP.

#### Overview of the Indian Power Sector

The power sector in India is slowly moving from a regulated return framework to a market driven pricing mechanism. This has provided a major boost for private entrepreneurs to enter the power sector and set up projects. Currently significant traction has been achieved in the generation space, while the transmission and the distribution segment is slowly opening to the private sector. (Source: Ministry of Power).

### HYDROPOWER

Hydropower is a renewable energy resource because it uses the Earth's water cycle to generate electricity. Water evaporates from the Earth's surface, forms clouds, precipitates back to earth, and flows toward the ocean. The movement of water as it flows downstream creates kinetic energy that can be converted into electricity. 2700 TWH is generated every year. Hydropower supplies at least 50% of electricity production in 66 countries and at least 90% in 24 countries. Out of the total power generation installed capacity in India of 1,76,990 MW (June, 2011), hydro power contributes about 21.5% i.e. 38,106 MW. A capacity addition of 78,700 MW is envisaged from different conventional sources during 2007-2012 (the 11th Plan), which includes 15,627 MW from large hydro projects. In addition to this, a capacity addition of 1400 MW was envisaged from small hydro up to 25 MW station

capacity. The total hydroelectric power potential in the country is assessed at about 150,000 MW, equivalent to 84,000 MW at 60% load factor. The potential of small hydro power projects is estimated at about 15,000 MW.

## **BUSINESS OVERVIEW**

Our Company was originally incorporated at Delhi as “Tarini International Private Limited” on 20<sup>th</sup> January, 1999 under the provisions of the Companies Act, 1956 vide certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Our Company was converted in to a Public Limited Company and consequently the name was changed to “Tarini International Limited ” vide fresh certificate of incorporation dated 8<sup>th</sup> July, 2011 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana.

Our Company is registered under the Companies Act, 1956 with registration no. U74899DL1999PLC097993.

Our Company has been promoted by Mr. Vakamulla Chandrashekhar and Mrs. Vakamulla Anu Naidu with the intention to establish ourselves as niche player in engineering with particular focus in power sector for providing turn-key services under one umbrella from designing, construction, generation, transmission and distribution. We are also professionally competent to undertake projects from concept to commissioning. This entire set of activities, completes the value chain by providing the synergy of backward as well as forward integration.

The Registered Office of our Company is situated at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar-IV, New Delhi-110024;

## **FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS**

Our results of operations could potentially be affected by the following factors amongst others:

- Changes in government policies
- Material changes in the duty or tax structure
- Competition from existing and new entrants
- Technological Changes
- Timely availability of manpower and material
- Variations on assumptions underlying our fixed-price or fixed-rate contract
- Changes in our Order Book
- Ability to source and manage cost effective funding and working capital requirements
- Ability to integrate and manage strategic acquisitions
- Ability to attract, recruit and retain skilled personnel

## **DISCUSSION ON THE RESULTS OF OPERATIONS**

The following discussion on the financial operations and performance is based on our restated financial statements for the FY 2008-2009, 2009-2010, 2010-2011, 2011-2012, 2012-2013 and for the period ended 31<sup>st</sup> December, 2013. The same should be read in conjunction with the restated audited financial results of our Company for the years ended March 31, 2009, 2010, 2011, 2012, 2013 and for the period ended 31<sup>st</sup> December, 2013.

## Analysis on Results of Operation

Considering the various Key factors affecting 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 periods indicated read together with notes to accounts, accounting policies and auditor's report as appearing in this Draft Prospectus.

| (Rs. In Lacs)                                |               |              |               |               |
|--|---------------|--------------|---------------|---------------|
| Particulars                                  | 31.03.13      | 31.03.12     | 31.03.11      | 31.03.10      |
| Total Income                                 | 121.58        | 131.58       | 298.38        | 367.67        |
| <i>Increase/ (Decrease) (%)</i>              | (7.60)        | (55.90)      | (18.85)       | ---           |
| <b>Total</b>                                 |               |              |               |               |
| Expenditure:                                 |               |              |               |               |
| Employees Benefit Expenses                   | 37.46         | 33.37        | 97.85         | 14.82         |
| <i>Increase/ (Decrease) (%)</i>              | 12.26         | (65.90)      | 560.26        | ---           |
| Administrative, Selling and Other Expenses   | 29.9          | 35.15        | 70.10         | 70.83         |
| <i>Increase/ (Decrease) (%)</i>              | (14.94)       | (49.86)      | (1.03)        | ---           |
| <b>Total</b>                                 | <b>67.36</b>  | <b>68.52</b> | <b>167.95</b> | <b>85.65</b>  |
| Profit before Depreciation, Interest and Tax | 54.22         | 63.06        | 130.43        | 282.02        |
| <i>Increase/ (Decrease) (%)</i>              | (14.02)       | (51.65)      | (53.75)       | ---           |
| Depreciation                                 | 6.69          | 6.13         | 5.16          | 5.12          |
| <i>Increase/ (Decrease) (%)</i>              | 9.14          | 18.80        | 0.78          | ---           |
| <b>Profit before Interest &amp; Tax</b>      | <b>47.53</b>  | <b>56.93</b> | <b>125.27</b> | <b>276.9</b>  |
| <i>Increase/ (Decrease) (%)</i>              | (16.51)       | (54.55)      | (54.76)       | ---           |
| Interest & Finance Charges                   | 44.49         | 53.88        | 73.45         | 19.23         |
| <i>Increase/ (Decrease) (%)</i>              | (17.43)       | (26.64)      | 281.96        | ---           |
| <b>Net Profit before Tax</b>                 | <b>3.04</b>   | <b>3.05</b>  | <b>51.82</b>  | <b>257.67</b> |
| <i>Increase/ (Decrease) (%)</i>              | (0.33)        | (94.11)      | (79.89)       | ---           |
| Less: Provision for Taxes                    | 3.13          | 0.68         | 3.82          | (1.32)        |
| <b>Net Profit After Tax</b>                  | <b>(0.09)</b> | <b>1.05</b>  | <b>29.08</b>  | <b>168.66</b> |
| <i>Increase/ (Decrease) (%)</i>              | (108.57)      | (96.39)      | (82.76)       | ---           |

## COMPARISON OF FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2013 WITH FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2012

**Income:** Income for the financial year ended 31<sup>st</sup> March, 2013 was at Rs. 121.58 Lacs as against the total of Rs. 131.58 Lacs for the fiscal 2012 with decline of 7.60 % and such decline is due to decrease in work order contracts.

**Expenditure:** Personnel Expenses have registered increase of 12.26 % at Rs. 37.46 Lacs in fiscal 2013 as compared to Rs. 33.37 Lacs for the fiscal 2012, such increase in expenses mainly due to addition in salary of employees. Administrative, selling and other expenses have been decreased by 14.94% at Rs. 29.90 Lacs in fiscal 2013 as compared to Rs. 35.05 Lacs in fiscal 2012 and such decrease in expenses in fiscal 2013 is due to decline in volume of operations. Depreciation has increased by 9.14 % with Rs. 6.69 Lacs in fiscal 2013 as compared to Rs. 6.13 Lacs in fiscal 2012 due to addition in line of fixed assets. Finance cost has been decreased by 17.43 % with Rs. 44.49 Lacs in fiscal 2013 as compared to Rs. 53.88 Lacs in fiscal 2012.

**Profits after Taxes (PAT):** PAT of Company has recorded a decline of 108.57 % at Loss of Rs. 0.09 Lacs for fiscal 2013 as against Rs. 1.05 Lacs for fiscal 2012 due to decline in volume of operations.

## COMPARISON OF FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2012 WITH FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2011

**Income:** Income for the financial year ended 31<sup>st</sup> March, 2012 was at Rs. 131.58 Lacs as against the total of Rs. 298.38 Lacs for the fiscal 2011 with decline of 55.90 % and such decline is due to decrease in work order contracts.

**Expenditure:** Personnel Expenses have registered decrease of 65.90 % at Rs. 33.37 Lacs in fiscal 2012 as compared to Rs. 97.85 Lacs for the fiscal 2011, such decrease in expenses mainly due to non-employment of temporary staff. Administrative, selling and other expenses have been decreased by 49.86% at Rs. 35.15 Lacs in fiscal 2012 as compared to Rs. 70.10 Lacs in fiscal 2011 and such decrease in expenses in fiscal 2012 is due to decline in volume of operations. Depreciation has increased by 18.80 % with Rs. 6.13 Lacs in fiscal 2012 as compared to Rs. 5.16 Lacs in fiscal 2011 due to addition in line of fixed assets. Finance cost has been decreased by 26.64 % with Rs. 53.88 Lacs in fiscal 2012 as compared to Rs. 73.45 Lacs in fiscal 2011.

**Profits after Taxes (PAT):** PAT of Company has recorded at Rs. 1.05 Lacs for fiscal 2012 as against Rs. 29.08 Lacs for fiscal 2011.

## COMPARISON OF FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2011 WITH FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2010

**Income:** Income for the financial year ended 31<sup>st</sup> March, 2011 was at Rs. 298.38 Lacs as against the total of Rs. 367.67 Lacs for the fiscal 2010 with decline of 18.85% and such decline is due to decrease in work order contracts.

**Expenditure:** Personnel Expenses have registered increase of 560.26 % at Rs. 97.85 Lacs in fiscal 2011 as compared to Rs. 14.82 Lacs for the fiscal 2010, such increase in expenses mainly due to new hiring's and addition in salary of existing employees. Administrative, selling and other expenses have been marginally declined by 1.03% at Rs. 70.10 Lacs in fiscal 2011 as compared to Rs. 70.83 Lacs in fiscal 2010. Depreciation has been marginally increased by 0.78 % with Rs. 5.16 Lacs in fiscal 2011 as compared to Rs. 5.12 Lacs in fiscal 2010. Finance cost has been increased by 281.96 % with Rs. 73.45 Lacs in fiscal 2011 as compared to Rs. 19.23 Lacs in fiscal 2010.

**Profits after Taxes (PAT):** PAT of Company has recorded at Rs. 29.08 Lacs for fiscal 2011 as against Rs. 168.66 Lacs for fiscal 2010 due to decrease in work order contracts.

### Other Information required as per SEBI Regulations

- ***Unusual or infrequent events or transactions***

There are no unusual or infrequent events or transactions that have significantly affected operations of the Company.

- ***Significant economic changes that materially affected or are likely to affect income from continuing operations***

There are no significant economic changes that materially affected Company's operations or are likely to affect income from continuing operations. Any slowdown in the growth of Indian economy or future volatility in global commodity prices, could affect the business, including the future financial performance, shareholders' funds and ability to implement strategy and the price of the Equity Shares.

- ***Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the Risks disclosed under the section titled "Risk Factors" no known trends or uncertainties are envisaged or are expected to have a material adverse impact on sales, revenue or income from continuing operations to Company's knowledge.

- ***Future changes in relationship between costs and revenues in case of events such as future increase in labor or material cost or prices that will cause material change.***

According to our knowledge, there are no future relationship between cost and income that would be expected to have a material adverse impact on our operations and revenues. However Increase in the input cost of material and manpower, which we procure to complete our projects, will affect the profitability of the Company. Further, the Company may not able to pass on the increase in prices of the product to the customers in full and this can be offset through cost reduction.

- ***The extent to which material increases in net sales / revenue is due to increase in sales volume, introduction of new products or services or increased sales prices***

The increase in revenues is by and large linked to increases in volume of all the activities carried out by the Company.

- ***Total turnover of each major industry segment in which the Company operated***

The Company operates in single segment i.e. engineering.

- ***Status of any publicly announced New Products or Business Segment***

The Company has not announced any new products or business segment.

- ***The extent to which our Company's business is seasonal***

The Operations of the Company is not seasonal.

- ***Any significant dependence on a single or few suppliers or customers***

We are not under threat of dependence from any single supplier or customer.

- ***Competitive conditions***

We operate in highly competitive businesses. Our contracts are entered into primarily through a competitive bidding process and certain contracts are entered into on the basis of negotiations with the client. 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 compete against various multinational and national companies as well as regional organized and unorganized entities. In selecting contractors for projects, clients generally limit the tender to contractors they have pre-qualified based on technical and financial criteria, such as experience, technical ability, past performance, reputation for quality, safety record, financial strength and the size of previous contracts executed in similar projects with them or otherwise. Our ability to meet the qualification criteria in our various business areas is critical to being considered for any project. Additionally, while these are important considerations, price is a major factor in most tender awards and in negotiated contracts and our business is subject to intense price competition. Our competitors may be larger and may have better access to financial resources. Some of our competitors may be better known in regional markets in which we compete. Our inability to compete successfully in the businesses in which we operate could materially and adversely affect our business prospects and results of operations.



## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated herein, there are no outstanding or pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group and there are no defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions and there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company; no default in creation of full security as per the terms of the issue, no proceedings initiated for economic or other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part I of Schedule XIII of the Companies Act, 1956), and no disciplinary action has been taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies.*

#### I. CASES FILED BY OUR COMPANY

##### *Civil Cases*

Tarini International Ltd. is a party in the impending suit for permanent and mandatory injunction and damages pending before the Hon'ble High Court of Delhi. The suit is titled V. Chandrashekhar & Ors Vs. Anurag Dhumal & Ors. Being CS(OS) No. 107/2014. The said suit has been filed by the promoter Mr. V. Chandrashekhar for himself and on behalf of Tarini International Ltd. and other group companies of TIL in the suit. The matter is pending disposal before the Hon'ble High Court.

##### *Criminal Cases*

There are no criminal proceedings filed by our Company.

#### II. CASES FILED AGAINST OUR COMPANY

##### *Civil proceedings*

There are no civil proceedings filed against our Company.

##### *Criminal Proceedings*

There are no criminal proceedings filed against our Company.

#### III. INDIRECT TAX PROCEEDINGS INVOLVING OUR COMPANY

NIL

#### IV. LITIGATIONS INVOLVING OUR PROMOTER

##### (i) Proceedings of Civil nature

###### (a) By the promoters

Tarini International Ltd. is a party in the impending suit for permanent and mandatory injunction and damages pending before the Hon'ble High Court of Delhi. The suit is titled V. Chandrashekhar & Ors vs. Anurag Dhumal & Ors. Being CS (OS) No. 107/2014. The said suit has been filed by the promoter Mr. V. Chandrashekhar for himself and on behalf of Tarini International Ltd. and other group companies of TIL in the suit. The matter is pending disposal before the Hon'ble High Court.

###### (b) Against the promoters

NIL

##### (ii) Proceedings of a Criminal nature-

- (a) By the promoters

NIL

- (b) Against the promoters

NIL

## **V. LITIGATIONS INVOLVING DIRECTORS OF OUR COMPANY**

### **(i) Proceedings of Civil nature**

- (a) By the Directors of our Company

NIL

- (b) Against the Directors of our Company

NIL

### **(ii) Proceedings of a Criminal nature-**

- (a) By the Directors of our Company

NIL

- (b) Against the Directors of our Company

NIL

## **VI. LITIGATIONS INVOLVING OUR GROUP COMPANIES**

### **(i) Proceedings of Civil nature**

- (a) By our Group Companies

Venture Energy and Technologies Ltd. has filed a writ petition before the High Court of Himachal Pradesh at Shimla. The writ petition is titled Venture Energy and Technologies Ltd. Vs. State of Himachal Pradesh being number CWP no. 2411/2014. The said writ petition is filed against the illegal cancellation of Sai Kothi 15 MW power project of Venture Energy and Technologies Ltd. The notice has been issued in the writ petition and the same is pending before the High Court of Himachal Pradesh at Shimla.

- (b) Against our Group Companies

Tarini Infrastructure Ltd. is a party in a civil proceeding before the Hon'ble Supreme Court, being titled Civil Appeal No. 5875/2012 titled Gujarat Urja Vikas Nigam Ltd. Vs. Tarini Infrastructure Ltd. The said Civil Appeal has been filed by the Gujarat Urja Vikas Nigam Ltd. against the order dated 31/05/2012 passed in Appeal no. 29 of 2011 of the Appellate Tribunal of Electricity. The Appellate Tribunal of Electricity had allowed the tariff dispute in the favour of the Tarini Infrastructure Ltd. The said Civil Appeal is now pending final disposal before the Hon'ble Supreme Court of India.

### **(ii) Proceedings of a Criminal nature**

- (a) By our Group Companies

NIL

- (b) Against our Group Companies

NIL

#### **MATERIAL DEVELOPMENTS**

In the opinion of the Board of Directors of our Company, they have not arisen, since the date of the last audited financial statements disclosed in this Draft Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability or value of assets or our ability to pay material liabilities within the next twelve (12) months.

## GOVERNMENT & OTHER APPROVALS

We have received all the necessary consents, licenses, permissions and approvals from the government and various government agencies/ private certification bodies for our present businesses and no further approvals are required for carrying on the present businesses except as stated in this Draft Prospectus.

### APPROVALS FOR THE ISSUE

1. The Board of Directors has, pursuant to resolution passed at its meeting held on 25<sup>th</sup> February, 2014, authorized the Issue.
2. The shareholders of our Company have, pursuant to a resolution 21<sup>st</sup> March, 2014, authorized the Issue.

### INCORPORATION DETAILS

1. Certificate of incorporation 20<sup>th</sup> January, 1999 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana in the name of Tarini International Private Limited.
2. Fresh Certificate of incorporation 8<sup>th</sup> July, 2011 issued by Registrar of Companies, National Capital Territory of Delhi & Haryana in the name of Tarini International Limited.
3. The Company Identification Number (CIN) is U74899DL1999PLC097993.

### CORPORATE APPROVALS OF OUR COMPANY

1. Permanent Account Number (AABCT7379R) under the Income Tax Act, 1961.
2. Tax Deduction Account Number (DELT03804D) under the Income Tax Act, 1961.
3. ISIN Number is INE849M01017.
4. Tax Identification Number (07240461575).
5. Certificate of Importer-Exporter Code (IEC) Number (0505093049).
6. Employees Provident Fund Code Number (DSSHD/0941589/000).
7. Service Tax Code Number (AABCT7379RST001) under the Finance Act 1994.
8. Government accorded approval for allotment of 7.00 MW capacities Kanayatana Mini Hydel Project in favour of Company across Arkavati river near Sangam, Bangalore District vide GOVERNMENT ORDER NO. EN 215 NCE 2007 BANGALORE, DATED: 23.06.2007.

### APPROVALS TO BE OBTAINED FOR THE OBJECTS OF THE ISSUE

| Sr. No. | Licenses & Approval |
|---------|---------------------|
|         | Nil                 |

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The shareholders of Tarini International Limited approved the present Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra Ordinary General Meeting of our Company held on 21<sup>st</sup> March, 2014.

Our Board has approved this Draft Prospectus at its meeting held on 22<sup>nd</sup> April, 2014.

We have received approval from BSE vide letter dated [●] to use the name of BSE in this offer document for listing of our Equity Shares on SME Platform of BSE. BSE is the Designated Stock Exchange.

### PROHIBITION BY SEBI

The Company, its Promoters, its Directors or any of the Company's Associates or Group Companies and companies with which the Directors of the Company are associated as Directors or Promoters, or Directors or Promoters in control of, of the promoting Company, are currently not prohibited from accessing or operating in the capital market under any order or direction passed by SEBI.

### PROHIBITION BY RBI

Our Company, our Promoters, Promoting Companies, their relatives, Group Concerns and Associate Companies have not been detained as willful defaulters by the RBI or any other government authorities.

### ELIGIBILITY FOR THE ISSUE

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Offer" in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital exceeds ten crores rupees but do not exceed twenty five crores rupees shall issue its specified securities in accordance with provisions of chapter XB Issue of specified securities by small and medium enterprises] of ICDR regulations. (In this case being the "SME Platform of BSE").

We confirm that:

a) In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue has been hundred percent underwritten and that the Lead Manager to the Issue has underwritten more than 15% of the Total Issue Size. For further details pertaining to said underwriting, please refer to "General Information - Underwriting" on page 31 of this Draft Prospectus.

b) In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.

c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.

d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares offered in this Issue.

*For further details of the arrangement of market making please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 32 of this Draft Prospectus.*

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, 2009, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 7, Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

**BSE ELIGIBILITY NORMS:** (www. <http://www.bsesme.com/aboutpublicissue.aspx>)

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

Our Company has Net Tangible Assets of Rs. 266.24 Lacs, which is in excess of Rs. 1 Crore as per the latest audited annual financial results. Our Net Tangible Assets as at 31<sup>st</sup> December, 2013 are disclosed as under:

| (Rs. Lacs)  |               |
|---|---------------|
| Particulars   | 31.12.2013    |
| Fixed Assets- Tangible Assets                         | 540.13        |
| Capital Work in Progress                              | 47.04         |
| Long Term Loans & Advances                            | 2.50          |
| <i>Current Assets, Loans and Advances:</i>            |               |
| Trade Receivables                                     | 60.95         |
| Cash & Bank Balances                                  | 24.76         |
| Short Term Loans & Advances                           | 186.21        |
| <b>Total Assets (A)</b>                               | <b>861.59</b> |
| <i>Less: Current Liabilities &amp; Provisions:</i>    |               |
| Short Term Borrowings                                 | 492.59        |
| Other Current Liabilities                             | 102.76        |
| Short Term Provisions                                 | -             |
| <b>Total Current Liabilities &amp; Provisions (B)</b> | <b>595.35</b> |
| <b>Net Tangible Assets (A-B)</b>                      | <b>266.24</b> |

*Net tangible assets are defined as sum of Fixed Assets (including capital work in progress and excluding revaluation reserve), trade investments and current assets (excluding deferred tax assets and intangible assets as defined in AS-26 issued by ICAI) less current liabilities & Provisions.*

**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 restated audited annual financial statements for the year ended 31<sup>st</sup> December, 2013 is as under:

| (Rs. Lacs)   |                |
|--|----------------|
| Particulars  | 31.12.2013     |
| Share Capital  | 902.00         |
| Add: Reserves & Surplus                                  | 419.98         |
| Less: Preliminary Expenses to the extent not written off | (5.45)         |
| <b>Net Worth</b>   | <b>1316.53</b> |

*Net worth includes Equity Share Capital and Reserves, (Net of Miscellaneous Expenditure not written off, if any.)*

**3. Track record of distributable profits in terms of sec. 205 of Companies Act, 1956 / Section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least Rs. 3 Crores.**

We have a net worth of Rs. 1316.53 Lacs as on 31<sup>st</sup> December, 2013

#### **4. Other Requirements**

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

As on the date of Draft Prospectus i.e. 22<sup>nd</sup> April, 2014 Our Company has a paid up capital in Rs. 902.00 Lacs, which is in excess of Rs. 1 crore, and the Post Issue Capital shall also be in excess of Rs. 1 crore.

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

We have entered tripartite agreements with NSDL along with our Registrar and Our Company will ensure that before filing the prospectus with RoC will enter into tripartite agreements with CDSL along with our Registrar for facilitating trading in dematerialized mode.

- iii. ***Companies shall mandatorily have a website.***

Our Company has a live and operational website: [www.tariniindia.com](http://www.tariniindia.com)

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

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

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

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

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

- c. ***There is no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.***

There is no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

#### **DISCLAIMER CLAUSE OF SEBI**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, GUINNESS CORPORATE 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 COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, GUINNESS CORPORATE ADVISORS PRIVATE LIMITED HAS FURNISHED, A DUE DILIGENCE CERTIFICATE DATED 22<sup>ND</sup> APRIL, 2014 WHICH READS AS FOLLOWS:

- 1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE;

- 2) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
- (A) THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;
- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 (TO THE EXTENT NOTIFIED), THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
- 3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- 4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- 5) WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.
- 6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.
- 7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. - NOT APPLICABLE
- 8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
- 9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 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.



- 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
- 11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
- 12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:
  - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND
  - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
- 13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.
- 14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
- 15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
- 16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS, AS PER FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR.
- 17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS

THE FILING OF THIS OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR SECTION 68 OF THE COMPANIES ACT, 1956 ((SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013) OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE OFFER DOCUMENT.

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 PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
- (2) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN 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.-NOTED

- (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 110[106P] AND 111[106V] OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.
- (7) WE CONFIRM THAT THE ISSUER HAS REDRESSED AT LEAST NINETY FIVE PER CENT OF THE COMPLAINTS RECEIVED FROM THE INVESTORS TILL THE END OF THE QUARTER IMMEDIATELY PRECEDING THE MONTH OF THE FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES. - NOT APPLICABLE

#### DISCLAIMER CLAUSE OF BSE

BSE Limited ("BSE") has given vide its letter dated [●], permission to this Company to use its name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this company. BSE does not in any manner:-

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

*For details regarding the track record of the Lead Manager to the Issue, please refer to the website of the Lead Manager: [www.16anna.com](http://www.16anna.com)*

#### CAUTION

The Lead Manager accepts no responsibility, save to the limited extent as provided in the MOU for Issue Management entered into among the Lead Manager and our Company dated 19<sup>th</sup> April, 2014, the Underwriting Agreement 21<sup>st</sup> April, 2014 entered into among the Underwriters and our Company and the Market Making Agreement dated 21<sup>st</sup> April, 2014 entered into among the Lead Manager, Market Maker and our Company.

All information shall be made available by us and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centers or elsewhere.

**Note:**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India {including Indian nationals resident in India who are majors, 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, permitted insurance companies and pension funds. This Draft Prospectus does not, however, constitute an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft 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 New Delhi only.

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

**DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applicants may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

**FILING**

The Draft Prospectus shall not be filed with SEBI, nor will SEBI issue any observation on the offer document in term of Reg. 106(M)(3). However, a copy of the Prospectus shall be filed with SEBI at the SEBI Northern Regional Office, 5th Floor, Bank of Baroda Bldg, 16 Sansad Marg, New Delhi- 110001. A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013, will be delivered to the RoC situated at 4th Floor, IFCI Tower, 61, Nehru Palace, New Delhi- 110019.

**LISTING**

Application shall be made to BSE Limited for obtaining permission for listing of the Equity Shares being offered and sold in the SME Platform of BSE. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue.

The BSE has given its approval for listing our shares vide its letter dated [●]. If the permission to deal in and for an official quotation of the Equity Shares is not granted by the SME Platform of BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Prospectus. If such money is not repaid within eight days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest at the rate of 15% per annum on application money, as prescribed under Section 40 of the Companies Act, 2013. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within 12 Working Days of the Issue Closing Date.

## CONSENTS

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Statutory Auditors Peer Review Auditors; and (b) the Lead Manager, Underwriters, Market Makers, Bankers to the Issue, Registrar to the Issue, to act in their respective capacities, have been obtained and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s VCG & Co., Chartered Accountants, have agreed to provide their written consent to include its report on statement of funds deployed as on 31<sup>st</sup> March, 2014 dated 20<sup>th</sup> April, 2014 and statement of tax benefits dated 20<sup>th</sup> April, 2014 relating to the possible tax benefits, as applicable. M/s Ramanand & Associates, Peer Review Auditors have agreed to provide their written consent to include their report dated 19<sup>th</sup> April, 2014 on restated financial statements and, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Draft Prospectus.

## EXPERT OPINION

The Company has not obtained any opinions from an expert as per the Companies Act.

## PUBLIC ISSUE EXPENSES

The Management estimates an expense of Rs. 70.98 Lacs towards Issue expense. The expenses of this Issue include, among others, underwriting and management fees, market making fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. The estimated Issue expenses are as follows:

| No.          | Particulars  | Amount<br>(Rs. In Lacs) |
|--------------|--|-------------------------|
| 1.           | Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries such as Legal Advisors, Registrars and other out of pocket expenses. | 40.00                   |
| 2.           | Printing & Stationery, Distribution, Postage etc.  | 10.00                   |
| 3.           | Advertisement & Marketing Expenses   | 15.00                   |
| 4.           | Regulatory & other expenses  | 5.00                    |
| 5.           | Contingencies  | 0.98                    |
| <b>Total</b> |  | <b>70.98</b>            |

## DETAILS OF FEES PAYABLE

| Particulars   | Amount<br>(Rs. in<br>Lacs) | % of Total<br>Issue<br>Expenses | % of Total<br>Issue Size |
|---|----------------------------|---------------------------------|--------------------------|
| Issue management fees including fees and reimbursements of Market Making fees, selling commissions, brokerages, and payment to other intermediaries | 40.00                      | 56.35                           | 2.45                     |

| Particulars  | Amount<br>(Rs. in<br>Lacs) | % of Total<br>Issue<br>Expenses | % of Total<br>Issue Size |
|--|----------------------------|---------------------------------|--------------------------|
| such as Legal Advisors, Registrars and other out of pocket expenses. |                            |                                 |                          |
| Printing & Stationery, Distribution, Postage etc.                    | 10.00                      | 14.09                           | 0.61                     |
| Advertisement & Marketing Expenses                                   | 15.00                      | 21.13                           | 0.92                     |
| Regulatory & other expenses  | 5.00                       | 7.04                            | 0.31                     |
| Contingencies  | 0.98                       | 1.38                            | 0.06                     |
| <b>Total</b>   | <b>70.98</b>               | <b>100.00</b>                   | <b>4.35</b>              |

#### **FEES PAYABLE TO LEAD MANAGER TO THE ISSUE**

The total fees payable to the Lead Manager will be as per the Engagement Letters from our Company and Lead Manager and Memorandum of Understanding signed with the Lead Manager, copy of which is available for inspection at the Registered Office of our Company.

#### **FEES PAYABLE TO THE REGISTRAR TO THE ISSUE**

The fees payable by the Company 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 Memorandum of Understanding signed with the Company, copy of which is available for inspection at the Registered Office of our Company.

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

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

The underwriting commission and the selling commission for the Issue are as set out in the Underwriting Agreement amongst the Company and Underwriters. The underwriting commission shall be paid as set out in the Underwriting Agreement based on the Issue price and the amount underwritten in the manner mentioned on page 31 of this Draft Prospectus.

#### **COMMISSION AND BROKERAGE PAID ON PREVIOUS ISSUES OF OUR EQUITY SHARES**

Since this is the Initial Public Offer of the 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 the Equity Shares since inception of the Company.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Tarini International Limited and its Group Companies have not made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH**

Except as stated in the section titled "Capital Structure" on page 34 of this Draft Prospectus, we have not made any previous issues of shares for consideration otherwise than for cash.

#### **PROMISE VIS-À-VIS PERFORMANCE**

Our Company has not made any public or rights issue since its inception.

**PARTICULARS IN REGARD TO OUR COMPANY AND OTHER LISTED COMPANIES UNDER THE SAME MANAGEMENT WITHIN THE MEANING OF SECTION 370(1) (B) OF THE COMPANIES ACT, 1956 / SECTION 186 OF THE COMPANIES ACT, 2013 WHICH MADE ANY CAPITAL ISSUE DURING THE LAST THREE YEARS**

There are no listed companies under the same management within the meaning of Section 370(1)(b) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 that made any capital issue viz. initial public offering, rights issue or composite issue during the last three years.

**OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS**

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Prospectus.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

**INVESTOR GRIEVANCES AND REDRESSAL SYSTEM**

The Company has appointed Link Intime Services Private Limited as the Registrar to the Issue, to handle the investor grievances in co-ordination with the Compliance Officer of the Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to ensure that the investor grievances are settled expeditiously and satisfactorily.

The Registrar to the Issue, namely, Link Intime Services Private Limited, will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be co-coordinating with the Registrar to the Issue in attending to the grievances to the investor. The Company assures that the Board of Directors in respect of the complaints, if any, to be received shall adhere to the following schedules:

| Sr. No. | Nature of Complaint                             | Time Table   |
|---------|---|--|
| 1.      | Non-receipt of refund                           | Within 7 days of receipt of complaint subject to production of satisfactory evidence |
| 2.      | Non receipt of share certificate/Demat Credit   | Within 7 days of receipt of complaint subject to production of satisfactory evidence |
| 3.      | Any other complaint in relation to Public Issue | Within 7 days of receipt of complaint with all relevant details.                     |

Redressal of investors' grievance is given top priority by the Company. The Committee oversees redressal of complaints of shareholders/investors and other important investor related matters. The Company has adequate arrangements for redressal of investor complaints as follows:

Share transfer/ dematerialization/ rematerialization are handled by professionally managed Registrar and Transfer Agent, appointed by the Company in terms of SEBI's direction for appointment of Common Agency for physical as well as demat shares. The Registrars are constantly monitored and supported by qualified and experienced personnel of the Company.

We have appointed Mr. Amit Arora as Company Secretary and Compliance Officer and he may be contacted in case of any pre-issue or post-issue problems. He can be contacted at the following address:

Mr. Amit Arora,  
Company Secretary & Compliance Officer,  
D-2, 1<sup>st</sup> Floor, Amar Colony,  
Lajpat Nagar IV, New Delhi,

Delhi-110024  
Tel: 91-11-26479995/26285364;  
Fax: 91-11-26477996  
**Website:** [www. tariniindia.com](http://www.tariniindia.com)  
**E-Mail:** [tarini@nde.vsnl.net.in](mailto:tarini@nde.vsnl.net.in)

#### **CHANGES IN AUDITORS**

There has been no change in the auditors of our Company for the last three years.

#### **CAPITALIZATION OF RESERVES OR PROFITS DURING LAST FIVE (5) YEARS**

Our Company has not capitalized any reserve during last five (5) years except the fact that we have allotted on 832770 Equity Shares in the ratio 1:1 and 820000 Equity Shares in the ratio of 1:10 as bonus to our existing Equity shareholders pursuant to a Shareholders resolution dated 25<sup>th</sup> July, 2011 and 20<sup>th</sup> March,2012 respectively by capitalization of free reserves.

#### **REVALUATION OF ASSETS DURING THE LAST FIVE (5) YEARS**

Our 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, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

#### RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to the section titled “Main Provisions of the Articles of Association of the Company” on page 164 of this Draft Prospectus.

#### AUTHORITY FOR THE PRESENT ISSUE

The Issue has been authorized by a resolution of the Board passed at their meeting held on 25<sup>th</sup> February, 2014 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act, 1956. The shareholders have authorized the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, 1956 passed at the Extra-Ordinary General Meeting of the Company held on 21<sup>st</sup> March, 2014.

#### TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, the Memorandum and Articles, the terms of this Draft Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (“CAN”) and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, SME platform of BSE, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act and recommended by the Board of Directors and the shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to the section titled “Dividend Policy” on page 106 of this Draft Prospectus.

#### FACE VALUE AND ISSUE PRICE

The Equity Shares having a Face Value of Rs. 10/- each are being offered in terms of this Draft Prospectus at the price of Rs. 41/- per Equity Share. The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis of Issue Price” on page 48 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.



## **RIGHTS OF THE EQUITY SHAREHOLDERS**

Subject to applicable laws, the equity shareholders 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 to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

## **MINIMUM APPLICATION VALUE; MARKET LOT AND TRADING LOT**

As per the provisions of the Depositories Act, 1996, the shares of a body corporate can be in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The investors have an option either to receive the security certificate or to hold the securities with depository.

The trading of the Equity Shares will happen in the minimum contract size of 3000 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 3000 Equity Share subject to a minimum allotment of 3000 Equity Shares to the successful applicants.

## **MINIMUM NUMBER OF ALLOTTEES**

The minimum number of Allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective Allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be refunded within 15 days of closure of Issue.

## **JOINT HOLDERS**

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## **NOMINATION FACILITY TO INVESTOR**

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

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

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

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

In case the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

#### **MINIMUM SUBSCRIPTION**

This Issue is not restricted to any minimum subscription level.

This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer becomes liable to pay the amount, the Issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of 3000 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, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

For a detailed description in respect of restrictions, if any, on transfer and transmission of shares and on their consolidation / splitting, please refer to the section titled "*Main Provisions of the Articles of Association of the company*" on Page 164 of this Draft Prospectus.

#### **OPTION TO RECEIVE EQUITY SHARES IN DEMATERIALIZED FORM**

The investors have an option either to receive the security certificate or to hold the securities with depository.

#### **MIGRATION TO MAIN BOARD**

Our Company may migrate to the main board of BSE from SME platform of BSE on a later date subject to the following:

a) If the Paid up Capital of the 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 (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than Promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board.

OR

b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, we may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

## **MARKET MAKING**

The shares offered through this Issue are proposed to be listed on the SME Platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME platform for a minimum period of three years from the date of listing of shares offered through this Draft Prospectus. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to “*General Information - Details of the Market Making Arrangements for this Issue*” on page 32 of this Draft Prospectus.

## **NEW FINANCIAL INSTRUMENTS**

The Issuer Company is not issuing any new financial instruments through this Issue.

## **WITHDRAWAL OF THE ISSUE**

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

- (i) The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
- (ii) The final RoC approval of the Draft Prospectus after it is filed with the RoC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

## **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in New Delhi, India.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

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

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M)(2) of Chapter X-B of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, An issuer whose post issue paid up capital exceeds ten crores rupees but do not exceed twenty five crores 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 an Issue please refer the section titled “*Terms of the Issue*” and “*Issue Procedure*” on page 142 and 148 of this Draft Prospectus.

Following is the Issue structure:

Public Issue of 39,78,000 equity shares of Rs. 10/- each (the “Equity Shares”) for cash at a price of Rs. 41/- per Equity Share aggregating to Rs. 1630.98 Lacs (“the Issue”) by Tarini International Limited (“TIL” or the “Company” or the “Issuer”).

The Issue comprises reservation of 2,01,000 Equity Shares for subscription by the designated Market Maker (“the Market Maker Reservation Portion”) and Net Issue to Public of 37,77,000 Equity Shares (“the Net Issue”).

| Particulars of the Issue                                 | Net Issue to Public*  | Market Maker Reservation Portion |
|--|---|----------------------------------|
| <b>Number of Equity Shares available for allocation</b>  | 37,77,000 Equity Shares   | 2,01,000 Equity Shares           |
| <b>Percentage of Issue Size available for allocation</b> | 94.95% of the Issue size  | 5.05% of the Issue size          |
| <b>Basis of Allotment</b>                                | Proportionate subject to minimum allotment of 3000 Equity Shares and further allotment in multiples of 3000 Equity Shares each.<br><br>For further details please refer to the section titled “ <i>Issue Procedure - Basis of Allotment</i> ” on page 154 of this Draft Prospectus.   | Firm Allotment                   |
| <b>Mode of Application</b>                               | 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        |
| <b>Minimum Application Size</b>                          | <b>For QIB and NII:</b><br>Such number of Equity Shares in multiples of 3000 Equity Shares such that the Application Value exceeds Rs. 2,00,000/-<br><br><b>For Retail Individuals:</b><br>3,000 Equity Shares  | 2,01,000 Equity Shares           |
| <b>Maximum Application Size</b>                          | <b>For QIB and NII:</b><br>Such number of equity shares in multiples of 3,000 Equity Shares such that the Application Size does not exceed 37,77,000 Equity Shares.<br><b>For Retail Individuals:</b><br>Such number of Equity Shares in multiples of 3,000 Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-. | 201,000 Equity Shares            |
| <b>Mode of Allotment</b>                                 | Dematerialized Form only  | Dematerialized Form only         |

|                         |  |  |
|-------------------------|--|--|
| <b>Trading Lot</b>      | 3,000 Equity Shares  | 3,000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009. |
| <b>Terms of Payment</b> | 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 Lacs and the balance for higher amount applications.

#### WITHDRAWAL OF THE ISSUE

The Company, in consultation with the LM, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of BSE for listing of Equity Shares offered through this issue on its SME Platform, which the Company shall apply for after Allotment and
2. The final ROC approval of the Prospectus after it is filed with the ROC. In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (One each in English and Hindi) and one in regional newspaper.

The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed

|                           |            |
|---------------------------|------------|
| <b>ISSUE OPENING DATE</b> | <b>[•]</b> |
| <b>ISSUE CLOSING DATE</b> | <b>[•]</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 applications will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time). Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

### FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Regulation 106(M)(2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 via Fixed Price Process.

Applicants are required to submit their Applications to the Selected Branches / Offices of the Escrow Bankers to the Issue who shall duly submit to them the Registrar of the Issue. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. As per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in Dematerialised form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.

### APPLICATION FORM

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. Upon completing and submitting the Application Form to the Bankers, the Applicant is deemed to have authorized our Company to make the necessary changes in the Draft Prospectus and the Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Applicant.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants. Upon completing and submitting the Application Form for ASBA Applicants to the SCSB, the ASBA Applicant is deemed to have authorized our Company to make the necessary changes in the Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Applicant.

The prescribed color of the Application Form for various categories is as follows:

| Category  | Color of Application Form |
|---|---------------------------|
| Resident Indians and Eligible NRIs applying on a non-repatriation basis | White                     |
| Non-Residents and Eligible NRIs applying on a repatriation basis        | Blue                      |

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f. May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### WHO CAN APPLY?

Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Applications by HUFs would be considered at par with those from individuals;

Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;

Mutual Funds registered with SEBI;

Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;

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);

FIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;

Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;

Sub-accounts of FIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;

Venture Capital Funds registered with SEBI;

Foreign Venture Capital Investors registered with SEBI;

State Industrial Development Corporations;

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;

Scientific and/or Industrial Research Organizations authorized to invest in equity shares;

Insurance Companies registered with Insurance Regulatory and Development Authority, India;

Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;

Multilateral and Bilateral Development Financial Institutions;

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;

Insurance funds set up and managed by army, navy or air force of the Union of India

As per the existing regulations, OCBs cannot participate in this Issue.

The information below is given for the benefit of the applicants. Our Company and the Lead Manager do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the Lead Manager is 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 does not exceed the limits prescribed under laws or regulations.

#### **PARTICIPATION BY ASSOCIATES OF LM**

The LM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the LM may subscribe for Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis.

## **AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS**

The Memorandum Form 2A containing the salient features of the Prospectus together with the Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, Lead Manager to the Issue, Registrar to the Issue and the collection Centers of the Bankers to the Issue, as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e. [www.bseindia.com](http://www.bseindia.com).

## **OPTION TO SUBSCRIBE IN THE ISSUE**

- a. As per Section 29(1) of the Companies Act, 2013, allotment of Equity Shares will be made only in dematerialized form. 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. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Platform of BSE.
- b. The equity shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

## **APPLICATION BY MUTUAL FUNDS**

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## **APPLICATIONS BY ELIGIBLE NRIS/FII'S ON REPATRIATION BASIS**

Application Forms have been made available for Eligible NRIs at our registered Office.

Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians.

Under the Foreign Exchange Management Act, 1999 (FEMA) general permission is granted to the companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRI's subject to the terms and conditions stipulated therein. The Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 days from the date of issue of shares for allotment to NRI's on repatriation basis.

Allotment of Equity Shares to Non Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity Shares will be allowed to be repatriated along with the income thereon subject to permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

The Company does not require approvals from FIPB or RBI for the Transfer of Equity Shares in the issue to eligible NRI's, FII's, Foreign Venture Capital Investors registered with SEBI and multilateral and bilateral development financial institutions.



**AS PER THE CURRENT REGULATIONS, THE FOLLOWING RESTRICTIONS ARE APPLICABLE FOR INVESTMENTS BY FIIS:**

- The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue paid-up capital. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital of the Company or 5% of the total issued capital, in case such sub-account is a foreign corporate or an individual. In accordance with the foreign investment limits applicable to our Company, such investment must be made out of funds raised or collected or brought from outside India through normal banking channels and the investment must not exceed the overall ceiling specified for FIIs. Under the portfolio investment scheme, the aggregate issue of equity shares to FIIs and their sub-accounts should not exceed 24% of post-issue paid-up equity capital of a company. However, this limit can be increased to the permitted sectoral cap/statutory limit, as applicable to our Company after obtaining approval of its Board of Directors followed by a special resolution to that effect by its shareholders in their general meeting. As of the date of the Draft Prospectus, no such resolution has been recommended to the shareholders of our Company for adoption.
- Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI FII Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or sub-account is also required to ensure that no further issue or transfer of any offshore derivative instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the LM that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue.

**APPLICATIONS BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors:

- The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, 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 33.33% of the funds available for investment by way of subscription to an Initial Public Offer.

**APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS**

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

**APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, 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 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

In addition, the IRDA partially amended the exposure limits applicable to investments in public limited companies in the infrastructure and housing sectors, *i.e.* 26<sup>th</sup> December, 2008, 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 Lacs, 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, our 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, 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, our 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 Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any 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, our 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, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of

the 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 Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## **MAXIMUM AND MINIMUM APPLICATION SIZE**

### **(a) For Retail Individual Applicants**

The Application must be for a minimum of 3,000 Equity Shares and in multiples of 3,000 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. 200,000 and in multiples of 3,000 Equity Shares thereafter. An Application cannot be submitted for more than the Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB or Non Institution Applicant cannot withdraw or lower its Application at any stage of Issue.

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 from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

## **INFORMATION FOR THE APPLICANTS:**

- a) Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
- b) The LM will circulate copies of the Prospectus along with the Application Form to potential investors.
- c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the registered office of the LM.
- d) Applicants who are interested in subscribing for the Equity Shares should approach the LM or their authorized agent(s) to register their Applications.
- e) Applications made in the Name of Minors and/or their nominees shall not be accepted.
- f) Applicants are requested to mention the application form number on the reverse of the instrument to avoid misuse of instrument submitted along with the application for shares. Applicants are advised in their own interest, to indicate the name of the bank and the savings or current a/c no in the application form. In case of refund, the refund order will indicate these details after the name of the payee. The refund order will be sent directly to the payee's address.

## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand Draft payable at New Delhi.

## **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 LM or the Registrar or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## **BASIS OF ALLOTMENT**

Allotment will be made in consultation with 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 3,000 equity shares the allotment will be made as follows:
  - a) Each successful applicant shall be allotted 3,000 equity shares; and
  - b) The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of 3000 equity shares, the number in excess of the multiple of 3000 would be rounded off to the higher multiple of 3000 if that number is 1500 or higher. If that number is lower than 1500, it would be rounded off to the lower multiple of 3000. All Applicant in such categories would be Allotted Equity Shares arrived at after such rounding off.
5. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 3,000 equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.
6. The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

- a) A minimum of 50% of the net offer of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
- b) The balance net offer of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
- c) The unsubscribed portion of the net offer to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.
- d) As per Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 as amended, if the retail individual investor category is entitled to more than fifty per cent. on proportionate basis, the retail individual investors shall be allocated that higher percentage.

'Retail Individual Investor' means an investor who applies for shares of value of not more than 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 BSE.

The Executive Director / Managing Director 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 the Company, the Registrar, Escrow Collection Bank(s) nor the LM shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Applications are liable to be rejected.

The Company in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/ CANs/ allocation advice/ refunds through electronic transfer of funds, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the Applicant). In such cases, the Registrar shall use Demographic Details as given in the Application Form instead of those obtained from the depositories.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/ or commission. In case of Applicants who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Applicants so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

## TERMS OF PAYMENT / PAYMENT INSTRUCTIONS

The entire Issue Price of Rs. 41/- 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 Cooperative Bank), which is situated at, and is a member of or sub member of the bankers' clearing house located at the centre where the 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: "TIL -Public Issue - R".
  - In case of Non Resident Retail Applicants applying on repatriation basis: "TIL -Public Issue - NR"
2. In case of Application by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Applicant applying on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.
3. Where an Applicant has been allocated a lesser number of Equity Shares than the Applicant has applied for, the excess amount, if any, paid on Application, after adjustment towards the balance amount payable by the Pay In Date on the Equity Shares allocated will be refunded to the Applicant from the Refund Account.
4. On the Designated Date and no later than 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.

## **GENERAL INSTRUCTIONS**

### ***Do's:***

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

### ***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not apply on another Application Form after you have submitted an Application to the Bankers of the Issue.

- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post; instead submit the same to the Selected Branches / Offices of the Banker to the Issue.
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

## OTHER INSTRUCTIONS

### *Joint Applications in the case of Individuals*

Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

### *Multiple Applications*

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications
- Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of "know your client" norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

## PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number ("PAN") to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 2, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

## **RIGHT TO REJECT APPLICATIONS**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

## **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 3000;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus;
- In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Applications accompanied by Stock invest/ money order/ postal order/ cash;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications where clear funds are not available in the Escrow Account as per the final certificate from the Escrow Collection Bank(s);
- Applications by OCBs;
- Applications by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Applications not duly signed by the sole;
- Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Applications that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- Applications or revisions thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 2,00,000, received after 5.00 pm on the Issue Closing Date;

## **IMPERSONATION**

Attention of the applicants is specifically drawn to the provisions of sub section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**"Any person who:**

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or



- b. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447 of the said Act.”

#### **SIGNING OF UNDERWRITING AGREEMENT**

Vide an Underwriting agreement dated 21<sup>st</sup> April, 2014 this issue is 100% Underwritten.

#### **FILING OF THE PROSPECTUS WITH THE ROC**

The Company will file a copy of the Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013.

#### **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 regional newspaper with wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price.

#### **DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 12 working days of the Issue Closing Date.

In case the Company issues Letters of allotment, the corresponding Security Certificates will be kept ready within three months from the date of allotment thereof or such extended time as may be approved by the Company Law Board under Section 113 of the Companies Act, 1956 or other applicable provisions, if any.

Allottees are requested to preserve such Letters of Allotment, which would be exchanged later for the Security Certificates. After the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date, the Company would ensure the credit to the successful Applicants depository account. Allotment of the Equity Shares to the Allottees shall be within two working days of the date of Allotment Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

Applicants to whom refunds are made through electronic transfer of funds will be sent a letter intimating them about the mode of credit of refund within 12 working days of closure of Issue.

The Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as Refund Banker and payable at par at places where applications are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Applicants.

#### **PAYMENT OF REFUND**

Applicants must note that on the basis of name of the Applicants, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Application Form, the Registrar will obtain, from the Depositories, the Applicants' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Applicants' sole risk and neither the Company, the Registrar, Escrow Collection Bank(s),

Bankers to the Issue nor the LM shall be liable to compensate the Applicants for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay.

#### **Mode of making refunds**

The payment of refund, if any, would be done through various modes as given hereunder:

- 1) **ECS (Electronic Clearing System)** - Payment of refund would be done through ECS for applicants having an account at any of the 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 the 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 ` 10.00 Lacs, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.
- 4) **NEFT (National Electronic Fund Transfer)** - Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.
- 5) For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other 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 two working days of date of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 working days from the Issue Closing Date. A suitable communication shall be sent to the Applicants receiving refunds through this mode within 12 working days of Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

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 (twelve) working days of the Issue Closing Date would be ensured; and

3) The Company shall pay interest at 15% p.a. for any delay beyond the 12 (twelve) working days time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/ or demat credits are not made to investors within the 12 (twelve) working days time.

#### **UNDERTAKINGS BY OUR COMPANY**

The Company undertakes the following:

- 1) That the complaints received in respect of this Issue shall be attended to by us expeditiously;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 12 (twelve) working days of closure of the Issue;
- 3) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Issuer;
- 4) That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 (twelve) working days of the Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That the certificates of the securities/ refund orders to the non resident Indians shall be dispatched within specified time; and
- 6) That no further issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non listing, under subscription etc.
- 7) The Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **UTILIZATION OF ISSUE PROCEEDS**

Our Board certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act, 2013;
- 2) Details of all monies utilized out of the Issue shall be disclosed under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of Clause 52 of the SME Listing Agreement in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.

Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.

#### **WITHDRAWAL OF THE ISSUE**

Our Company, in consultation with the LM reserves the right not to proceed with the Issue at anytime, including after the Issue Closing Date but before the Board meeting for Allotment, without assigning any reason. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which the Company shall apply for after Allotment. In terms of the SEBI Regulations, QIB Applicants shall not be allowed to withdraw their Application after the Issue Closing Date.

## **EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL**

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

(a) Agreement dated 15<sup>th</sup> December, 2011 between NSDL, the Company and the Registrar to the Issue;

(b) Agreement dated [•] between CDSL, the Company and the Registrar to the Issue;

The Company's shares bear an ISIN No. INE849M01017

- An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.
- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

## **COMMUNICATIONS**

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and cheque or draft number and issuing bank thereof and a copy of the acknowledgement slip. Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc.

## **ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS**

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the LM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

## **ASBA PROCESS**

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant ("ASBA Account") is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling

Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the LM. ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

### **Who can apply?**

In accordance with the SEBI (ICDR) Regulations, 2009 in public issues w.e.f. May 1, 2010 all the investors can apply through ASBA process and w.e.f May 02, 2011, the Non-Institutional applicants and the QIB Applicants have to compulsorily apply through the ASBA Process.

### **Mode of Payment**

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stockinvest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the ASBA Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

### **Unblocking of ASBA Account**

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the ASBA Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

## SECTION VIII

### MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION INTERPRETATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or Debentures and / or on their consolidation /splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in the Articles of Association and capitalized / defined terms herein have the same meaning given to them in the Articles of Association.

#### 8 FURTHER ISSUE OF SHARES

1. Where at the time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares either out of the unissued capital or out of the increased share capital then:

- a. Such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as near as circumstances admit, to the capital paid up on those shares at the date.
- b. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not less than thirty days from the date of the offer and the offer if not accepted, will be deemed to have been declined.
- c. The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (b) hereof shall contain a statement of this right.

PROVIDED THAT the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any member may renounce the shares offered to him.

- d. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner and to such person(s) as they may think, in their sole discretion fit.

2. Notwithstanding anything contained in sub-clause (1) thereof, the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub clause (1) hereof in any manner whatsoever.

- a. If a special resolution to that effect is passed by the Company in General Meeting, or
- b. Where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in the general meeting (including the casting vote, if any, of the chairman) by the members who, being entitled to do so, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and Central Government is satisfied, on an application made by the Board of Directors in this behalf that the proposal is most beneficial to the Company.

3. Nothing in sub-clause (c) of (1) hereof shall be deemed:

- a. To extend the time within which the Offer should be accepted; or
- b. To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made had declined to take the shares comprised in the renunciation.

Nothing in the Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

1. To convert such debentures or loans into shares in the Company; or
2. To subscribe for shares in the Company whether such options is conferred in these Articles or otherwise.

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term;

- a. Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or in conformity with the rules, if any, made by that Government in this behalf;
- b. In the case of debentures or loans or other than debentures issued or loans obtained from Government or any Institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in general meeting before the issue of debentures or raising of the loans.

#### **POWER ALSO TO COMPANY IN GENERAL MEETING TO ISSUE SHARES**

- 8A. In addition to and without derogating from the powers for that purpose conferred on the Board under these Articles, the Company in General Meeting may, subject to the provisions of Section 81 of the Act, determine that any Shares (whether forming part of the original capital or of any increased capital of the Company) shall be offered to such persons (whether Members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount as such General Meeting shall determine and with full power to give any person (whether a Member or not) the option or right to call for or buy allotted Shares of any class of the Company either (subject to compliance with the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in General Meeting may make any other provision whatsoever for the issue, allotment, or disposal of any Shares.

#### **POWER OF GENERAL MEETING TO AUTHORISE BOARD TO OFFER SHARES/OPTIONS TO EMPLOYEES**

- 8B. Without prejudice to the generality of the powers of the General Meeting under Article 8A or in any other Article of these Articles of Association, the General Meeting may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, determine, or give the right to the Board or any Committee thereof to determine, that any existing or further shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) be allotted / granted to its employees, including Directors (whether whole-time or not), whether at par, at discount or a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force. The General Meeting may also approve any Scheme/Plan/Other writing, as may be set out before it, for the aforesaid purpose.

In addition to the powers contained in this Article, the General Meeting may authorize the Board or any Committee thereof to exercise all such powers and do all such things as may be necessary or expedient to achieve the objectives of any Scheme / Plan / other writing approved under the aforesaid Article.

#### **APPLICATION OF PREMIUM RECEIVED ON SHARES**

- 8C. 1. Where the Company issues Shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on these shares shall be transferred to an account, to be called "the security premium account" and the provisions of the Act relating to the reduction of the share capital of the Company shall except as provided in this Article, apply as if the security premium account were paid up share capital of the Company.
2. The security premium account may, notwithstanding anything in clause (1) 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.

#### **REDEEMABLE PREFERENCE SHARES**

**9** Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

#### **NEW CAPITAL SAME AS ORIGINAL CAPITAL**

**12** Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

#### **REDUCTION OF CAPITAL**

**14** The Company may, subject to the provisions of Section 78, 80 and 100 to 105 and other applicable provisions (if any) of the Act, from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

#### **CONSOLIDATION AND DIVISION OF CAPITAL**

**15** The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- e. Consolidate and divide all or any of its share capital into shares of large amount than its existing shares.
- f. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division, the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the share from which the reduced share is derived.
- g. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled, a cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act.

#### **MODIFICATION OF RIGHTS**

**17** Whenever the capital, by reason of the issue of preference shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be varied, modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a resolution passed by the votes of not less than three-fourths of the votes of the holders of the shares of that class at a separate general meeting of the holders of shares of that class and all the provisions contained in these Articles to its general meetings shall mutatis mutandis apply to every such meeting. This Article is not to derogate from any power, the Company would have if this Article were omitted.



## **ISSUE OF FURTHER SHARES ON PARI PASSU BASIS**

**18** The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## **20. “REGISTER AND INDEX OF MEMBERS”**

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 150 and 151 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

## **21. SHARES TO BE NUMBERED PROGRESSIVELY**

The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

### **21A. DIRECTORS MAY ALLOT SHARES FULLY PAID-UP**

Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

## **22. APPLICATION OF PREMIUM**

1. Where the Company issue shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account to be called Share Premium Account and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in this clause, apply as if the share premium account were paid up share capital of the Company.

2. The share premium account may, notwithstanding sub-clause (1) hereof, be applied by the Company;

- h. in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares;
- i. In writing off the preliminary expenses of the Company;
- j. In writing off the expenses of or the commission paid or discount allowed on any issue of shares or debenture of the Company or
- k. In providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company.

## **28A. LIMITATION OF TIME FOR ISSUE OF CERTIFICATES**

Every members shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

## **28B. ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED**

If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

## **32. COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER**

1. The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

2. Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

## **33C. DECLARATIONS BY PERSON NOT HOLDING BENEFICIAL INTEREST IN ANY SHARES**

1. Notwithstanding anything herein contained a person whose name is at any time entered in Register of Member of the Company as the holder of a Share in the Company, but who does not hold the beneficial interest in such Shares, shall, if so required by the Act within such time and in such forms as may be prescribed, make declaration to the Company specifying the name and other particulars of the person or persons who hold the beneficial interest in such Share in the manner provided in the Act.

2. A person who holds a beneficial interest in a Share or a class of Shares of the Company, shall if so required by the Act, within the time prescribed, after his becoming such beneficial owner, make a declaration to the Company specifying the nature of his interest, particulars of the person in whose name the Shares stand in the Register of Members of the Company and such other particulars as may be prescribed as provided in the Act.

3. Whenever there is a change in the beneficial interest in a Share referred to above, the beneficial owner shall, of so required by the Act, within the time prescribed, from the date of such change, make a declaration to the Company in such form and containing such particulars as may be prescribed in the Act.

4. Notwithstanding anything contained in the Act and Articles 35 and 36 hereof, where any declaration referred to above is made to the Company, the Company shall, if so required by the Act, make a note of such declaration in the Register of Members and file within the time prescribed from the date of receipt of the declaration a return in the prescribed form with the Register with regard to such declaration.

## **33D. FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY**

No funds of the Company shall except as provided by Section 77 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of Sections 78,80 and 100 to 105 of the Act and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in

connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

### **33E. ISSUE OF SHARES WITHOUT VOTING RIGHTS**

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as through fit and as may be permitted by law.

### **33F. SECTIONS 83 AND 108 OF THE ACT NOT TO APPLY**

Notwithstanding anything to the contrary contained in the Articles,

1. Section 83 of the Act shall not apply to the Shares held with a Depository;
2. Section 108 of the Act shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as Beneficial Owners in the Records of a Depository.

### **33G. LIABILITY OF MEMEBRS**

Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands, shall be liable to pay to the Company the portion of the capital represented by his Share which may, for the time being, remain unpaid thereon in such amounts at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's requirements require or fix for the payment thereof.

### **34. COMMISSION MAY BE PAID**

The Company may, subject to the provisions of Section 76 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other.

### **35. BROKERAGE MAY BE PAID**

The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

### **37. DIRECTORS MAY MAKE CALLS**

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

### **38. CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS**

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

### **39. NOTICE OF CALLS**

One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid. Provided that the Board may, at its discretion, revoke the call or postpone it.

### **40. CALLS TO DATE FROM RESOLUTION**

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

### **41. DIRECTORS MAY EXTEND TIME**

The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

#### **42. CALL TO CARRY INTEREST AFTER DUE DATE**

If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

#### **45. IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN**

If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

#### **46. FORM OF NOTICE**

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

#### **51. ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE**

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

#### **52. EFFECT OF FORFEITURE**

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

#### **53. PROCEEDS HOW TO BE APPLIED**

The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

#### **54A. DECLARATION OF FORFEITURE**

a. A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager of the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

b. The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

c. The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.

d. Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

e. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be effected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale re-allotment or other disposal of the Shares.

**54B.** The declaration as mentioned in Article 65(a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

## **59. COMPANY'S LIEN ON SHARE/DEBENTURES**

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

## **65. REGISTER OF TRANSFER**

The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

## **66. EXECUTION OF TRANSFER**

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

## **67. INSTRUMENT OF TRANSFER**

The instrument of transfer shall be in writing and all the provisions of section 108 of the Act and any statutory modification thereof, for the time being, shall be duly complied with in respect of all transfers of shares and of the registration thereof.

**67A.** (i) Every holder of the share(s) in, and / or debenture(s) of the Company, may at any time nominate, in the manner prescribed under the Act, a person to whom his share(s) in, and/or debenture(s) of the Company, shall vest in the event of his death.

(ii) Where the share(s) in, and/or debenture(s) of the Company, are held by more than one person jointly, all the joint-holders may together nominate, in the manner prescribed under the Act, a person to whom all the rights in the share(s) and/or debenture(s) of the Company, as the case may be, shall vest in the event of death of all the joint holders.

(iii) Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in, and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in, and/or debenture(s) of the Company, the nominee shall, on the death of the shareholder and/or debenture-holders concerned or on the death of all the joint-holders, as the case may be, become entitled to all the rights in relation to such share(s) in and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.

(iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company, can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in, and/or debenture(s) of the Company, in the event of his death, during the minority.

(v) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 67A, upon the production of such evidence as may be required by the Board and subject as herein after provided, may elect either;

- a. to be registered himself as holder of the share(s) and/or debenture(s), as the case may be; or
- b. to make such transfer of the share(s) and/or debenture(s), as the case may be, as the deceased shareholder and/or debenture-holder, as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share(s) and/or debenture(s) himself, he shall deliver or send to the Company, a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder and/or debenture-holder, as the case may be.

(vi) All the limitations, restrictions and provisions of the Act, relating to the right to transfer and the registration of transfer of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder and/or debenture-holder as the case may be.

(vii) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) or debenture(s), be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that, the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share(s) and/or debenture(s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share(s) and/or debenture(s), until the requirements of the notice have been complied with.

#### **80. THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER**

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

#### **A. NOMINATION**

(i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.

(ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the act.

(iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or, as the case may be , all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

#### **“OPTION OF NOMINEE**

i. A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered

as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

#### **B. TRUST NOT RECOGNISED**

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names) appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

#### **C. TRANSFER OF SECURITIES**

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

#### **D. NOTICE OF APPLICATION WHEN TO BE GIVEN**

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.

#### **E. REFUSAL TO REGISTER NOMINEE**

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

#### **F. PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER**

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

### **SHARE WARRANTS**

#### **82A.**

##### **(i) Power to issue Share Warrants.**

The Company may issue warrants subject to and in accordance with provisions of Sections 114 and 115 of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may, from time to time, require, issue a share warrant.

##### **(ii) Deposit of Share Warrants.**

(a) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for call in a meeting of the Company, and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.

(b) Not more than one person shall be recognized as depositor of the Share warrant

(c) The Company shall, on two day's written notice, return the deposited share warrant to the depositor.

##### **(iii) Privileges and Disabilities of the holders of Share Warrants.**

(a) Subject as herein otherwise expressly provided, no person, being a bearer of a share warrant, shall sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privileges of a Member at a meeting of the Company, or be entitled to receive any notice from the Company.

(b) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the Share included in the warrant, and he shall be a Member of the Company.

(iv) Issue of New Share Warrants Coupons

The Board may, from time to time, make bye-laws as to terms on which (if it shall think fit), a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## **CONVERSION OF SHARES INTO STOCK**

### **Shares may be converted into stock**

**83.** The Board may, with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

### **Rights of Stock-holders**

**84.** The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

## **MEETING OF MEMBERS**

**85.** (a) Subject to Section 166 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, subject however to the right of the Registrar, under the Act, to extend the time within which any Annual General Meeting may be held.

(b) Every Annual General Meeting shall be called for at a time during business hours on a day that is not a public holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

**86.** The Company shall in accordance with Section 159 of the Act, within 60 day from the day on which the Annual General Meeting is held, prepare and file with the Registrar a return in the form set out in part II of Schedule V to the Act or as near thereto as the circumstance shall admit and containing the particulars specified in part I of the said Schedule V together with three copies of the Balance Sheet and the Profit and Loss Account laid before the Annual General Meeting in accordance with Section 220 of the Act.

### **Distinction between Annual General Meeting and Extra-ordinary General Meeting**

**87.** The General Meeting referred to in Article 86 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

### **Calling of Extra-ordinary General Meeting**



**88.** The Board may, whenever it thinks fit, call an Extra-ordinary General Meeting of the Company and it shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid forthwith proceed to convene an Extra-Ordinary General Meeting of the Company and in the case of such requisition, the provision of Section 169 of the Act shall apply. No shareholder or shareholders shall call a meeting of the Company except by or upon a requisition as herein provided.

**Length of notice for calling meeting**

**89.** (1) A General Meeting of the Company may be called giving not less than twenty one days notice in writing.

(2) A General Meeting may be called after giving shorter notice than the specified in sub-clause (1) hereof, if consent is accorded thereof.

- (i) in the case of an Annual General Meeting, by all the members entitled to vote thereat: and
- (ii) in the case of any other meeting, by members of the Company holding not less than ninety five per cent of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

Provided that where any members of the Company are entitled to vote on some resolution to be moved at the meeting and not on the others, those members shall be taken into the account for the purpose of this sub-clause in respect of the former resolution or resolutions and not in respect of the later.

Contents and manner of services of notices and person on whom it is to be served

**90.** (1) Every notice of the meeting of the Company shall specify the place and the day and hour of the meeting and shall contain a statement of the business to be transacted thereat.

(2) Notice of every meeting of the Company shall be given:

- (i) to every member of the Company, in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act.
- (ii) to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address if any, in India supplied for the purpose by the persons claiming to so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred: and
- (iii) To the auditor or auditors for the time being of the Company in any manner authorised by Section 53 of the Act, in the case of any member of members of the Company.
- (iv) PROVIDED that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighborhood of the registered office of the Company under sub-section (3) of section 53 of the Act, the statement of material facts referred to in Section 173 of the Act, need not be annexed to the notice as required by that section, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

(3) The accidental omission to give notice to or non receipt of notice by any member or other person to whom it should be given shall not, invalidate the proceedings at the meeting.

(4) Every notice convening a meeting of the Company shall state in that a member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and that a proxy need not be a Member of the Company.

**Special business**

**91.** All business to be transacted at an Annual General Meeting with the exception of businesses relation to (i) the consideration of the accounts, balance sheets and reports of the Board of Directors and Auditors, (ii) the declaration of the dividend, (iii) the appointment of Directors in place of those retiring and (iv) the appointment of and the remuneration of Auditors and all business to be transacted at any other meetings of the Company shall be deemed Special.

## **VOTES OF MEMBERS**

### **Votes may be given by proxy or attorney**

111. Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 187 of the Act and Article 113.

### **Votes of members**

112. Subject to the provision of the Act and these Articles, every member not disqualified by Article 116 shall be entitled to be present in person and holding any equity share capital therein, shall have one vote and upon a poll the voting right of every such member present in person or by proxy shall be in proportion to his share of paid up equity share capital of the Company.

Provided, however, if any preference share holder be present at any meeting of the Company, save as provided in Clause (b) of sub-section (2) of Section 84 of the Act, he shall have a right to vote only on resolution placed before the meeting which directly affect the rights attached to his preference shares.

### **Right of member to use his votes differently**

113. On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

### **Representation of Body Corporate**

114. A body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of creditors of the Company.

### **Restriction on exercise of voting right by members who have not paid calls**

115. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

### **No voting by proxy on show of hands**

116. No member not personally present shall be entitled to vote on a show of hands, unless such member is a body corporate present by a representative duly authorized, under Section 187 of the Act in which case such representative may vote on a show of hands as if he were a member of the Company. A proxy who is present at a meeting shall not be entitled to address the meeting.

## **DIRECTORS**

124. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors shall not be less than three nor more than twelve.

### **Increase in number of Directors to require Government sanction**

125. The Company shall not increase the number of its Directors beyond the maximum fixed by these Articles.

### **Power of Directors to appoint additional Directors and to fill casual vacancies**

126. Subject to the provision of Sections 260, 263, 264 and 284 (6) of the Act and subject to these Articles, the Directors shall have power at any time and from time to time to appoint any other person as a Director either or fill casual vacancy or as an addition to the Board but so that the total number of Directors shall not any time exceed the maximum number fixed. Any additional Director so appointed shall hold the office upto the next Annual General Meeting.

### **Nominee Directors**

127. Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or financial institution or any person or persons (hereinafter referred to as the appointer) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other

securities of the Company or business takeover agreements, the Board shall have, subject to the provisions of Section 255 of the Act, the power to agree that such appointer shall have, if and to the extent provided by the terms of such agreement or contract, the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board for such period and upon such conditions as may be mentioned in the agreement or contract and that such Directors may not be liable to retire by rotation nor be required to hold any qualification shares. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer may appoint another or others in his or their place and also fill any vacancy which may occur as a result of any Director or Directors ceasing to hold that office for any reason whatsoever. The Directors appointed or nominated under this Article shall be entitled to exercise and enjoy all or any of the rights and privileges exercised or enjoyed by the other Directors of the Company including payment of remuneration and traveling expenses to such Director or Directors, as may be agreed by the Company with the appointer. The Company may provide by an agreement specific right to nominee Directors for insisting their concurrence to any of the decision of the Board and if no consent from the nominee Directors is received such a decision of Board would not be taken or if taken shall not be binding to Company, as if not validly taken.

#### **135B. Alternate Director**

The Board may appoint, an Alternate Director recommended for such appointment by the Director (hereinafter in this Article called "the Original Director") to act for him during his absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. Every such Alternate Director shall, subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meetings of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such Meetings to have and exercise all the powers and duties and authorities of the Original Director. The Alternate Director appointed under this Article shall vacate office as and when the Original Director returns to the State in which the meetings of the Board are ordinarily held and if the term of office of the Original Director is determined before he returns to as aforesaid, any provisions in the Act or in these Articles for automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not the Alternate Director.

#### **135C. Limit on number of retaining Directors**

The provisions of Articles 146, 147, 148 and 149 are subject to the provisions of of Section 256 of the Act and number of such Directors appointed under Article 147 shall not exceed in the aggregate one third of the total number of Directors for the time being in office.

#### **135D. Directors' sitting fees**

The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be Prescribed by the Central Government for each of the meetings of the Board or A committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

#### **135E. Directors and Managing Director may contract with Company**

Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only Of such director holding that office or of the fiduciary relation thereby Established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 299 of the Act and in this respect all the provisions of Section 300 and 301 of the Act shall be duly observed and complied with.

#### **Removal of Directors**

**141.** (1) The Company may, by ordinary resolution, remove a Director not being a Nominee Director appointed under Article 128 or a Debenture Director appointed under Article 129 and not being a Director appointed by the Central Government in pursuance of Section 408 of the Act before the expiry of this period of office.

(2) Special notice shall be required of any resolution to remove a Director under this Article or to appoint somebody instead of a Director so removed at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a Director under this Article the Company shall forthwith send a copy thereof to the Director concerned and the Director shall be entitled to be heard on the resolution at the meeting.

(4) Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representation in writing to the Company (not exceeding a reasonable length) and request its notification to members of the Company and shall unless the representations are received by it too late for it to do so.

(a) in any notice of resolution given to the members of the Company, state the fact of the representations having been made; and

(b) send a copy of the representation to every member of the Company to who notice of the meeting is sent (whether before or after receipt of the representations by the Company) and if a copy of the representation is not sent as aforesaid because it was received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representation shall be readout at the meeting' provided that copies of the representation need not be sent out and the representation need not be read out at the meeting if on the application either of the Company or of any other person who claims to be aggrieved, a court of competent jurisdiction is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter.

(5) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in General Meeting or by the Board under Article 127 hereof, be filled by the appointment of another Director in his stead by the meeting at which he is removed, provided special notice of the intended appointment has been given. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid.

(6) If the vacancy is not filled up under the clause (5) hereof, it may be filled as a casual vacancy in accordance with the provisions, so far as they may be applicable to Article 127 hereof and all the provisions of that Article, shall apply accordingly. Provided that the Director who is removed from office under this Article shall not be re-appointed as a Director by the Board of Directors.

#### **Board may appoint Managing Director or Whole time Director**

**159.** Subject to the provisions of Sections 267, 268, 269, 309, 310, 311, 316, 317 and other applicable provisions, if any of the Act, the Board of Director may from time to time appoint one or more of their body to be Managing Director or Managing Directors or Whole-time Director or Whole-time Directors of the Company on a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places.

#### **Remuneration of Managing Directors or whole time Director**

**160.** The remuneration of a Managing Director or whole time Director shall from time to time, be fixed by the Board and may be by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Sections 198 and 309 of the Act.

#### **Directors may confer power on Managing Director**

**161.** Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

#### **Managing Director not to exercise certain powers**

**162.** The Managing Director or Managing Directors shall not exercise the powers to:

- (a) make calls on share holders in respect of money unpaid on the share of the Company
- (b) issue of debentures and

(c) except delegated by the Board under Section 292 of the Act, invest the funds of the Company or make loans or borrow moneys.

**Certain persons not to be appointed as Managing Directors**

**163.** The Company shall not appoint or employ or continue the employment of any persons as its Managing Director or Whole-time Director who:

- (a) is an un-discharged, insolvent or has at time been adjudged an insolvent;
- (b) suspends or has at any time suspended, payment to his creditors or makes or has at any time made composition with them; or
- (c) is or has at any time being, convicted by a Court of an offence involving moral turpitude.

**163A.** Special to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

**164.** The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 383A of the Act.

**172.** The profits of the Company which it shall from time to time determine, subject to the provisions of Section 205 of the Act, to divide in respect of any year or other period, shall be applied first in paying the fixed, preferential dividend on the capital paid up on the preference shares if any and secondly in paying a dividend declared for such year or other period on the capital paid upon the equity shares.

**172A. Division of profits**

(a) Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid but if any so long as nothing is paid upon any of Share in the Company, dividends may be declared and paid according to the amounts of the Shares.

(b) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of this Article as paid on the Shares.

**172B. Dividend to joint holders**

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

**Capitalisation of reserves**

**187.** (a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys, investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

(1) Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up in full or any shares then remaining unissued to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with section 75 of the Companies Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

#### **189. Books where to be kept and inspection**

(1) The Company shall keep at its Registered Office proper books of account as would give a true and fair view of the state of affairs of the Company or its transactions with respect to:

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place

(b) all sales and purchases of goods by the Company

(c) the assets and liabilities of the Company and

(d) if so required by the Central Government, such particulars relating to utilization of material or labour or to other items of cost as may be prescribed the Government Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.

(2) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of account relating to the transaction effected at the branch are kept at that office and proper summarised returns, made upto date at intervals of not more than three months, are sent by the branch office to the Company at its Registered Office or the other place referred to in

sub-clause (1). The books of accounts and other books and papers shall be open to inspection by any Director during business hours.

#### **Inspection by members**

**190.** The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

#### **Statement of Accounts to be laid in General Meeting**

**191.** The Board of Directors shall from time to time, in accordance with Sections 210, 211, 212, 215, 216 and 217 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

#### **Balance Sheet and Profit and Loss Account to be sent to each member**

**192.** A copy of Balance Sheet (including the profit and loss account, the auditors report and every other documents required by law to be annexed or attached, as the case may be, to the balance sheet) which is to be laid before a Company in general meeting shall, not less than twenty-one days before the date of the meeting be sent to every member of the Company, to every trustee for the holders of any debentures issued by the Company, whether such member or trustee is or is not entitled to have notices of General Meetings of the Company and to all persons other than such members or trustees, being persons so entitled, provided that this Article shall not require a copy of the documents aforesaid to be sent:

(a) to a member or holder of debentures of the Company who is not entitled to have notices of General Meeting of the Company to be sent to him and whose address the Company is unaware:

(b) to more than one of the joint-holders of the any shares or debentures, some of whom are entitled to have such notices sent to them;

(c) in the case of joint holders of any shares or debentures, some of whom entitled to have such notices sent, to those who are not so entitled; or

(d) the Board of Directors may, in their absolute discretion, if they deem fit, instead send statement containing the salient features of such documents in the prescribed form to every member of the Company and to every trustee for the holders of any debentures issued by the Company in accordance with the provision contained in Section 219 of the Act.

#### **Accounts to be Audited**

**193.** (1) Once at least in every year the accounts of the Company shall be examined by one or more Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

(2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

#### **193A. Appointment of Auditors.**

(1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 224 to 229 and 231 of the Act.

(2) The Company shall at each Annual General Meeting appoint an Auditor or Auditors to hold office from conclusion of that Meeting until the conclusion of the next Annual General Meeting and shall within seven days of the appointment give intimation thereof to the Auditor so appointed unless he is a retiring Auditor.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

(a) he is not qualified for re-appointment;

(b) he has given to the Company notice in writing of his unwillingness to be re-appointed;

(c) a resolution has been passed at that Meeting appointing somebody instead of him or providing expressly that he shall not be re-appointed; or

(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.

(4) Where at any Annual General meeting no Auditors are appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.

(5) The Company shall within seven days of the central government's power under sub-clause (4) becoming exercisable give notice of that fact to that Government.

(6) The Directors may fill any casual vacancy in the office of Auditors, but while any such vacancy continues, the surviving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of art Auditor, the vacancy shall only be filled by the Company in General Meeting.

(7) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given by a Member to the Company not less than fourteen days before the Meeting in accordance with Section 190 of the Act and all the other provisions of Section 225 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.

## REGISTERS AND DOCUMENTS

### 197A. Registers and documents to be maintained by the Company

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

(a) Register of investments made by the Company but not held in its own name, as required by Section 49(7) of the Act

(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.

(c) Register and index of Member and debenture holders as required by Section 150, 151 and 152 of the Act.

(d) Foreign register, if so though fit, as required by Section 157 of the Act

(e) Register of contracts, with companies and firms in which Directors are interested as required by Section 301 of the Act.

(f) Register of Directors and Secretaries etc. as required by Section 303 of the Act.

(g) Register as to holdings by Directors of Shares and/or Debentures in the Company as required by Section 307 of the Act.

(h) Register of investments made by the Company in Shares and Debentures of bodies corporate in the same group as required by Section 372(2) of the Act.

(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.

(j) Register of loans, guarantees, or securities given to the other companies under the same management as required by Section 370 of the Act.

### 197B. Inspection of Registers

The registers mentioned in clauses (f) and (i) of the foregoing Article and the minutes of all proceedings of General Meetings shall be open to inspection and extracts may be taken there from and copies thereof may be required by any Member of the Company in the same manner to the same extent and on payment of the same fees as in the case of the Register of Members of the Company provided for in clause (c) thereof. Copies of entries in the registers mentioned in the foregoing article shall be furnished to the persons entitled to the same on such days and during such business hours as may be consistent with the provisions of the Act in that behalf as determined by the Company in General Meeting.

## INDEMNITY

Company may indemnify

**198.** Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or any person (whether officer of the Company or not) employed by the Company or as an auditor or servant of the Company shall be indemnified by the Company and it shall be the duty of the Board to pay, out of the funds of the Company, all costs, charges, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered in to or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses and in particular and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or servant in defending any



proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted by the Court.

**199.** subject to the provisions of Sections 201 of the Act; no Director, Manager or other officer of the Company shall be liable for the acts, receipts or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy or insolvency or tortuous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgement, omission, default or oversight, on his part or for any other loss, damage or, misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

## **WINDING UP**

### **Distribution of Assets**

**200.** If the Company shall be wound up and the assets available for distribution among the members are such as shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of winding up the excess shall be distributed amongst the members in proportion to the capital paid up or which ought to have been paid up at the commencement of winding up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

#### **200A. Distribution in specie or kind**

(a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.

(b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 494 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

#### **200B. Right of shareholders in case of sale**

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction

#### **200C. Directors and others right to indemnity**

Subject to the provisions of Section 201 of the Act, every Director or officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor, shall be indemnified by the Company against and it shall be the duty of the Directors, out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to pay by reason of any contract entered into or any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain

through or by his own wrongful act, neglect or default) including expense, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, officer or Auditor or other office of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour, or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

**200D. Director, officer not responsible for acts of others**

Subject to the provisions of Section 201 of the Act no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or office or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested for any loss or damages arising from the insolvency or tortuous act of any person, firm or Company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part 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.

We the several persons, whose names and addresses and descriptions are hereunder subscribed below, are desirous of being formed into a company in pursuance of these Articles of Association.

## SECTION IX: OTHER INFORMATION

### LIST OF MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts and agreements referred to (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before this Draft Prospectus), which are or may be deemed to be material have been entered into by or on behalf of the 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 Draft Prospectus and have been delivered to the SME platform of BSE Limited and may be inspected at the Registered Office of the Company situated at D-2, 1<sup>st</sup> Floor, Amar Colony, Lajpat Nagar IV, New Delhi-110024, 10:30 am to 5:30 pm on any working day from the date of this Draft Prospectus until the date of closure of the subscription List.

#### MATERIAL CONTRACTS

1. Memorandum of Understanding dated 19<sup>th</sup> April, 2014 between our Company and the Lead Manager to the Issue.
2. Memorandum of Understanding dated 19<sup>th</sup> April, 2014 between our Company and the Registrar to the Issue.
3. Copy of tripartite agreement dated 15<sup>th</sup> December, 2011 between NSDL, our Company and Link Intime Services Private Limited.
4. Copy of tripartite agreement dated [●] between CDSL, our Company and Link Intime Services Private Limited.
5. Escrow Agreement dated [●] between our Company, Lead Manager, Escrow Collection Bank and the Registrar to the issue.
6. Market Making Agreement dated 21<sup>st</sup> April, 2014 between our Company, Lead Manager and Market Maker.
7. Underwriting Agreement dated 21<sup>st</sup> April, 2014 between our Company and Underwriters.

#### DOCUMENTS FOR INSPECTION

8. Memorandum and Articles of Association of our Company as amended from time to time.
9. Copy of the resolution passed at the meeting of the Board of Directors held on 25<sup>th</sup> February, 2014 approving the issue.
10. Copy of the resolution passed by Shareholders at Extra-Ordinary General Meeting of Members held on 21<sup>st</sup> March, 2014 approving the issue.
11. Copy of Board resolution dated 30<sup>th</sup> September, 2011 appointing Mr. Vakamulla Chandra Shekhar as the Managing Director of our Company for period of 3 years w.e.f. 01.10.2011.
12. Copy of Board resolution dated 15<sup>th</sup> January, 2012 appointing Mrs. Vakamulla Anu Naidu as the Whole-time Director of our Company for period of two and half years w.e.f. 01.04.2012.
13. Consents of the Directors, Company Secretary/Compliance Officer, Statutory Auditors, Peer Review Auditors Lead Manager to the Issue, Underwriters, Market Makers, Legal Advisors to the Issue, Bankers to the Issue and Registrars to the Issue, to include their names in the Draft Prospectus to act in their respective capacities.
14. Copies of Annual Reports of our Company for the preceding five (5) financial years viz 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13.
15. Audit report and restated financial information issued by our Peer Review Auditors i.e. M/s. Ramanand & Associates, Chartered Accountants, dated 19<sup>th</sup> April, 2014 included in the Draft Prospectus.

16. Letter dated 20<sup>th</sup> April, 2014 from the statutory Auditors of our Company, M/s. VCG & Co., Chartered Accountants, detailing the tax benefits.
17. Copy of certificate from the statutory Auditors of our Company, M/s. VCG & Co., Chartered Accountants, dated 20<sup>th</sup> April, 2014 regarding the sources and deployment of funds as on 31<sup>st</sup> March, 2014.
18. Board Resolution dated 22<sup>nd</sup> April, 2014 for approval of Draft Prospectus.
19. Due Diligence Certificate dated 22<sup>nd</sup> April, 2014 to be submitted to SEBI from Lead Manager viz. Guinness Corporate Advisors Private Limited along with the filing of the Prospectus.
20. Copy of approval from BSE vide letter dated [•] to use the name of BSE in this offer document for listing of Equity Shares on SME Platform of BSE.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time, if so required, in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## **DECLARATION**

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 issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992 as the case may be, have been complied with and no statement made in this Draft 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 issued, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

### **SIGNED BY ALL THE DIRECTORS**

Mr. Vakamulla Chandra Shekhar

Mrs. Vakamulla Anu Naidu

Mr. Ponnu Swami Sethu Seshan

Mr. Simhachalam Gedela

### **SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

Mr. Amit Arora

**Date:** 22.04.2014

**Place:** New Delhi